Linkage of Customer Stewardship and Business Continuity in SME’s Post Pandemic using Marketing Mix 7P’s Analysis: Case Study of An Optical in Padang, Indonesia

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ABSTRACT

The current economic situation has not yet returned to stability as it was before pandemic. In fact, it continues to decline. Ihsan Optical located in Padang, West Sumatera, Indonesia has not yet recovered during post pandemic. The sales post pandemic only 53% of pre pandemic. This research aimed to find out how the linkage of customer stewardship and business continuity of Ihsan Optical (a small and medium enterprise) can survive after Pandemic using marketing mix 7P’s analysis. Method of the research was qualitative research by conducting initial observation, in-depth interviews of key informants: the owner, employees and loyal customers. Through tangible analysis, it was found that the costumers got the complacency from Product, Price, People and Process, whereas the other elements: Place, Promotion and Physical Evidence need to be improved. It was concluded even though there are shortcomings, costumers still feel satisfied. the value of customer stewardship behaviour applied by owner and employee are the thinking “in the customer’s shoes” and being a customer when serving the quality assurance of products and services make and create the business continuity.

1. Introduction

Pandemic of Covid19 changed human activities. The change can be analyzed in campus life, from offline study to online study. The campus is used to be a central of activities and financial support for people around turned become the low moblitility area. Covid-19 gave the big impact to the Small Medium Enterprise (SME) located around campus (Septrizarty & Mulyadin, 2021). Based on previous research by (Septrizarty & Mulyadin, 2021), it was found that only 30% of SME’s operated during pandemic. The Significant impact is the reducing of operational schedule and caused the reducing of human resource/labour/staff. Another finding, the SME’s relocated to the near of communities’ area and even change the type of business.

The picture 1 shows the sales of Optic Ihsan (one of the previous research participants) during the pandemic in 2020 decreased by 15% and continued the following year. The decline in sales in 2020 and 2021 was not significant, but in 2022 the decline is very slight, this creates new hope for Ihsan optics. But in contrast, in 2023, which was declared a global pandemic-free
year, the sales continue to decline, even reaching 47% of the pre-pandemic period.

Figure 1. The Sales of Ihsan Optic period 2016-2023

Optik Ihsan is an MSMEs that operates in the field of selling products and service. The products are eyeglass, frames, lenses and eyeglass spare parts, such as eyeglass bolts. Eye examination, to determine a person’s eye prescription and then assembling lenses and frames according to the prescription and eye condition into a glasses prescription which aims to help consumers see clearly is service offered by Ihsan optical. Based on initial interview with shop owners, the business focus on improving service, because business development capital has been used for operational costs during pandemic, while sales have actually decreased. It made the company cannot develop the business and run their business plan well. Customer stewardship is owner choice to continue running the business amidst the current uncertain circumstances. They assume by doing the best service, the loyal customers will make themselves the ones who will bring new customers to the optic.

The researcher conducted research to find out the relationship between customer stewardship and business continuity. The marketing mix 7P is used to analyze. This theory is widely used by researchers. Services marketing mix (7Ps) has a significant role in promoting customer’s satisfaction and loyalty in travel agency (Elgarhy & Mohamed, 2023). The Research conducted by Altay and friends in 2021 (Altay et al., 2022) regarding the impact of Covid 19 on the online grocery business also used the 7P marketing mix. Both travel agencies and online grocers are service business as optical.

This research tested the initial assumption of whether stewardship really helps the company to continue running and to find out what are the shortcomings of ihsan optics in the 7P marketing mix perspective. What are the solutions in the future so the Optic Ihsan as one of the SMEs not only survives, but can return to its pre-pandemic state and even develop further to run the business plan well.

2. Literature Review

Costumer Stewardship

Past research often regarded customer stewardship as customer orientation, which could not illustrate the conceptual difference between customer orientation and customer stewardship. In general, customer orientation is based on relationship marketing theory, and the underlying assumption is that the sales personnel’s primary goal is customer satisfaction, which is an effective way to achieve sales performance. Customer orientation focuses
on satisfying customer needs and enhancing customer value, and salesperson with customer orientation would be more willing to spend time and effort identifying customer problems for catering customer needs and achieve sales more effectively.

