Research Article

Digital Marketing Strategy of Heavy Equipment Rental Services During the COVID-19 Pandemic

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Abstract.
This study aimed to find the right marketing strategy for the business of selling heavy equipment rental services during the COVID-19 pandemic. The research method used was qualitative. Data collection was carried out through interviews with all employees of CV Aneka Tractors. The data analysis process used an analysis tool, namely Nvivo 12 Pro to obtain factors that influenced both internal conditions and strategic steps taken by CV Aneka Tractors. The results of the research showed that CV Aneka Tractors, which initially focused on working on government projects (B2G) and private projects (B2B), had to switch to the individual/community sector (B2C). The B2C sector was an open opportunity during the COVID-19 pandemic. The results showed that during the COVID-19 pandemic, not all consumer sectors were able to make the best contribution, especially in the heavy equipment rental service industry. With a strategy of shifting the target focus to the B2C sector by adjusting the pattern of services offered, establishing cooperation and reducing payment deadlines, companies can survive. From this research, we also saw how important marketing planning is in keeping the company operating.

Keywords: management, business, marketing strategy, SWOT analysis

1. Introduction

One of the drivers of the increase in the construction industry in Indonesia is the government’s plan for infrastructure development from 2015 to 2019 including the construction of roads, the Mass Rapid Transportation System (MRT), airports, ports, railroads, and other public transportation facilities. The government plans to build 15 new airports, 24 seaports, and ferry ports in 60 locations, build 258 km of 3 rail lines, construct 2000 km of new roads and 1000 km of toll roads (Ministry of Trade, 2015) quoted [1]. One of the factors causing competitiveness in the construction industry is an abundant workforce, adequate supporting industries, and government support [2] cited in [3]. The next problem in the construction industry in Indonesia is the industrial...
structure, the ability to manage the construction business, the capacity of individual workers and construction professionals, and business efficiency [4].

The construction industry experienced a decline caused by the Covid-19 pandemic in 2020. Delays in a number of projects, and the backdrop of poor macroeconomic conditions have cut Indonesia’s construction industry growth projections for the period. The Covid-19 pandemic also had an impact on cutting the PUPR Ministry’s budget by almost 40% in 2020, from IDR 120 trillion to IDR 75 trillion [5]. In addition to delays in completion due to constraints on the mobility of equipment, materials, and labor. Many private owners have postponed the implementation of their projects until the Covid-19 pandemic situation has been properly resolved. For some government projects, some are continuing, and some are being postponed because the existing budget is diverted to handling the Covid-19 pandemic.

This was also experienced by PT PP Property, as explained in the results of previous research by Daryanto et al. using Altman Z-score analysis, PT PP Property during the pandemic entered the gray zone and was prone to bankruptcy. The research also states that there are significant differences, especially in the liquidity ratio, solvency ratio, and profitability ratio. The above illustrates a comparison of the current ratio and the quick ratio before and during the pandemic. This illustrates that overall, the liquidity ratio has decreased during the pandemic, which means that the company’s ability to raise cash has decreased. The image above illustrates a comparison of the debt-to-equity ratio and the debt-to-long-term capitalization ratio before and during the pandemic. This shows the ratio mentioned above to be a higher value during the pandemic than before. During the six quarters of that period, it showed fluctuations between 50% and 61%. Companies increase their long-term debt but not as much as their short-term debt. The image above illustrates a comparison of the gross profit margin and net profit margin before and during the pandemic. It shows the profitability ratio fluctuated before the pandemic and decreased by 10% to 15% since the pandemic started.

The results of the study show Z-score fluctuations before and during the pandemic. That shows that even before the pandemic started, the company was already in a gray area since Q3 2019. However, its score got worse as it decreased by 0.5 points during the pandemic.

Seeing the poor condition of property companies during the pandemic as experienced by PT PP Property, of course, CV Aneka Tractors experienced a similar impact. Companies engaged in the heavy equipment rental service sector such as excavators or backhoes, bulldozers, Vibro, mobilization of heavy equipment, etc. This company has been trusted since 2008 and focuses on serving the Pati and Central Java Residential
areas. However, the existence of activity restrictions imposed by the central government as an effort to control the spread of the virus during the pandemic has reduced the company’s source of income. Due to limited data owned by the company, the data that can be reviewed is the recapitulation of the company’s income for the last three years 2018-2020:

The data above shows that the acquisition of revenue in 2018 towards 2019 decreased significantly by 23.85% in 2019. The company’s revenue has decreased from the previous income of 2,013,341,000 to 1,533,131,000. Then in 2020, it decreased again by 9.72%. Based on this situation, the Management of CV ANEKA TRACTORS must carry out a marketing strategy carefully so that market penetration can be carried out more focused and achieve more optimal company performance targets to maintain business continuity. Marketing strategy is the marketing logic by which business units hope to create value and derive benefits from their relationships with consumers. It is important to design a marketing strategy to create new sources of income to overcome the biggest risks.

