

## OMNICHANNEL STRATEGY AS AN INCREASE IN BRAND IMAGE DURING THE COVID-19 PANDEMIC OF THE CITY

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### *Abstract*

*This study analyzes omnichannel strategies as an increase in trust and brand image using qualitative methods with indepth interview data analysis. The focus of this research is omnichannel, trust, and brand image which seeks to be analyzed so that it can explain social phenomena that occur in society. The location of this study was conducted in the city of Surabaya, the location of the study was determined because the complex problems discussed in this study were experienced by consumers and producers in the city of Surabaya. Although it is not fully researched by each region, considering the urgency of this research is in the online marketplace where all consumers and producers in the city of Surabaya can be actively involved in market mechanisms. The study broadens the understanding of the field of omnichannel retail in a number of dimensions, firstly the research assumes a linear consumer decision-making process. Second, the literature and structure review brings the spotlight needed to observe omnichannel based on a broader management perspective. This focus is more context-specific and fragmented from the findings about the decision-making process. Fourth, this study shows results in online business people who do not understand much about omnichannel strategies carried out by the segmentation of medium to upper business people.*

**Keywords:** Brand Image; Covid-19; Omnichannel

### 1. INTRODUCTION

In general the definition of trust refers to the belief of the first party (one party) against the belief of the second party (the other party) that the second party is acting in a way that brings positive consequences for both. Beliefs in attitudes, and actions are interrelated and influence each other in decision making. So that it can influence, one's attitude and shape one's decision-making. In this study, omnichannel represents the transformation of corporate culture, procedures, processes, and underlying technologies. As the company changes, new challenges will arise and that is where the role of consumers in choosing. Digitalization has also provided consumers to make purchases with various channels.

Omnichannel is a new trend among the public as one of the purchasing decision-making processes. In addition, consumers can do showrooming by looking at products in stores, looking for the best prices online, and asking retailers to shuffle prices with other retailers, both online-based and physical stores. The assumption of consumers who already have an interest in the brand, can affect trust and decide to make a purchase. In this study, if the process is successful, there is consumer confidence that eventually drops the choice and transactions occur as an answer to the ease of meeting online needs and choosing the Shopee marketplace as the medium. This phenomenon occurred due to the COVID-19 pandemic which forced people to reduce activities and activities outside the home. Along with this pandemic, the use of the marketplace is increasing.

So it becomes interesting to research how consumers choose Shopee as one of the trusted marketplaces to make transactions online.

The omnichannel strategy begins based on the development of a multichannel strateg model that seeks to provide a company's strategy of connecting with customers through various channels, both online and offline with services that are not integrated with each other (Bahri & Lahindah, 2022). In the highly volatile retail competition after the Covid-19 pandemic, there has been a shift in strategy towards the omnichannel integrated with Cross Channel Integration (CCI). CCI is a concept of coordination of the retail sector in serving and retaining customers, the CCI design is used as an optimization of customer access and interaction during the shopping process.

The empirical problem that often occurs in omnichannel is how CCI has a multidimensional retention influence. One example is when one of the online channels experienced an increase in online channels, it turned out that the growth of the channel could not improve the decline in retail growth in general. This research seeks to contribute to efforts to increase trust and brand image to accelerate economic growth after Covid-19. By knowing the impact of the best strategy of increasing trust and brand image, it is expected to be a guide for development and special improvements in other sectors.

Theoretically, the impact of the Covid-19 pandemic disrupts a person's attention to shopping, so it has implications for reducing the trust and brand image of a product being marketed. This problem, if not resolved immediately, will have an impact on the slow economic recovery after Covid-19. This research actively strives to contribute to increasing trust and brand image of products after the Covid-19 pandemic.

The urgency of this study is that there has not been much research that discusses omnichannel so researchers consider based on the novelty and degree of vulnerability of the theme to be very good to research. This research will also analyze the extent of the impact of omnichannel as an effort to recover the economy and how the challenges that must be faced by business actors in implementing the omnichannel. Another contribution of this research is to combine omnichannel with improving the brand image of a product.

