

CHAPTER I

INTRODUCTION

1.1 Background of the Study

International business tactics and structures have shifted in response to changes in the business environment. Increased locational and governance possibilities for multinational businesses have resulted from changes in the natural environment and communication technology, such as economic liberalization. International companies have restructured as a result. Reintegrating various segments of the value chain closer to ultimate markets by fine-slicing and distributing their activities around the world. (Buckley et al, 2018).

It is known that trade is also an important topic in international business. This is because the presence of trade will help the wheels of the economy to keep running. One of the reasons for the existence of international business in international discussion is to accelerate market expansion. However, even though it aims to expand the market, international business actors must carry out several things or strategies. The business they run continues to survive or even continues to advance in the global scope. One of the crucial strategies that businesspeople can do is usually related to product marketing issues. This time, the writer will discuss the product marketing strategy carried out in international business (Skolastika, 2017)

Marketing is often confused with sales in its development, whereas marketing and sales are two different things. Sales itself is an activity to sell a

product to consumers oriented to the target quantity or number of products that can be sold to get the maximum profit. It has been known that international business has a broad scope so that in product marketing activities, the strategies used also vary. One of the marketing strategies in international trade is the marketing strategy using the marketing mix (Skolastika, 2017).

An endeavor by the corporation is to satisfy customers who use the company's services is called consumer satisfaction. When it comes to consumer behavior theory, satisfaction is viewed more from the point of view of what a customer experiences after purchasing, using, or consuming a product or service. Consumers' responses to fulfillment are characterized as "satisfied." Customers' estimates of how much fun they've gotten from items and services is what defines satisfaction. (Sudaryono, 2016, p.78).

Promotion is part of the plan for marketing. Where a rise has an information-providing feature, convince, and specifically remind customers of both, indirectly and indirectly from a commodity sold. Promotion is an activity carried out to communicate the advantages possessed by a product and activities carried out to persuade customers to buy the product. (Aji et al, 2019)

One of the company's client retention initiatives is Customer Relationship Management (CRM). By committing all available company resources to achieving customer satisfaction, the Customer Relationship Management (CRM) program is put in place. (Ningsih et al, 2016).

Promotion plays a role in attracting customers to customers are interested in buying the product. Without promotion, do not expect customers to be familiar with

the products offered. Promotion is a way to attract and retain customers. One of the promotional objectives is to inform about the products offered with the aim of providing customer satisfaction. While in customer relationship management, it will play a role in building and maintaining long-term profitable relationships for customers and companies. The importance of maintaining good relations with consumers because a good relationship will better ensure business continuity in the company.

PT. Jalur Logistics Indonesia was established in 2018 by Mr. Deni and Mrs. Agustina. The company serves shipments by land, sea, and air by using containers and cubication. The company also provides sea freight forwarding. On the delivery that is made to serve delivery to all over the world with all available destinations. For inter-island shipments, it is carried out through ports throughout Indonesia with regional coverage of all locations in Indonesia. The company is currently collaborating with Kuehne Nagel as an international logistics company that carries out deliveries worldwide. PT. Jalur Logistics Indonesia is also planning to open branches around the world to be able to better serve shipments throughout the world.

On the issue of customer satisfaction, PT. Jalur Logistics Indonesia still has poor customer satisfaction. In the increasing business competition, the company has competitors who also prioritize customer satisfaction. In some competitors, the company already has big names and is well known by customers who use international shipping services. Here are some competitors from the company currently.

Table 1.1
Competitor Company from PT. Jalur Logistics Indonesia

No	Competitor's Name
1	PT Samudera Indonesia (Indonesia)
2	PT Soechi Lines (Indonesia)
3	Evergreen Marine Corporation (China)
4	NYK Company (Japan)
5	MSC Company (Swiss)

Source: Prepared by writer (2021)

In the assessment of customer satisfaction, it can be seen from the complaints that still occur in the company. The following is the complaint data at the company.

Table 1.2
Complaints Customer Data in 2021

No	Months	Number of Complaints	Problems
1	January	8	<ol style="list-style-type: none"> 1. There is a delay in product delivery to consumers 2. Damage to products delivered to consumers 3. Inflexibility of payment terms to companies 4. There is still product loss from consumers 5. Employees who are not able to explain well to consumers
2	February	5	
3	March	6	
4	April	8	
5	May	5	
6	June	5	
7	July	3	
8	August	5	
9	September	6	

Source: PT. Jalur Logistics Indonesia (2021)

From the complaint data submitted by the company in 2021, from January to September there were complaints occurs every month with various problems which occurs due to late delivery to consumers, the occurrence of damage to the products sent, payments that are not informed to consumers, the loss of products on delivery and employees who are not able to explain the questions given to consumers.

Problems regarding promotions regarding promotions that are currently being carried out are less profitable for customers and lack of regular promotion

intensity for customers. The following are some of the promotional activities currently being carried out by the company.