Salespeople with customer stewardship behavior not only view responding to customer needs as a job responsibility within a formal control system but also view customer welfare as a moral constraint within an informal control system. Under this dual mechanism, salespeople regard it as their responsibility to protect the customer’s interests in the process of making a sale and treat the difficulties they encounter in the buying process as their top priority. Salesperson’s psychological ownership of the customer’s welfare and this psychological contract with the customer initiates salespeople’s self-control, prompting them to be willing to sacrifice their own self-interest to a certain extent in order to achieve the customer’s benefit. *is suggests that salespeople with high customer stewardship behaviors are more likely to think “in the customer’s shoes” and often “play” the role of the customer, better performing their extra role behaviors as a salesperson (Zhu et al., 2021).

(Schepers et al., 2012) studied that customer stewardship control (CSC) concept represents a frontline employee’s felt ownership of and moral responsibility for customers’ overall welfare. CSC is a more encompassing construct than customer orientation, which reflects a frontline employee’s focus on meeting customers’ needs. They provide evidence that the former is more potent in shaping in- and extra-role employee behaviors. Moreover, they highlight how CSC operates in conjunction with an organization’s agency control system: Stewardship’s positive influence on in- and extra-role behavior is weaker in the presence of high agency control. They offer actionable advice about how to solve the resulting managerial control dilemma. Finally, Schepers et al showed that CSC depends on drivers that reside at the individual level (employee relatedness), the team level (team competence), or both levels of aggregation (employee and team autonomy).

Business Continuity
The overall objective of business continuity management (BCM) systems is to provide guidance and analytical subcomponents on how to assess and manage risk and sustain operations when facing a disruptive event (Steen et al., 2023).

According to (Li et al., 2023), Customer retention has a positive association with business continuity, with criteria: My customer feel loyalty toward this firm, even if my firm was difficult to reach but my customer still keeps buying there, my customer are very committed to this firm, My customers are always willing to make an effort to shop at this firm, My customer a lot about my firm from which they frequently purchase. Business continuity has a positive relationship with firm performance with the criteria: Employees feel loyalty to the family business, Employees agree with the business goals and policies. Employees really care about the fate of business; Employees understand and support their decisions regarding the future of the business and Employees are willing to put extra efforts to help the business be successful

Marketing Mix 7P

Theory of marketing mix 7P in this study was adopted from Atlay et al (Atlay et al., 2022). The study has focused on seven marketing mix elements. Atlay combined several studies to create the marketing mix elements:

*Product* element is defined as the item presented to the market to meet a want or a need. It must be suitable for obtaining, using, consuming, or attracting customers. In a study based on retail sale experiences, a model for the electronic marketing mix was created. It stated that the product element may refer to product variety and product assortment.

*Price* element is the only revenue-generating element in the marketing mix. In addition, there is greater price competition among the companies that sell online, so the importance of standardization of prices is critical. Discounts and coupons are considered among pricing strategies. Using price promotions, the shopping platforms’ price
images can be changed, and companies’ perceived value can be increased.

Promotion element demonstrates how a company is committed to communicating its products’ characteristics and persuading target customers to buy their products.

Place element covers the mobile applications for online grocery shopping platforms. The place also includes distribution channels. One of the most significant features of the place element is maximizing the availability of sales channel.

People element was emphasizing that employees represent companies against customers. It was argued that unless employees are adequately trained in communicating with customers, any miscommunication may frustrate all marketing efforts. This element is considered an essential element of the marketing mix because service consists of a performance, and performance cannot be separate from the performer.

Process element determines the method and order of services; it ensures that the value proposition promised to customers is created. A poorly designed process can lead to a slow, useless, and low-quality service delivery resulting in customers’ frustration. In some cases, after customers place an order, their orders may be canceled as companies are out of stock.

Physical evidence element in e-commerce is divided into two components: traditional physical and virtual. While the physical environment is represented by delivery points, offline stores, and offices of the company; the virtual environment includes the website or mobile applications of online shopping platforms.