The research question of this article refers to First, How is the impact of omnichannel as an effort to increase trust and brand image in the city of Surabaya? Second, What is the omnichannel optimization strategy in an effort to accelerate economic growth? Third, Can omnichannel strategies consistently be implemented in other sectors of the economy?

The previous literature presents the state of the art of the research that has been carried out, some of which are Research (Silva et al., 2018) analyzing that the use of omnichannel must be made as easy as possible and adapted to consumer behavior, while the research that will be carried out interprets the use of omnichannel to increase trust and brand image of a product. In this case, the focus of research is different between the two, but it is still in the same research theme, which is to discuss omnichannel. Furthermore, the first research method is only based on an online survey while the research will be carried out using the indept interview method. Research (Akter et al., 2021) contributes to the role of companies actively to be able to accommodate consumer needs, namely by providing shared channel devices so that consumers are easier to shop. The output of



Therefore, whichever channel is used must be integrated to provide a smooth and complete shopping experience (Berman & Thelen, 2018). In an omnichannel environment, customers can move freely between channels during a single trip (Melero et al., 2016). Businesses are more inclined to display all distribution points as part of one design, rather than building relationships between brands and customers through separate channels (Brynjolfsson et al., 2015). The main characteristics of omnichannel shopping are its complexity due to many interactions, focus on the brand and its goals, as well as consistency and smoothness (Huré et al., 2017).

The theory of trust (trust) having importance as one of the key factors in fostering good relationships has been put forward in many studies. Trust or trust is defined as trust arising from the willingness of customers who depend on service providers (Tabrani et al., 2018). According to (Gustianto et al., 2022) trust is an assessment of a person's relationship with other people who will carry out certain transactions in accordance with expectations in a environment full of uncertainty. So that building trust in a marketplace carried out by buyers or customers in this case is a Shopee marketplace user is very important because it will affect the purchase decision making process.

Brand image theory According to (Istiyanto & Nugroho, 2017), brand image is a perception and belief carried out by consumers, as reflected in the associations that occur in consumer memory. Brand image according to (Istiyanto & Nugroho, 2017) consists of:

- a) Attributes, is a descriptive definition of the features in a product or service.
  1. Product related attributes are defined as the materials necessary for the function of the product sought by consumers to work. In relation to the physical composition or requirements of a service offered, it can function.
  2. Non-product related attributes , are external aspects of a product related to the purchase and consumption of a product or service. It consists of information about the price, packaging and design of the product, people, per group or celebrities who use the product or service, how and where the product or service is used.
- b) Benefits are personal values attributed by consumers to the attributes of the product or service. There are three types of advantages, namely:
  1. Functional benefits: related to the fulfillment of basic needs such as physical needs and security or problem solving.
  2. Experiential benefits: relate to the feelings that arise by using a product or service. This advantage satisfies the need for experimenting such as sensory satisfaction.
  3. Symbolic benefits: relates to the need for approval social or personal expression and self-esteem of a person. Consumers will respecting the values of prestige, exclusivity and fashion style of the brand because these things relate to the self-concept of the consumer.

## 2. RESEARCH METHODS

This research uses a descriptive qualitative method with data analysis techniques using interviews, indepth interviews and focus group discussions. According to (Sugiyono, 2016), qualitative research method is a research method based on the philosophy of postpositivism, used to examine the condition of natural objects, (as opposed to experimentation) where the researcher

is as a key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive / qualitative. This study further used snowball sampling with the following research informants:

Table 1. Research Informants

No	Informant's Name	Informant's Description
1	Shopee	Applicator Representative
2	Slamet Eko Setyawan	Online Business People
3	Fairuz Adinata	Online Business People
4	Bayu Mahardika	Online Business People
5	Andre Sulistyono	Online Business People

Source: Author's Processed Data (2022)

The focus of this research is omnichannel, trust, and brand image which seeks to be analyzed so that it can explain social phenomena that occur in society. The location of this study was conducted in the city of Surabaya, the location of the study was determined because the complex problems discussed in this study were experienced by consumers and producers in the city of Surabaya. Although it is not fully researched by each region, considering the urgency of this research is in the online marketplace where all consumers and producers in the city of Surabaya can be actively involved in market mechanisms.