Based on the background of the problem, the formulation of the problem that arises in this study is “What strategy is right to use in dealing with the Covid-19 pandemic in the business of selling heavy equipment rental services at CV Aneka Tractors?”. Then the purpose of the research conducted by this writer is to find “the right marketing strategy for the business of selling heavy equipment rental services during the Covid-19 pandemic”.

2. Methods

This research is a type of field study research, namely research that collects primary data from certain fields or research locations [6]. Stated that interviews are the process of obtaining information for research purposes utilizing question and answer while face-to-face between the interviewer and the informant or the person being interviewed [4]. Data collection was carried out by interviewing managerial parties from the heavy equipment rental service company CV Aneka Tractors and through company data. After that, the data is collected and then processed and explained according to the data.

The unit of analysis used in this study is the Marketing Strategy at CV Aneka Tractors. CV ANEKA TRACTORS is a heavy equipment rental and mobilization (transportation) service company, which has been trusted since 2008 in the Karisidenan Pati and Central Java areas. The data obtained by the researchers was obtained by conducting interviews related to CV Aneka Tractors’ Heavy Equipment Rental Service Marketing
Strategy in Facing the Covid-19 Pandemic. Formal interviews were held by asking several questions to several employees to find out strengths, weaknesses, opportunities, threats, and steps strategy carried out by a service provider company in the field of heavy equipment rental CV Aneka Tractors before and during the pandemic.

After the authors obtained data from the research results, data reduction, data presentation, and conclusion/verification were carried out regarding the efforts made by CV Aneka Tractors in Facing the Covid 19 Pandemic. In analyzing this data, the author used an analysis tool in the form of the NVIVO QSR application, which is software which is used to manage data and information in qualitative research methods to make it easier for writers in the process of managing research finding data [7]. Data validation was carried out using a triangulation test, namely, the research data obtained would be compared with relevant theories to avoid bias from researchers.

3. Results and Discussion

3.1. Visualization word frequency

Based on the results of the NVIVO 12 Plus data analysis, the word frequency visualization with the most words found in marketing was 139% or 119 times and awareness was 79% or 69 times of the total research data. Based on the use of words that often appear, there is a clear connection to these words, so the big theme found is marketing awareness. In addition, there is also the use of the word that is most commonly found, namely the word community as much as 43% or 38 times which is related to the word increase as much as 39% or 34 times. The following figure shows the Word Cloud of the dominant words used in this research data source (the results of interviews with informants).

Based on the results of exploration with the Word Frequency Query software NVIVO 12 Plus from transcripts of interview data from 7 (seven) informants, the results showed that the word pandemic was the word with the most frequency, namely 63 times from the entire research data, followed by the word project, namely 54 times and sector, namely 49 times, also strategy, namely 41 times, from research data sources. The following figure shows the Word Cloud of the more than 200 dominant words used in this research data source (results of interviews with informants).
3.2. Visualization mind map

Based on the Word Frequency Analysis above, it can be visualized on the Mind Map of the strategy implemented by CV Aneka Tractor as Fig. 1. below:

![Mind Map](image)

**Figure 1:** Mind map.

3.3. Marketing strategy CV Aneka tractor

To be able to achieve long-term goals, companies are required to be able to formulate appropriate marketing strategies for their companies. Marketing strategy has a very important role in the success of the company. Besides that, the company’s strategy must be implemented by reviewing market developments and the market environment. Companies that use a market approach are companies that can satisfy the same customer needs [8].