The research framework was a combination of theory and previous research. Figure 2 shows the framework of the study to know the Linkage of Customer Stewardship and Business Continuity in SME’s Post Pandemic using Marketing Mix 7P’s Analysis: Case Study of An Optical in Padang, Indonesia

3. Methods

This study is qualitative research, namely research where the data is in the form of words, meaning it is not in the form of numbers (Abubakar, 2021). According to Abubakar, a research hypothesis is a temporary answer to a research problem until it is proven correct from the data collected. This research hypothesis is an associative hypothesis, namely a temporary answer to an associative problem formulation that asks about the relationship between two or more variables, namely customer stewardship and business continuity. From the initial interview with the owner, the research
hypothesis is: there is a positive relationship between customer stewardship and business continuity. This hypothesis is based on the owner’s explanation that Optic focuses more on service to consumers rather than improving store facilities and promotions to survive in an unstable economic situation due to low consumer purchasing power.

The research started interviews with optic owners in previous research carried out in 2020 during the pandemic. Then at the end of 2023, another interview was conducted to find out what the optical situation was like after the pandemic. The problem was that after the pandemic, the situation was still unstable and even worse, so the owner took action to close two shops and focus on the central shop. The owner’s efforts are to improve service to consumers and increase worker capabilities. Data collection to test the hypothesis was carried out by in-depth interviews with key informants. Key informants are divided into three categories, namely owners, employees and customers. In-depth interviews were conducted with owners and customers regarding aspects of the 7P marketing mix, both in person and also via cell phone. Meanwhile, in-depth interviews were conducted for employees regarding product continuity.

Data testing was carried out from the beginning of conceptualizing the interview material. At the end of the interview, consumers will be asked again about the advantages and disadvantages of the store as well as suggestions for store development, all of which are interrelated. So, if there is a different answer, it will immediately be obvious and invalid, so another interview will be carried out to find out the real answer. Data analysis was carried out by drawing conclusions from five consumers and after that it was confirmed with the owner to conclude and formulate suggestions for store progress and further research.

4. Result

Summary of in-depth interviews regarding the marketing mix aspects of 7P Optic Ihsan with regular customers is as follows:

<table>
<thead>
<tr>
<th>Elements</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>The quality of the products is good and the product features are very good, the design is attractive, and comfortable to wear. The inspection of eye is carried out carefully and precisely, very friendly and in accordance with needs and comfortable to wear, so that the glasses obtained are very precise, comfortable and very helpful.</td>
</tr>
<tr>
<td>Price</td>
<td>The price is in line with the quality of the product, even pocket friendly, and there are often discounts</td>
</tr>
<tr>
<td>Promotion</td>
<td>Not optimal, perhaps it could be maximized on social media such as Instagram and TikTok, because focusing on offline than online</td>
</tr>
<tr>
<td>Place</td>
<td>a. The location is strategic because in a busy area, easy to find and access and can be reached by public transportation but the public transportation access is inadequate. but it can still be supported by online transportation, the location is too far inland. b. The visibility of the location is easy to find because there are not too many corners and the location can also be seen clearly c. There is a lot of traffic because it is located in the campus area and towards the beach and is often visited by many people. d. Parking space, this is still not flexible because the parking space is quite narrow and can be said to be close to the road. e. The environment in the shop area is very comfortable and safe.</td>
</tr>
<tr>
<td>People</td>
<td>The service is very good, friendly, communicative, making it comfortable and difficult to turn to another glasses shop.</td>
</tr>
<tr>
<td>Process</td>
<td>From the beginning, the process flow was very pleasant, friendly, good service, fast process, the results received were also satisfactory, on time, sometimes when time was tight, the owner was ready to step in.</td>
</tr>
</tbody>
</table>
To test the validity of the data, questions were again asked regarding the advantages and disadvantages in optical performance of the 7 elements. The answers were in accordance with the previous answer, which can be seen in Table 2 below:

### Table 2. The Advantages and Weakness of Ihsan Optic by consumer

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>advantages</td>
<td>Friendly service, precise inspection, satisfactory results, good product quality, strategic location, and orders are ready on time, strategic location,</td>
</tr>
<tr>
<td>weaknesses</td>
<td>There is still a lack of online product marketing, if possible, make the shop front appearance more striking, such as banners or signs that attract the attention of road users, The parking area is not spacious enough</td>
</tr>
</tbody>
</table>