Table 1.3
Promotion Activity at PT Jalur Logistics Indonesia

Type of activity	Promotion media	Promotion Quantity	Promotion Time	Promotion Goal
Price Discount	Direct promotion to customer	Promotion to customer using service for 3 times	2 times in 1 year	Old Customers
Gift (Parcels)	Direct send to customers	1-year minimum subscribed customer	In last year	Old Customers
Free Insurance	Direct promotion to customer	1 year minimum subscribed customer	2 times in 1 year	Old Customers

Source: PT Jalur Logistics Indonesia (2021)

The problem with promotion is that promotion is only given to old customers who have used the company's services and new customers do not get promotions if they use the company's services. In addition, the number of promotions carried out did not vary and was only held for a short period of time, namely 2 times a year and at the end of the year. Promotional activities that are rarely carried out make customer interest in continuing to use the company's services to decline.

The application of CRM (Customer Relationship Management) in the company has not been going well. During the COVID-19 pandemic, the company implemented CRM via telephone, WhatsApp or email to customers. This can be seen from the ability of the employee parties who have not run CRM properly with consumers as seen from the emergence of complaints that arise from consumers. There are problems that consumers complain about and the number of consumers who have decreased from the last few months which shows that the relationship management that is currently being implemented has not been going well. This can

be seen from the decrease in the number of consumers that occurred in the following table.

Table 1.4
Customers Amount at PT Jalur Logistics Indonesia

No	Months	Number of Customers	Problems Complained
1	January	212	1. Employee not active in inform customers of shipping price 2. Employees are not friendly to customers 3. Employees did not inform the late bills to customers
2	February	185	
3	March	192	
4	April	186	
5	May	191	
6	June	192	
7	July	185	
8	August	186	
9	September	182	

Source: PT Jalur Logistics Indonesia (2021)

From the table, it can be seen that the number of customers in the company experienced a downward trend from January to September. This is due to employees who do not maintain good relations with customers such as rarely following up with consumers in the event of a change in the schedule of goods arriving, then not informing customers about changes in shipping prices and being late in providing information about the amount of customer bills that have not been paid. by the customer. The impact of this, customers complain about the relationship management applied because the company is less active in maintaining good relationships with customers.

Based on this review, the writer decides to conduct research entitled **“The Effect of Promotion And Customer Relationship Management Towards Customer Satisfaction at PT. Jalur Logistics Indonesia”**

1.2 Problem Limitation

In this study, it will limit the problem of customer satisfaction at PT Jalur

Logistics Indonesia and the effect of ineffective promotions and employees who do not maintain good relations and do not follow up with consumers in customer relationship management issues. In the use of research respondents, the writer will limit this research by using final respondents and business respondents as objects of research conducted.

The writer chooses promotion and customer relationship management as the main problem of this study. Problem limitations are promotion and customer relationship management as the independent variable (x) and customer satisfaction as the dependent variable (y).

The indicator for promotion is using from Kotler in Suparman (2018) which about: advertising, sales promotion, public relation and publicity, personal selling and direct marketing. The indicator for customer relationship management is using from Ningsih et al (2018) which about: identification, differentiation, interaction, customize. The indicators for customer satisfaction are using from Agustin and Maolana (2020) which about: expectation, performance, comparison, experience and confirmation.

1.3 Problem Formulation

The following are the research questions that need to be addressed given the context of the study:

- a. How is the promotion at PT Jalur Logistics Indonesia?
- b. How is implementation of customer relationship management at PT Jalur Logistics Indonesia?

- c. How is the customer satisfaction at PT Jalur Logistics Indonesia?
- d. Does promotion have effect on customer satisfaction at PT Jalur Logistics Indonesia?
- e. Does customer relationship management have effect on customer satisfaction at PT Jalur Logistics Indonesia?
- f. Do promotion and customer relationship management have simultaneous effect on customer satisfaction at PT Jalur Logistics Indonesia?

1.4 Objective of the Research

The following are the aims of this research:

- a. To describe the promotion at PT Jalur Logistics Indonesia.
- b. To describe about customer relationship management at PT Jalur Logistics Indonesia.
- c. To evaluate the customer satisfaction at PT Jalur Logistics Indonesia.
- d. To analyze whether promotion have effect on customer satisfaction at PT Jalur Logistics Indonesia.
- e. To explain whether customer relationship management have effect on customer satisfaction at PT Jalur Logistics Indonesia.
- f. To investigate whether promotion and customer relationship management have simultaneous effect on customer satisfaction at PT Jalur Logistics Indonesia.

1.5 Benefit of the Research

Benefits of this research can be listed as follow:

1.5.1 Theoretical Benefit

By doing this research, theoretically, the writer hope it can give a better understanding on what company need to do in boosting the customer satisfaction, also get to know the effect of promotion and customer relationship management on customer satisfaction, and the result is expected to contribute to the relevant existing theories.

1.5.2 Practical Benefit

The practical benefit of this research is as follow:

- a. For the writer, this research is expected to increase and deepen knowledge insights in the field of management in relationship with the effect of promotion and customer relationship management on customer satisfaction and can practice it in the world of work.
- b. For PT Jalur Logistics Indonesia, the results of this research are expected to be useful as reference and comparison materials as well as consideration materials in improving customer satisfaction in the future.
- c. For other researcher, the results of this research are expected to be useful as a comparison and input and consideration materials to conduct research in the future.