

Implementation of Social Customer Relationship Management as a Sustainability Strategy of Banyumas MSMEs in the Covid-19 Pandemic

Akbar Pahlevi¹, Andhi Johan S²

¹General Sudirman University, Indonesia

²Wijayakusuma University Purwokerto, Indonesia

akbarpahlevi84@gmail.com, andijohan1001@gmail.com

Abstract

The purpose of the study is to analyze the implementation of SCRM as a business continuity strategy during the Covid-19 pandemic by taking a case study on MSMEs in Banyumas Regency. This study uses a descriptive approach. The data collection technique used in this study was library observation as a technique for collecting data (Hardilawati, 2020). For data collection and analysis, the NVivo Release 12.00 plus for Windows application with a database of links or URLs is used. The result of this study are MSMEs in Banyumas lack the resilience and flexibility in dealing with this pandemic due to several things, such as the level of low digitization, difficulties in accessing technology, and lack of understanding of strategies to survive in business. MSMEs are required to be able to adapt to existing business developments because businesses that can survive are businesses that are responsive to the times.

Keywords

Customer Relationship, Management, Sustainability, MSMEs



I. Introduction

A company is an organization founded by a person or group of people or other entities whose activities are to produce and distribute to meet human needs (Soemarso, 2004). The classification of companies can be seen in terms of the number of workers employed. Based on this classification, companies are grouped into small, medium, and large companies. The company's line of business can be grouped into service, trading, and manufacturing business categories.

In carrying out its business, each company depends on natural conditions, market, and monetary situations (Mankiw, 2009). The case of the Covid-19 pandemic is a natural factor that cannot be controlled by the company, so it is very influential on the survival of the company. Data released by BPS states that only 58.95% of companies continue to do business as usual.

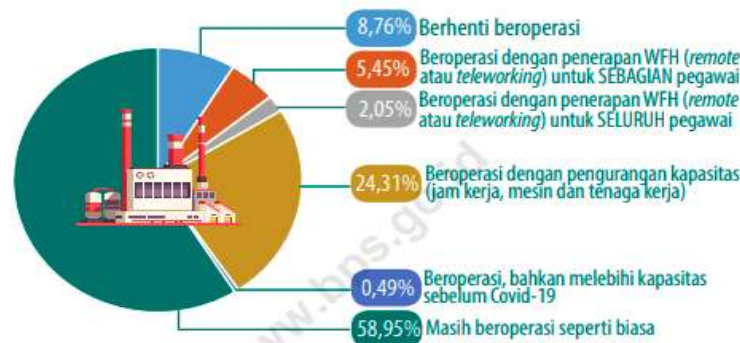


Figure 1. Company operations during the Covid-19 pandemic

Source: BPS Publications, Analysis of Covid-19 Impact Survey Results on Business Actors 2020.

During a pandemic, the company is trying to maintain its business operations. Some companies (58.95%) are still operating as before the pandemic. About 77 out of every 100 companies in the water supply and waste management sector; agriculture, animal husbandry, and fisheries; and real estate is still operating as usual. However, there are policy changes, including reducing working hours, which is the policy that is mostly carried out by companies that are still operating as usual.

The next most widely implemented policy is for workers to be laid off and lay off workers in a short time. An increase in working hours of 24.85% is the policy that is mostly carried out by companies that operate even exceeding their pre-Covid-19 capacity. However, there is an interesting fact that of the 58.95% that we're able to survive, they were included in Micro, Small, and Medium Enterprises (MSMEs). Implementation of Large-Scale Social Restrictions (PSBB) has an impact on the operational flexibility of MSMEs and reduces consumers who shop directly compared to normal days.

Facing the situation of social restrictions, one way for MSME businesses to be sustainable is to establish good relationships (Atmaja, 2021) with customers through customer relationship marketing (SCRM). The strategy that can be done by business actors is to open an online shop selling through e-commerce. Hardilawati (2020) concludes that e-commerce has a positive and significant impact on improving the marketing performance and income of MSMEs. But the development of e-commerce requires no small amount of money (Hadi, 2020). Following the development of social media, it can be considered as a marketing strategy, one of which is social-CRM (Baird dan Parasnis, 2011).