Reconfirm the answer, suggestions for the improvement of the store which are related to the weaknesses of the store above, include suggestions from two consumers:

“The advice is to maximize social media advertising, or you can also use the services of IG influencers who are recommended, because it is very unfortunate that there are still so few people who know about shops with good service and results like this. If possible, add more contemporary frames that Gen Z likes” said Adit, the loyal customer who recommended the shop to his family

“Be active again on social media and use influencer services to reach wider consumers, and open a bigger glasses shop in an area that is easier to find, such as on the side of the main road” said Diara, who promoted her friends to the shop and was a freelance as a salesperson of Ihsan Optic.

Final question as a complement to drawing the conclusions is “What are the reasons for being a loyal customer?” and the answers: 1. “Good service, friendly, communicative” can be concluded from” People” aspect. 2. “The inspection process is very comfortable and precise” is the “Process” aspect 3. “Affordable price” is the “Price” aspect dan 4. “The products are very satisfying, comfortable to wear, fit well on the eyes and make can solve eye problems” describe “Product” aspect. It can be concluded that good service in the aspects of product, price, process and people create the customer retention.

5. Discussion

From the results of interviews and observations made, the marketing mix aspects of 7P optic ihsan can be summarized as follows:

a. Product.

Ihsan Optical sells frames which are grouped into 3 sections, namely promotional glasses, exclusive glasses and luxury glasses. Promo glasses at low prices and student packages, so even lower-class people can buy. Even though the price is cheap, the frame chosen is a frame has a good design and quality. The second category is exclusive frames, whose quality is above promotional frames. For the middle class, definitely choose this frame. Sometimes the shape is no less good than the frame above it. And the third group is luxury frames, with contemporary designs and very good quality. The price is still affordable for students and society in general. All the frames selected are strong frames and have iron bones in the stems so they are durable. So, all circles can shop at Ihsan optic according to their respective economies. The next product sold is eyeglass lenses. These lenses consist of ordinary lenses, anti-blue light or blue-ray radiation lenses, photochromic lenses, which turn black when exposed to the sun and blue chromic lenses, a combination of anti-radiation lenses and photochromic lenses with varying
prescriptions, ranging from plano to prescriptions for minus and high astigmatism. All lenses at Ihsan optics are coated with anti-glare, or sun protection.

Eye examination services are carried out until the consumer feels comfortable. The shop provides free eye care to anyone even if they don't end up buying it. To ensure an eye examination, repeated examinations are carried out until the consumer is completely comfortable and helped with the lenses that will be made. Good frames, lenses that suit their needs and precise and comfortable eye examinations, customers are satisfied

b. Price

The prices at Ihsan optics are vary, according to the group, from student prices to exclusive prices. From a comparison with other optics, the price in the shop is relatively cheaper, even with the same quality, the price is cheaper than the frames at BPJS. This makes optical customers consist of many groups. Apart from that, discounts are also applied to customers who shop in large quantities and repeatedly. Apart from that, there is also a discount, buy 2 complete bluechromic packages (lens + frame) and get 1 free promotional package

c. Promotion

Promotion of Ihsan optics is indeed less than optimal. This is because the shop focuses on service. The shop's social media is currently inactive because it was hacked. But until now no new one has been made. The lack of promotion on social media, such as IG and TikTok, means that the shop is only known to old customers who shop repeatedly, while many new customers don't know about the shop. The discounts given are only known to old customers. New customers usually get to know about optics from old customers or from Google.

d. Place

Optic is located in the center of Padang city, precisely behind the Padang State University campus, the only state campus located in the city center. A busy location and an alternative road and in the MSME shopping center in the campus area. Customers who use cars must park their cars some distance from the optician so as not to disturb the main road and other shops

e. People

Everyone involved in optics, starting from workers and owners, carries out the SOPs in the shop. Starting with greeting customers and serving them well. In optics the system is implemented without forcing customers. If the customer doesn't buy, after trying the frame for a long time and checking his eyes, or the price doesn't match the customer's expectations, the waiter will still be kind and friendly.

