



## Proposed Customer Engagement-Oriented Digital Strategy and Integrated Marketing Communication for PT. Ready-Mix X

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**ABSTRACT:** Many industries were negatively affected by Covid-19 Pandemic, and one of them is a non-essential sector, such as the construction industry. Because of the contraction that happens in the industry, there is a significant decline in demand and sales in the market. PT. Ready-mix X is one of the construction companies that struggled during the pandemic situation, they still could not restore the company's brand health as before Covid-19, and their sales and demand this year are still declining and not showing any significant value. Therefore, the purpose of this study is to propose a customer engagement-oriented digital strategy and propose the appropriate integrated marketing communication for the company using the limited marketing budget and available resources from PT. Ready-mix X. In analyzing and formulating the digital strategy, this study will use Kraewing's approach and SOSTAC planning also market research to know the customer preference. The proposed digital strategy should be helping PT. Ready-Mix X provides an improved service platform and digital marketing strategy that suits the market segment and preferences, so it could establish the company's customer experience that later will generate customer engagement.

**KEYWORDS:** Digital strategy, ready-mixed concrete, integrated marketing communication, customer engagement.

### INTRODUCTION

Most companies have faced disrupted daily operations and supply chains due to PSBB or large-scale social restrictions and enforcement of restrictions on community activities or PPKM policy, where the construction industry is a non-essential sector so they had operational restrictions [1]. The Covid-19 pandemic forced a postponement of almost all construction projects, from 2021 until this year, the construction industry is anticipated to rise throughout the projected period as a result of the rising investments in the nation's real estate sector, which could increase demand for ready-mix concrete in Indonesia [2]. PT. Ready-Mix X is one of the affected companies in the construction industry, according to the data from the internal PT. Ready-Mix X, company's sales are declining reached 50% of the normal sales before Covid-19.

There is insignificant engagement in their marketing tools throughout the year, especially in their social media account, they did not have maximal performance in doing digital marketing because since Covid-19 the marketing budget has been limited by the company. According to their annual customer survey, they have a problem with their service platform which is their retail website, the market age segmentation for this company is dominated by males aged 40-55 years old, and they say that it's hard to order through the website since the company is suggesting every customer should process their order through the company. With the market segmentation of PT. Ready-Mix X that dominated by older age it's important for the company to provide a platform that matches the customer segmentation since most of the profits come from this segmentation.

With the industry condition that currently experiencing a contraction, shrinking customer bases, and increasing competition, it is important to have an effective strategy to strive within the condition. A digital strategy can be a powerful tool for the company to reach a larger audience and expand its customer base, it allows businesses to be more flexible and adjust their strategies to changing market conditions. By leveraging digital strategy, the company can remain competitive and maintain its market share even during downturns.

### LITERATURE REVIEW

Digital marketing can be defined as the use of conventional communications along with the Internet and other digital technologies to achieve marketing objectives it demands two-way communication, allowing potential customers to engage with the company, in contrast to the traditional method, which allows only one-way communication [3]. Marketers should assess a variety of online



communications tools as part of their communications strategy, Chaffey and Smith (2012) suggest classifying these tools into six major classes: Search Engine Marketing, Online PR, Online Partnerships, Display Advertising, Opt-in Email Marketing, Social Media Marketing [4]. According to Otero and Rolan (2016), even though these tactics have changed to accommodate new platforms and users, e-commerce, web search marketing, email marketing, and social media marketing are some of the most relevant in terms of usage and results in digital marketing [5].

Integrated Marketing Communication was described by Pickton and Broderick (2005) as a management approach for integrating all marketing communications efforts across directly relevant audience touchpoints to strengthen brand coherence [6]. In integrating marketing communication, it is important to pay attention to several aspects such as marketing communication media channels, and also integration between digital and non-digital channels, to assess the impact of the IMC program, there are six criteria that need to be identified: Coverage, Cost, Contribution, Commonality, Complementarity, Versatility [7].