The low cost of social-CRM can be an alternative marketing strategy for MSMEs. Banyumas Regency has a large number of small and medium enterprises. In 2019 the number of small businesses reached 736 and the number of medium enterprises was 150 (Dinas Perindustrian Perdagangan dan Koperasi, 2020).

Table 1. Data on the Development of Business Groups Based on Trade Business Permits (IUP) in Banyumas Regency 2015-2019

Year	Small company	Medium Enterprise	Large companies	Amount
2015	843	86	23	952
2016	693	93	24	810
2017	773	100	32	905
2018	783	107	42	922
2019	736	151	98	985
Total	3.818	537	219	4.574

Source: Banyumas Regency Industry and Cooperative Office, 2020

Entering 2020, after being affected by the Covid-19 pandemic, it is estimated that the number of MSMEs is smaller than 985 companies. These problems require stakeholders to work together to maintain the sustainability of MSMEs and carry out structuring and revitalization due to the Covid-19 pandemic in the MSME sector to create MSME commitment and trust. By utilizing technological advances such as the use of social media as digital marketing that is right on target and can reach the wider community (Harrigan and Miles, 2014). For example, by spreading promotions through social media such as Facebook, Instagram, Whatsapp, or other social networks.

Based on this background, researchers are interested in researching with the title Application of Social Customer Relationship Management as a Sustainability Strategy for Banyumas MSMEs in the Covid-19 Pandemic Period.

1.1. Formulation of the Problem

In the era of industrial revolution 4.0, business actors should have moved to e-commerce because the trading and spending patterns of consumers have begun to shift. Social media as one of the SCRM implementations (Zeng, 2003) is a strategy that is considered appropriate in developing MSMEs considering that it does not require large costs, especially with social restrictions as the impact of the COVID-19 pandemic. From the description above, the research problem is formulated how to apply SCRM as a strategy for MSME business continuity in Banyumas Regency?

1.2. Research Purposes

The purpose of the study is to analyze the implementation of SCRM as a business continuity strategy during the Covid-19 pandemic by taking a case study on MSMEs in Banyumas Regency.

1.3. Research Use

a. Theoretical Uses

The theoretical use of this research is expected to be a reference contribution and information input for other academics who will continue research in the future, especially those related to material on business continuity in terms of the SCRM aspect associated with the acceptance of information technology and digital marketing. As well as being a useful input in improving business continuity and business performance of MSMEs in Banyumas Regency.

b. Practical Use

The practical benefits of this research, it is hoped that this research can be used as a reference to determine the factors that influence the value of the business performance on MSMEs in Banyumas Regency. The results of this study are expected to be a reference and advice for evaluating the company's performance as well as a guide in making policies that will determine the company's strategic direction in increasing profits in the future. By knowing the value of the MSME business performance variable in Banyumas Regency which is examined in this study, it is hoped that entrepreneurs will be able to assess the performance.

II. Review of Literature

2.1 Social Customer Relationship Management

The definition of Social Customer Relationship Marketing is a process to create, maintain and enhance strong relationships with consumers through social media (Zeng, 2003). Chan (2003) explains that SCRM is a closer introduction to each customer by creating two-way communication, which needs to be managed through social media.

The management is in the form of a mutually beneficial relationship between the customer and the company. The partnership is the core of the intended relationship, not just the relationship between the seller and the buyer. Goal setting is to achieve long-term goals to generate sustainable profits. SCRM is a strategy to build good relationships with customers in the long term (Winer, 2001). SCRM will create trust and customer satisfaction and so will form a loyal consumer group, (Tjiptono, 2000).

Determination of the formation of social customer relationship marketing (Ndubisi, 2007) is commitment, communication, and complaint handling. A sustainable business growth strategy can be carried out through a mutualistic symbiotic relationship with

customers that allows a business to clearly understand its needs, create and deliver the best value (Ndubisi, 2003).