Research [9] states that the most dominant force in determining the strategy for developing a heavy equipment rental business in the service division of PT Kawasan Industri Makassar (Persero) is having a close relationship with every customer, both individuals, private companies and entities. State-owned business. While the most dominant weakness is the absence of a certified mechanic specifically for heavy equipment maintenance and the availability of spare parts. To achieve this, all CV Aneka Tractors have a marketing strategy, namely by establishing cooperation in every consumer sector, both B2G, B2B, and B2C. This was also stated by informant 6 as follows:

“So far, we have been used to building relationships and working together with related companies, entering the consumer market segment. Government projects have always been the main target of our business so far. The development process of the government sector is diverse and sustainable. By getting a big tender, the value of the company usually goes up because of the increased brand reputation. It also renews indirect
word-of-mouth marketing which makes the company more famous and trustworthy” (Informant-6)

In formulating the strategy, CV Aneka Tractor departed from the problems that arose from 2 main target markets during the subsequent pandemic, seeing that there were still opportunities to be able to maintain their business, as follows:

From the results of word frequency, there are several problems faced by CV Aneka Tractor, including:

i. Pandemic

The occurrence of the Covid-19 Pandemic affected the cessation of the construction process in various regions which caused the demand for the rental of heavy equipment to also decrease. The presence of the Covid 19 Pandemic had quite an impact on CV Aneka Tractors due to the many work delays and lost opportunities in the Government and Private (B2G) sectors. This was conveyed by informant 2 as follows:

“…. Besides that, even though work is delayed, we must continue to maintain assets, under normal conditions, we often have difficulty getting spare parts for heavy equipment, plus the pandemic has made scarcity even more because the distribution process has also been disrupted. Sometimes we can get the spare parts we need but due to the pandemic, the prices have increased. This greatly affected the company’s financial condition so that we had to keep on racking our brains so that we would not go out of business” (Informant-1)

The main point emphasized is payment:

a. Payment

Several heavy equipment rental payments experienced obstacles and also the cancellation of several projects. With the outbreak of the Covid-19 pandemic, CV Aneka Tractors is also a quite tough challenge because they have to adjust to quite onerous conditions like this. This was conveyed by informant 5 as follows:

“What we feel is that the company uses minimal funds for operations because many lease and project payments have been canceled, while operational activities such as salaries, maintenance, and so on must still be paid. Reduced or canceled unit rentals due to project delays reduce revenue. The company also ended up selling one unit of old heavy equipment because apart from requiring more costs for the maintenance process it is also for the sake of providing income to the company so there is no need to reduce employees.” (Informant-5)
ii. Government

Projects from the Government in providing construction services is a component that is the main target. Because every company needs a good reputation and is better known by its potential customers when it has collaborated with the government regarding large-scale and continuous infrastructure development. This was reinforced by the delivery of informants 6, namely as follows:

“So far, we have been used to building relationships and working together with related companies, entering the consumer market segment. Government projects have always been the main target of our business so far. The development process of the government sector is diverse and sustainable. By getting a big tender, the value of the company usually goes up because of the increased brand reputation. It also helps indirect word of mouth marketing which makes the company more famous and trustworthy” (Informant-6)

The points that cause the problems that arise are:

a. Policy

Government regulations are effective regulations that determine the limits of legal behavior. Most regulations are expressed in a form that requires some interpretation. In this case, CV Aneka Tractors must comply with and follow regulations that are deliberately made by the government to accommodate special interests or to allow for various circumstances such as the presence of Covid 19 in Indonesia.

Government policy with the existence of regulations governing restrictions on community activities (PPKM) is quite difficult for CV Aneka Tractors because the existence of activity restrictions will result in delays in construction work activities. This is as conveyed by informant 3 as follows:

“During the pandemic, the problem that emerged was that many projects were postponed due to government regulations that imposed restrictions on community activities (PPKM), so many projects did not go according to plan, resulting in delays in payments and delays in planned work. This affects the company’s financial processes, the completion of rental contracts, and also the scheduling of equipment rental use” (Informant-3)

iii. Competitors

The presence of competitors in the same field is a challenge and a threat for this company because the more competitors there are, the more intense the market competition will be. CV Aneka Tractors must prepare a better financial system
and fund management system to deal with business growth in the field of heavy equipment rental services which is increasing and facing industrial growth so that it can remain competitive with competitors, especially in the area where CV Aneka Tractors is located, namely in Pati Regency, Central Java. This was conveyed by informant 1 as follows:

“….Then the increase in fuel prices and the cost of a limited supply of spare parts are also obstacles in this business because we are very dependent on the availability of supplies. Besides that, high maintenance costs for old heavy equipment, government regulations, and the risk of late payments by partners also pose a threat to the sustainability of the company.” (Informant-1)

a. Opportunity

The definition of “opportunity” itself is briefly an opportunity, or it can be described as an opportunity that comes at a certain time. While “business” or “business” has a definition, namely an effort made to get the desired result. So the definition of business opportunity in entrepreneurship is an opportunity or the right time that can be used to get what you want [10].