Contribution in IMC criteria is one of the criteria that affect marketing communication, it needs to take a variety of factors into account, the information processing model of communication effectiveness can be useful in locating and analyzing the relevant opportunity, ability, and motivation factors that influence how consumers choose communication options [7]. IMC combines and strengthens all communications to establish a strong brand identity despite the numerous channels customers and prospects have access to for message delivery [8]. Service-based marketing communication is the result of closely integrating and coordinating the activities of marketing, operations, human resources, and information technology (IT) to ensure the success of a business, the service marketing communications mix refers to the blend of communication channels that are available to the majority of service marketers [8].

Digital strategy can be defined as a business strategy that aims to deliver unique, integrated business capabilities in ways that are responsive to quickly changing market conditions, it is motivated by the potential of strong, accessible technologies. There are 2 kinds of digital strategy: Customer Engagement Strategy and Digitized Solution. In executing a digital strategy, two important essential technology-enabled assets need to be considered: Operational Backbone for Operational Excellence and Digital Services Platform for Rapid Innovation [9].

## METHODOLOGY

The data used in this research are primary and secondary data, the primary data was collected by interviewing with relevant internal sources from PT. Ready-Mix X and also the author conduct market research using an online questionnaire to know the consumer preference for the product and services of the company. The secondary data used in this study are from the internal of the company, such as internal company studies, historical data, and monthly sales and demand. The methodology for this study consists of qualitative and quantitative methods, qualitative method includes interviews with the Head of the Digital Marketing Division, Customer Service Team, and Operational Team as the company's representatives, then the author conducts internal and external analysis that includes STP, VRIO, PESTEL, Porter's five forces analysis. Meanwhile, the quantitative method consists of consumer analysis, after the results from the questionnaire were obtained, the author will analyze what is the appropriate marketing mix for the company and create an appropriate digital strategy for the company using Kraewing's approach and SOSTAC planning, depicted below:

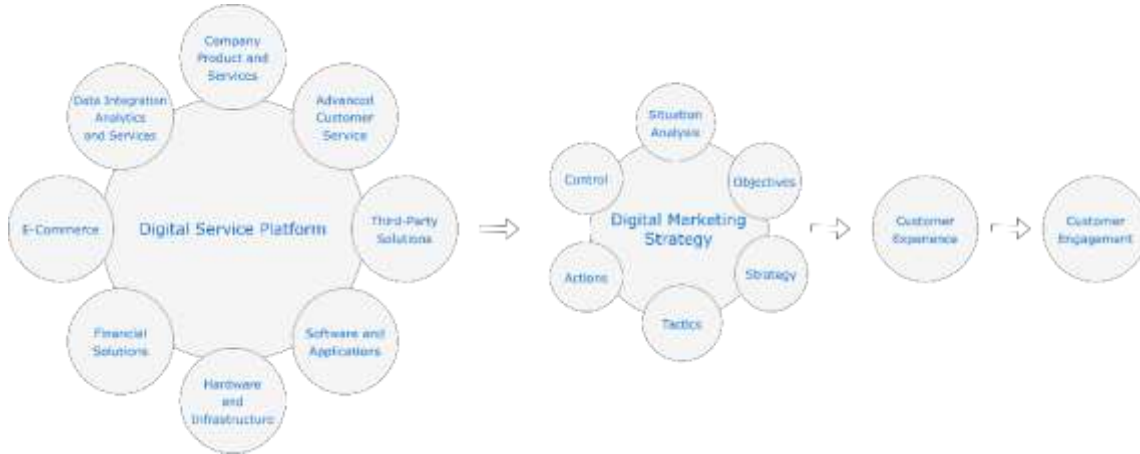


Figure I. Conceptual Framework

**FINDINGS AND ARGUMENTS**

After conducting internal analysis, external analysis, and market research (consumer preference), it can be concluded that PT. Ready-Mix X is lack of online presence because only 39.4% (43) of the respondents know the brand and 72.5% (79) of the respondents said they have never seen PT. Ready-Mix X ads/promotion in social media or digital advertising media. The company has many resources that can be empowered to compete with other companies but based on the analysis of digital service platform components, PT. Ready-Mix X is very deficient in most of the components. And based on the external analysis the rivalry is high and the threats are also high because the company did not just compete with the market leader but also with small construction businesses that sell the same product.