Morgan and Hunt (1994) explain that customer commitment is a long-lasting desire in the customer to maintain a valuable relationship or a relationship that provides benefits (valued relationship), that the customer will have a strong or high commitment if the relationship is considered important. . Communication is a process used by consumers and marketing organizations to share information to reach a common understanding. It is important to note, if the reception of the information is good, it will spread widely to the target audience, especially in

2.2 Social Media

Social media is virtual media where users can participate, share, and create content including blogs, social networks, wikis, forums, and virtual worlds. Blogs, social networks, and wikis are the most common forms of social media used by people around the world. In the concept of communication, social media is online media that supports social interaction and social media uses web-based technology that turns communication into interactive dialogue.

Social media is "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and which enable the creation and exchange of user-generated content". Social networking is a site where anyone can create a personal web page, then connect with friends to share information and communicate. The largest social networks include Facebook, Myspace, and Twitter.

Social media is an example of a relatively recent development of information technology (Marbun *et al*, 2020). Communication through social media promises a comfortable state of communication, where someone who cannot compose words can be someone who is very poetic, with a very relaxed appearance and state, someone can carry out communication activities with others, lecturers, or someone when we communicate with it must take care of all things, appearance and style of language, but communicating through social media do not have to pay attention to it, sit back with a cup of coffee and use casual clothes a person can carry out communication activities (Marlina, 2020).

2.3 Theoretical Thinking Framework

The theoretical framework is a simplification process of a complete understanding or understanding of solving a problem (Ferdinand, 2014). The theoretical framework is also a series of concurrent hypotheses that can form a comprehensive explanation through the description of a causal series regarding the research problem.

The enactment of PSBB as a result of the Covid-19 pandemic has broad implications for various socio-economic lives of the community (Bartik, 2020). The impact on the company being unproductive (Fairlie, 2020) and even the potential for the company to go bankrupt. There are two important issues that almost all journals that examine the impact of Covid-19 on the sustainability of MSME businesses are the need to innovate. In this case product innovation, HR, and marketing. If even innovation is not a short-term solution, then cost reduction (Ozili, 2020) will be a bitter choice for companies to make.

Related to the fourth industrial revolution which carries the theme of globalization of information technology, it is certainly a new vehicle for MSMEs to survive in running their business (Tuzovic, 2020; Jones, 2020). In the realm of MSMEs, the use of information technology can be in the form of e-commerce (Zhang, 2020; Jones, 2020) in its simplest form (Tuzovic, 2020) for example the use of social media. Therefore, the concept of relationships with consumers through social media is known as Social Customer

Relationship Marketing (Papadopoulos, 2020) especially during the PSBB period which limits almost all space for movement and activities. Based on the literature review that has been described previously, the following theoretical framework can be drawn up:

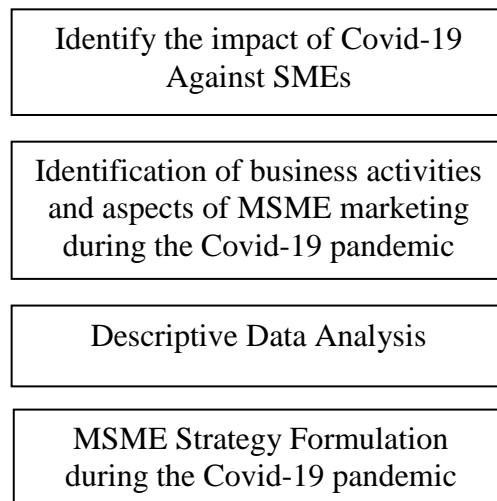


Figure 2. *Theoretical Thinking Framework*
Source: Modified previous research

III. Research Methods

This study uses a descriptive approach. The data collection technique used in this study was library observation as a technique for collecting data (Hardilawati, 2020). For data collection and analysis, the NVivo Release 12.00 plus for Windows application with a database of links or URLs is used.