Technological developments in infrastructure development also help and facilitate human work. Because a project takes quite a long time when using human power, the presence of heavy equipment is a solution in infrastructure development. Having heavy equipment makes the time and energy used in a project work more efficient. This is supported by the statement of informant 7 as follows:

“Because development continues, starting from government, private, and community projects. As is known, in addition to state infrastructure, many housing and office buildings have also been opened, this proves that consumers need heavy equipment rental service companies as trusted partners to accelerate the development process” (Informant-7)

From the results of word frequency, there are important points that are included in the discussion of opportunities and are the focus of the company in developing strategies during the pandemic, namely:

i. Consumers

There are several consumer sectors targeted by CV Aneka Tractors, namely the government sector (B2G) where this company collaborates with the local government or around Pati Regency related to regional and other infrastructure development projects, then there is the partner sector (B2B) where CV Aneka
Tractors also underwent contracts with several private projects, then the last one is the community sector (B2C). This was also reinforced by informant 7, namely:

“So far, CV Aneka Tractor has provided heavy equipment rental services for several projects, including those from the government sector (B2G) and also the private sector company or business partners (B2B). Apart from that, it also serves the general public (B2C)” (Informant-7)

The company focuses on targeting B2C consumers as the main target during the pandemic, as follows:

- Society

The form of consumer loyalty within the community to use a product or service continuously or continuously with CV Aneka Tractors, because they have high satisfaction with the services used, will tend to arise a sense of recommending these products or services to others so that they can feel what kind of satisfaction is felt when using the product or service that is used.

In this sector, CV Aneka Tractors cooperates with the general public to complete several projects to be worked on, even though this sector is not as big as government projects and projects from CV Aneka Tractors partners, CV Aneka Tractors gets guarantees in timely payments. This statement is also supported by informant 1 as follows:

“The main factor is cash flow. In the community sector (B2C), we can guarantee that the work will be paid for on time and the market is still there, even though government regulations are still in force. By getting capital from community projects, we can continue to rotate our finances so that this business survives the crisis” (Informant-1)

The change in the main target of this company is based on the need for revenue and is carried out by establishing good cooperation, as follows:

- Cooperation

Building cooperation will improve the performance of a company so that it will be significantly related to the success of performance against company targets determined at the end of a collaboration. Companies are faced with meeting market demands while adapting company offerings to meet customer needs. One of the main challenges for CV Aneka Tractors following the Covid-19 pandemic situation is to deal with variations in offers while ensuring the company’s performance in the system and supply chain of available unit providers. This is also what
CV Aneka Tractors has done where the company has collaborated with several parties to obtain marketing opportunities for its service products to be conveyed to prospective customers. This was also supported by informant 2 as follows:

“....We also offer special price offers for rental of certain tools and also rental in packages, therefore the rates we offer are quite competitive with competitors. Then we also actively collaborate with foremen, contractors, and local building shops to continue to offer our services so that there is cooperation. We do this to get information opportunities to reach prospective customers who need them” (Informant-2)

4. Conclusion

With the impact of the covid 19 pandemic on CV Aneka Tractors due to government regulations, namely during a pandemic many government projects and private projects were stopped or postponed related to the imposition of restrictions on community activities (PPKM), what CV Aneka Tractors did was committed to remaining to comply with and implement applicable health protocols to provide a sense of security to potential consumers. Where initially this company focused on moving into the government project sector (B2G) and the private company project sector (B2B) had to switch to the individual/community sector (B2C) where this sector was a gap of opportunity even though it was only a small scope but for the sake of the company’s sustainability, it had to be run by CV. Various Tractors maintain their existence in the field of heavy equipment rental services. Another finding that we found is that CV Aneka Tractors also offers rental prices that are quite competitive with other competitors, establishing cooperative relationships by limiting long-term payment patterns. So that companies can take advantage of idle assets and also make the company’s cash flow guaranteed without reducing employees as well. To support the development strategy for CV Aneka Tractors’ heavy equipment rental services, there are several suggestions, companies can create a system to neatly record consumers who have used services to make it easier to take recommendations or testimonials on work results. As a risk mitigation effort with consumers in the B2G or B2C sector as well as spare parts suppliers, it is recommended to improve procedures and/or cooperation contracts taking into account disaster/force majeure conditions. Training must be carried out to enrich the competence of employees in their respective fields.
References