f. Process

The process of ordering prescription glasses at Optik always starts by asking about customer complaints, their needs and financial capabilities. Optic acts as a consultant to get the best solution to vision problems. The process of ordering, checking and delivering products to consumers is striving to be as good as possible. Orders can be made online by telephone, WA or IG. Then the lens installation process is very fast and can be waited. If there is a delay in installing the lens, the product will be delivered to the customer's house by an employee, even if possible, by the owner himself. And if it turns out that after use, the customer feels uncomfortable, then they will double check whether there are errors in checking, installing the lenses or the eye adjustment process. If an error occurs during the inspection or installation process, it will be replaced with a suitable one and is free. Store complaint management is one of optics' advantages.

g. Physical Evidence

Even though the equipment used is adequate, customers are also comfortable in the shop, but the physical and optical evidence is not optimal, such as the lack of shop employee uniforms, shop banners that are not big and attractive enough and the shop is not too spacious so that when there are a lot of customers, the shop becomes full and congested

Customer satisfaction in terms of products, prices, people and processes at Optic Ihsan has been fulfilled. This is in accordance
with the concept desired by the shop owner, that shop customers are friends of Optic itself.

"Ihsan optics customers are friends of the shop. This means that a friend is a person who is sincere and understands, respects and trusts each other. Every customer who comes to the shop will not feel anxious and afraid of being lied to because they come to their friends and listen to their complaints," said Mr. Ihsan, owner of Ihsan optics.

"Employees are partners, not subordinates, and owner are leader, not boss. So that mutual respect and feelings of belonging are formed by employees. The more successful the shop, the more prosperous the employees will be, because apart from the basic salary, employees also receive additional income from a percentage of the shop's income," said Ihsan.

The lack of optics in terms of promotion, location and physical evidence is acknowledged by the owner. This is the impact of the pandemic. Capital for store development has been used up during the pandemic, while there have been fewer customers who are students due to online learning. In fact, 2023 will be the bleakest period because people's purchasing power will decline, even though the pandemic has ended. Optic's future plans are to expand the shop with adequate parking space, brand the shop well, increase stock and product variations, reactivate social media and promote Optic to the wider community, not only around the Padang State University campus. However, this business development plan requires a large amount of capital, so it must be planned well to obtain maximum results, considering that the crisis is currently hitting the world.

6. Conclusion

The results of research conducted at Ihsan Optical, MSMEs located near the Padang City UMP campus show that customer stewardship has a positive impact or supports the sustainability of optical broadcasting. This is realized by consumer satisfaction from the aspects of product, price, people and process. Even from a promotional aspect, the physical evidence of the place is not optimal. This satisfaction makes consumers become regular customers and even indirectly become salespeople by promoting optics to optical families and relationships. By creating customer retention, business continuity is maintained, even amidst the current low purchasing power of society.

From the studies conducted, optics must maintain company performance with stewardship theory. Apart from that, there must be improvements to promotional, location and physical aspects as suggested by customers. In accordance with the slogan friends of glasses, optics is also obliged to fulfill consumer desires in order to reach a more diverse market to improve this aspect, good business planning is needed and considers all aspects, both internal and external. For this reason, further study is needed in developing the Ihsan optics business so that it not only survives, but also develops and opens up employment opportunities for many people. Can bounce back even better than the situation before the pandemic. For future research, it is recommended to combine qualitative and quantitative methods. The customers who are participants are wider, apart from regular customers, but customers who have shopped at Ihsan Optical. For further research, it is also recommended to discuss employee stewardship, as part of stewardship theory as well as consumer psychology and employee psychology to improve company performance so as to achieve customer satisfaction.

7. Limitation

This research is limited to regular consumers, because it uses qualitative methods by collecting data through in-depth interviews. For maximum results, further research is needed using a combination of methods, namely qualitative and quantitative. Quantitative data can be obtained by distributing questionnaires to shop customers via Google Form. In this way, it is hoped that almost all optical customers will achieve a level of satisfaction.

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