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The data used in this study is secondary data sourced from Google Review. The weakness of this sampling is when the culinary owner does not register his business on Google Business. Therefore, even though it is popular on other social media, it is not detected in the NVivo Database. Links embedded as databases are comments or consumer reviews which are treated as respondent interviews. To identify the focus of the problem, the Open Nodes technique is used from the text query menu in NVivo.

The results of the analysis are then analyzed qualitatively based on the marketing theory approach as a recommendation and marketing strategy to be implemented by MSMEs

IV. Results and Discussion

As of July 3, 2021, the government issued a policy of Enforcement of Emergency Community Activity Restrictions (PPKM) in several areas as an effort to suppress the increasingly widespread coronavirus. Based on the Community Behavior Survey during the COVID-19 Pandemic Period (SPMPMPC-19) organized by the Banyumas Central Statistics Agency, it showed that many respondents filled activities during restrictions through activities that minimized mobility, namely communicating with family or friends online (65.25% of respondents).

This fact is a potential use of SCRM because as many as 65.25% of Banyumas people are active surfing in the internet world. Therefore, SMEs in Banyumas Regency can apply social media as the implementation of customer relationship management.

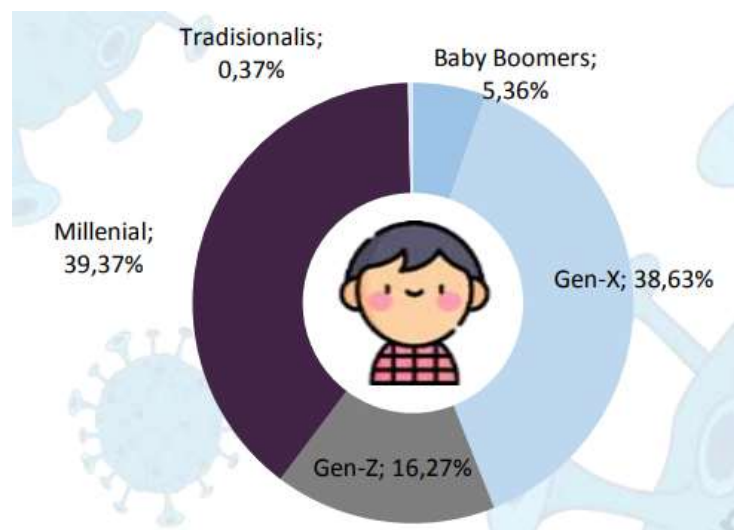


Figure 3. Distribution of intense internet user data in Banyumas Regency (BPS, 2021)

Based on Figure 3, it is known that the age group with the highest internet access is the Millennial generation (born in 1981-1994) with 39.37%, followed by the Gen-X group (born in 1961-1980) with 38.63%. Based on the distribution of internet user data, MSME actors can determine which media can be used to carry out SCRM by considering the intensity of market segmentation on social media.

Social Customer Relationship Management (Social CRM) is applied to improve relationships with customers in providing culinary information, knowing interests, and listening to customer criticism and suggestions. Culinary businesses that target certain segments must consider at what age a consumer accesses social media. For example, culinary delights that serve up-to-date food must of course use social media that are of interest to the Millennial Generation because this generation's favorite menu is no longer interested in local wisdom.

Therefore, the next step is to determine the type of social media that will be used as SCRM. For this purpose, you can use the data reported by.

Based on a survey conducted by www.digital.com, it is known that YouTube is still the most popular social media in Indonesia (Figure 4). The number of YouTube users reaches 94% with the age range in the range of 16 to 64 years. (GWI Survey, 2020). In the second place, WhatsApp was followed by Instagram in the third position. Instagram rises to third place by displacing Facebook to fourth.