Therefore, by evaluating the components of the digital service platform and integrated marketing communication, it could establish the company’s customer experience to generate customer engagement and they could improve service quality, the value of the product, and customer relationships. In order to make a digital strategy that matches the company’s current situation and needs, which in this case PT. Ready-Mix X lack of online presence, so they need to implement a customer engagement strategy. In executing the digital strategy, the Digital Service Platform is one of the important assets that should be considered, below depicted the analysis of Digital Service Platform components in PT. Ready-Mix X.

Table I. Analysis of Digital Service Platform Components PT. Ready-Mix X

Digital Service Platform Components	Characteristics	Analysis
Product and Services	<ul style="list-style-type: none"> <li>Services</li> <li>Additional Services</li> </ul>	PT. Ready-Mix X sells the same kind of products as other competitors, provides a location survey for the customer before making the transaction, and also product customization based on customer needs. <b>Additional Service:</b> Cooperated with home design company Dekoruma, they offer affordable construction-related services.
Advanced Customer Service	<ul style="list-style-type: none"> <li>Real-time interactions (Live Chat)</li> <li>Omnichannel Help Desk (Contact Centre)</li> </ul>	PT. Ready-Mix X still only have a few employees in the Customer service team, the number of employees is not proportional to the number of customers to be served because the Customer Service did not serve per region, in other words, they handle all customers from all across Java Island



		<p>based on the informal interview with the customer service team.</p> <p>Live Chat: from the official website and application, PT. Ready-Mix X already provides a Live Chat feature.</p> <p>Omnichannel: PT. Ready-Mix X has an Omnichannel, but it has been deactivated since Covid-19 due to limited staff and budget to maintain the omnichannel.</p>
Third-Party Solutions	<ul style="list-style-type: none"> <li>IT Partners</li> </ul>	<p>PT. Ready-Mix X does not cooperate with any third-party solutions yet, for the website and application design, they still use internal staff and outsourcing.</p>
Software and Applications	<ul style="list-style-type: none"> <li>Platform functionality of website and application</li> <li>System interface design</li> <li>Support of device system</li> </ul>	<p>The company has an official retail website and mobile application, the application is already supported for iOS and Android systems and could be downloaded from App Store and Play Store.</p> <p>Functionality: based on the statement in the business issue, there are some problems with the website because customers have trouble logging in and they sometimes have trouble finding their address.</p>
Hardware and Infrastructure	<ul style="list-style-type: none"> <li>Autonomous production and service</li> <li>Fleet management</li> </ul>	<p>The production is equipped with Computerized wet-mixed batching plants, they also provide Digital Docket for customers.</p> <p>Fleet management: for delivery scheduling, they use Integrated Operation Centre, and fleet tracking features that can be accessed by the operational team and the customer through the official website and application.</p>
Financial Solutions	<ul style="list-style-type: none"> <li>Various pricing and payment methods</li> <li>Promotion and discounts</li> </ul>	<p>PT. Ready-Mix X provides various payment channels for their customers such as Bank transfers, and Virtual accounts, and for credit payment, the company cooperated with multi- finance companies namely: Akulaku and Kredivo.</p>
E-Commerce	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Design options</li> <li>Promotion opportunities</li> </ul>	<p>PT. Ready-Mix X has not entered the marketplace yet, but most of the market leaders already enter the marketplace, even small construction companies also sell the same product in the marketplace.</p>
Data Integration Analytics and Services	<ul style="list-style-type: none"> <li>Data Analytics</li> <li>Data Management</li> </ul>	<p>The official retail website only has been integrated with the operational system, they sometimes have trouble with billing and payments overlapping because the payment is usually only managed by the financing team manually and because it did not integrate yet with the website or the application.</p>

It can be concluded that PT. Ready-Mix X does not fulfil every component that is crucial to create a digital service platform, they have fully met three of the DSP components which are Product and services, Financial Solutions, and Hardware and Infrastructure. For other components such as Advanced Customer Service, and Software and Application the company needs to improve them and also try to implement them in their business process, below explains the strategy along with the actions for the company to fulfil all of the DSP components.

For the Integrated Marketing Communication Plan, according to the target market, PT. Ready-Mix X's target demographic includes both male and female residents of Java Island and Outside of Java Island. They are 22 – 60 years old and their occupation is Employee, Government Employee, Developer, Contractor/Builder, or Interior design company with Low-Middle and High- Middle social class.



Based on the survey conducted, the communication objectives for the target market should be focusing on PT. Ready-Mix X’s brand awareness and increase its online presence, because only 39.4% of the respondents know this brand, and also 72.5% of the respondents have never seen promotional material from PT. Ready-Mix X within the last 3 months.

The current positioning of PT. Ready-Mix X is a company that provides high-quality concrete/mass concrete with excellent service and has strategic plant locations. The brand message should be delivered according to the positioning, to deliver the message the company could use Brand-Generated Content (fully controlled by the company) because usually, the company is the one who posts testimonials from the customers. There are two kinds of communication channels which are Personal Communication Channels and Nonpersonal (Mass) Communication Channels, based on consumer preference from the survey that has already been conducted. For a company like PT. Ready-Mix X, they should prioritize putting their advertisement on out-of-home advertising because, in this kind of industry, word of mouth is a very impacting brand awareness. For online communication channels, the customers preferred to receive and find information about a product from social media and online advertising. The proposed communication channels are depicted in Table IV.14 below.

**Table II.** Proposed Communication Channels

<b>Mass Communication Channels</b>	
<b>Offline</b>	<b>Online</b>
<ul style="list-style-type: none"> <li>• Out of Home Advertising (Billboard, Videotron) in potential areas</li> <li>• Radio Broadcast Ads</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media (Instagram, YouTube, TikTok)</li> <li>• Online Advertising</li> </ul>
<b>Personal Communication Channels</b>	
<b>Offline</b>	<b>Online</b>
<ul style="list-style-type: none"> <li>• Brand Salesperson</li> <li>• Word of Mouth</li> </ul>	<ul style="list-style-type: none"> <li>• Company’s official website</li> <li>• Targeted social media advertising</li> <li>• Live chat</li> <li>• WhatsApp</li> </ul>

The media mix in this case is customized using Service-Based Marketing Communication, based on the survey already conducted depicted in Table III below the proposed marketing mix for PT. Ready-Mix X. The media mix later will be used in the formulation of digital strategy.

**Table III.** Media Mix for PT. Ready-Mix X

<b>Media</b>	<b>Channels</b>
Advertising	<ul style="list-style-type: none"> <li>• Online Marketing (Social media, website, and Online advertising)</li> <li>• Out of Home advertising</li> <li>• Brochure/Pamphlet</li> </ul>
Sales Promotion	<ul style="list-style-type: none"> <li>• Coupons, gifts</li> </ul>
	<ul style="list-style-type: none"> <li>• Price Promotions</li> </ul>





Personal Communication	<ul style="list-style-type: none"><li>• Word of mouth</li><li>• Personal selling</li><li>• Online social networks</li></ul>
Publicity and Public Relations	<ul style="list-style-type: none"><li>• Special events</li><li>• Online media</li></ul>
Service Delivery Points	<ul style="list-style-type: none"><li>• Website and App</li><li>• Service outlets</li><li>• Frontline Employees</li></ul>

The results of internal and external analysis it was found that the biggest problem with PT. Ready-Mix X was related to the lack of online presence, in this case, in order to successfully provide a platform that is suitable for their market segment, Integrated Marketing Communication Strategy should be implemented along with the digital strategy that could increase the customer experience and the customer engagement also increase. To implement the strategy well, the company could focus on three variables that are related to the IMC and digital strategy, below is the summary of the recommended implementation plan for PT. Ready-Mix X. Following the digital strategy with the take on account of digital service platform components and integrated marketing communication for PT. Ready-Mix X, the objectives were considered based on the customer preference from the conducted survey and focuses on how to increase the customer experience:

#### 1. Improvement of Business Process

Action 1: Hire Third-Party IT Partner for Data Integration and Maintain the Website and Application

With hiring a third-party IT Partner, there are many benefits for the company, such as quicker production and organized transactions, and lower costs because it cuts the expenses for outsourcing personal experts, by integrating it can add the best possible feature for the website and also the application.