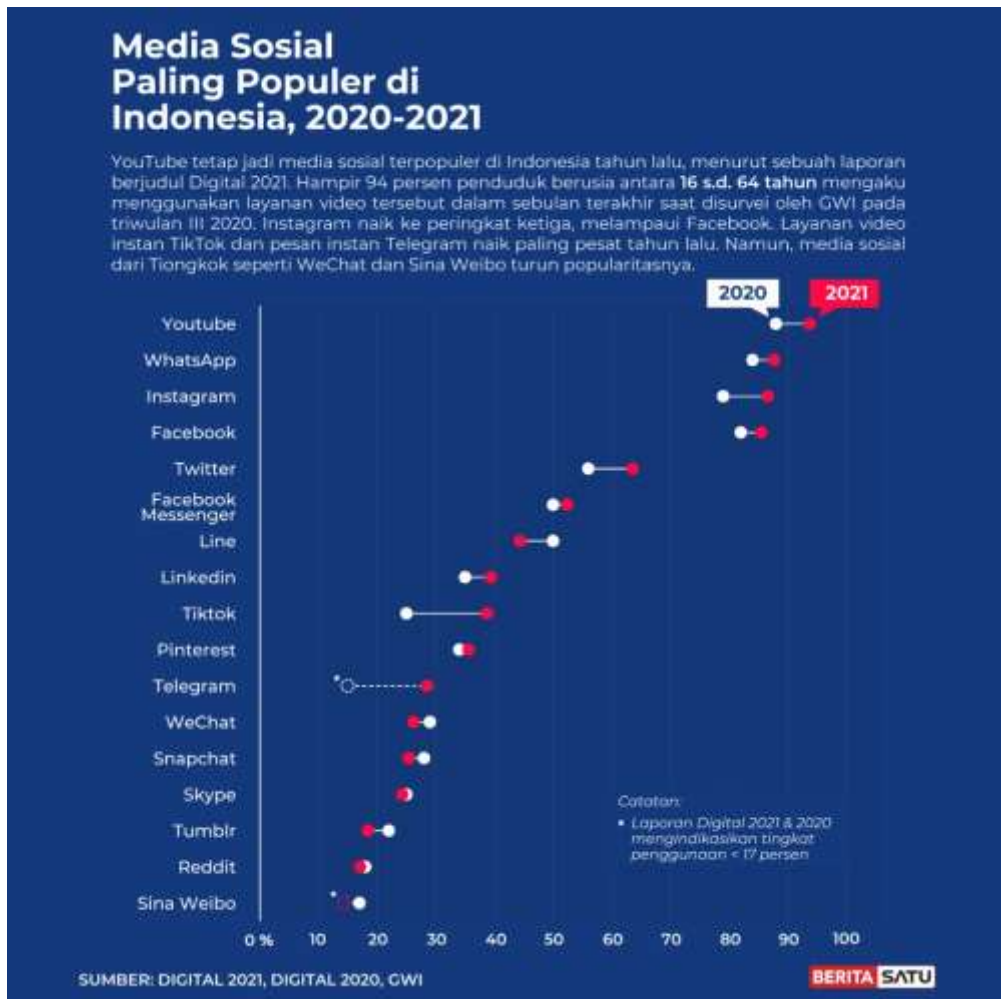


Figure 4. Popular social media data distribution

Based on Figure 4, it can be seen that the social media that has the potential to be used as Social Customer Relationship Management is Youtube. However, in the absence of a chat feature in the media, Whatsapp can be a promising solution for MSMEs.

In Banyumas Regency, several restaurants are quite popular on social media (Appendix). To represent all the culinary delights in Banyumas, each sub-district is taken one killer with the highest review and rating.

For this analysis, the crosstab method in NVivo is used, so categorization is needed. The output graph shows three categories of populist restaurants in Banyumas Regency as follows:



Figure 5. The popularity of restaurants on social media in Banyumas

Based on a survey of comments on social media, it turns out that several restaurants indexed on Google Business are not always popular on social media (30.76%). Several nodes were proposed to see whether or not the use of SCRM was effective for culinary SMEs in Banyumas. The output results can be concluded as follows:

1) The effectiveness of using social media in culinary business in Banyumas

A total of 70.1% of respondents stated that the use of social media in the culinary business is effective enough to keep the company visited by customers. Meanwhile, according to the culinary owner's opinion, only 67.2% said it was quite effective. Culinary owners who stated that it was not quite right turned out to have market segmentation before the millennial age group. This is understandable because most of the customers in this group are not interested in giving comments.