Action 2: Optimize the UI/UX design of the official Website and Application to be more user friendly

It's important to provide a platform that have a user-friendly feature because it's one of the most important things in providing a good customer experience, in this case, they should fix the log-in and location problem.

Action 3: Data Integration between the official Website and the Application

Bringing together and consolidating data from various sources into a single, coherent form is the main goal of data integration. In the end, all pertinent data from all sources should be gathered in one location and prepared for analysis.

Action 4: Add new workforce to advance Customer Service Team

In a ready-mix company, Customer Service staff is one of the keys when making a deal transaction, they serve the customer from the beginning until the payment, right now PT. Ready-Mix X still has limited staff in the customer service team.

Action 5: Reactivate Omnichannel

The ability for customers to complete the purchasing process on their terms and at their convenience is what omnichannel brings to the customer experience. With omnichannel, the store has the chance to create a seamless experience that encourages customer trust.

#### 2. Improvement of Availability and Distribution

Action 1: Expansion of wholesale portfolio/retail partners

The company could establish new site plants outside of Java Island, such as in Sumatra and Kalimantan, where there is a sizable market demand and plenty of room for business expansion. Since the demand for commercial property in these areas is still increasing, the company will be able to carry out more projects by expanding its market outside of the Java Island area and not just concentrating there.

Action 2: Register to Marketplace Platform and maintain the account

As the market leader companies and the non-formal company have entered the marketplace platform, the non-formal companies could easily enter the marketplace, they even sell out the PT. Ready-Mix X products too mean the number of competitors was increasing, and PT. Ready-Mix X needs to be very competitive in the market.

Action 3: Add an additional new fleet for daily delivery

Currently, fleets for the delivery, PT. Ready-Mix X cooperates with other subsidiaries of the Parent Company Group namely PT. Indosarana Jaya Perkasa (IJP), the addition of new fleets could help the daily operational process, especially during the peak season.



### 3. Improvement of Promotion and Advertising Activities Action 1: Out-of-Home Advertising

With out-of-home advertising such as billboards, digital billboards, and Videotron placed in potential areas, it would become a big impact since it can reach a wider market and also it could be a trigger for word of mouth.

#### Action 2: Online Presence Improvement

A new social media marketing strategy is required for PT. Ready-Mix X, as a result, more people will likely become aware of the brand and engage with it. By using this assistance, they might be able to accelerate future sales growth. Initiatives for improving content, social media optimization, and customer service and engagement are all part of the strategy. Evaluation and control are very important in maintaining an online presence, there must be an evaluation once a week for every content.

#### Action 3: Create a customer loyalty program

In this kind of industry, the customer usually repeats the order after one or second-time purchase, and the customers usually tend to be loyal to the company from which they buy the products. This condition could be an opportunity for the company to maintain current customers and attract new customers, this can be done by creating a customer loyalty program either with a point system or a tier system.

#### Action 4: Optimize and Improve social media content

Considering the underlying causes of the issues, PT. Ready-Mix X should implement the "Content-Customer Fit", in this case, customers were more interested to see promotional material that shows information about the product, customer testimony, video, and picture of the products. Based on the conducted survey, the social media platform that mostly used and become the preference for customers to receive information about the product is Instagram, YouTube, and TikTok. Because of PT. Ready-Mix X wasn't really active in using Instagram and Tiktok for marketing before, the company should use Instagram Ads and Tiktok Ads for optimization. This strategy should be equipped with interactive content and stories, linked stories between Instagram reels, stories with Tiktok, Instagram, and Tiktok Live, as well as regular posting on feeds with engaging content.

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