Effective parameters are viewed from two aspects, namely increased income and new followers who show an interest in making purchases.

To increase the selling value of MSME actors using social media as a medium of information and communication.

2) Every culinary actor uses various types of social media to market and advertises their products. However, Instagram is the main choice for CRM media, and WhatsApp is the second choice compared to other social media. Consideration of the use of social media is preferred because of the ease of sharing information and attracting the attention of potential consumers.

3) Constraints faced in the use of social media

Although the data shows that most of the use of social media is quite effective, several obstacles are encountered. For example, when netizens are so enthusiastic on social media, most of them demand a response from official accounts. A low response can result in reduced intention to buy.

While the owner did not respond for two reasons, the first was related to the unstable network of culinary groups outside urban areas. Or secondly, in culinary areas with limited human resources, there are no employees on special duties as official social media admins.

Based on these outputs, it can be summarized some of the benefits of social media as a CRM medium.

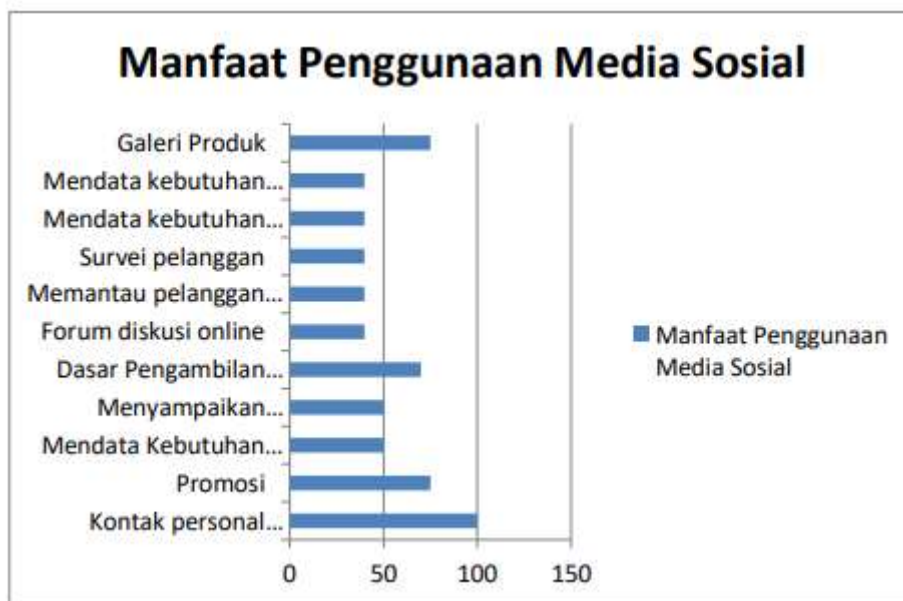


Figure 6. The benefits of social media in the culinary business of Banyumas Regency

The results of research on comments show that the benefits of social media that are mostly felt by MSME actors in Banyumas are as personal contact with consumers. Product galleries rank second in the benefits of social media, followed by promotion media, and as a basis for making business decisions. In addition to these four benefits, some benefits that are also felt are speed in delivering responses to consumers, customer surveys, online discussion forums, data collection on consumer needs, and others.

V. Conclusion

The result of this study are MSMEs in Banyumas lack the resilience and flexibility in dealing with this pandemic due to several things, such as the level of low digitization, difficulties in accessing technology, and lack of understanding of strategies to survive in business. MSMEs are required to be able to adapt to existing business developments because businesses that can survive are businesses that are responsive to the times. To anticipate the limitation of socialization, the marketing method is SCRM. Strategies are carried out by utilizing social media such as marketing products through Instagram, facebook, Twitter, and many more.

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