### 3. RESULT AND DISCUSSION

#### Interpretation of Omnichannel Theory

Omnichannel strategy is one of the strategies that are not widely known by online marketing users. The novelty of this strategy is becoming increasingly visible based on the results of interviews conducted with several informants of online media activists as well as online sales, namely Slamet Eko Setiawan as follows:

"Yes, for omnichannel, I just heard about it, but briefly from Ms. Aldea's explanation earlier, I predicted that strategies can be effectively used to increase sales. For example, a prepaid card to go to a tavern, this is one of the interesting steps if we can integrate all products into one service". (Indepth interview conducted on May 20, 2022)

Based on the results of indepth interviews, it can be explained that omnichannel is a strategy that has not been widely used in online marketing. In addition, omnichannel can also be a banking financial service and one-way financing with the resulting product. The challenge in implementing this omnichannel is how to integrate access to so many services into one direction. This integration is important because each service usually has its own platform so it is very difficult to integrate, this encourages the government to participate in setting an omnichannel strategy so that there is one service integration for several other services. The involvement of the government is very important in this regard, because the government is one of the agencies that has a high degree of interest in regulating market mechanisms. Furthermore, the government can actively come up with a policy that can accommodate people's needs about the omnichannel.

Some of the benefits of using omnichannel are: 1) Better data collection and analysis; 2) Market segmentation is more targeted; 3) Better brand visibility; 4) Save promotion costs; Achieve



a higher ROI. At least this is an important point in using omnichannel based on data reduction carried out by researchers. This strategy can moreover be applied in almost all sectors of market mechanisms, ranging from cosmetics, gadgets, household appliances, to fashion needs. The omnichannel that has been done by several large companies such as Starbucks, Fore, Excelso includes one of the targets of market segmentation only. This is a form of empirical event that can be used by other entrepreneurs who will develop their business that in the implementation of omnichannel strategies are placed in one of the sectors and do not overshadow the entire expenditure.

Furthermore, indepth interviews conducted by researchers found that online business people have difficulty integrating through omnichannel because there are certain expertise to make the services offered into one platform. It takes at least expertise in it and also good programming to be able to set up omnichannel periodically. The omnichannel strategy seems to be able to be used only for the upper middle class and does not favor the lower middle business, this is because there are costs that must be incurred to implement an omnichannel strategy. While middle-to-low-end businesses do not have large margins and capital to implement these strategies, they still tend to strive to increase business sales until they reach stable margins. The following is empirical data on indepth interviews conducted with Andre Sulistyono as a research informant:

"Of course, omnichannel is a good strategy in developing a business, but there must be costs incurred considering that it is not easy to implement the strategy. We must at least work with IT experts and programmers to use this strategy, the reason is that middle and lower business people cannot carry it out. They do not have enough capital and margin to execute an omnichannel strategy". (Interview conducted on May 24, 2022)

Based on the interpretation of omnichannel theory, it is found that this strategy can be applied to middle to upper segmentation and cannot be applied to the middle to lower business segmentation. This is because the capital needed to implement an omnichannel strategy is very large, considering the cyber security of this strategy which is the main point in implementing a strategy. With good cybersecurity, the business strategy will also run according to the targets set at the beginning. The government in this case can play an active role in helping MSMEs in the lower middle segment by providing subsidies for omnichannel development program assistance.

### **Interpretation of Trust Theory**

Trust is the main factor to establish continuous cooperation with customers. Trust or trust is defined as trust arising from the willingness of customers who depend on service providers (Tabrani et al., 2018). According to (Gustianto et al., 2022) trust is an assessment of a person's relationship with other people who will carry out certain transactions in accordance with expectations in a environment full of uncertainty. So that building trust in a marketplace carried out by buyers or customers in this case is a Shopee marketplace user is very important because it will affect the purchase decision making process.

Based on the results of an indepth interview conducted with Mr. Fairuz Adinata, who is an online business person, explained that:

"Trust is very important for a transaction to take place, regardless of the transaction, if people have put their trust, then they voluntarily shop and put their hopes on the goods they will buy. This trust can even be established even though one day we have changed places, often the buyer is looking for us to move where so that he can go back to buying our products. Such things are a positive impact of the trust established between sellers and buyers". (Interview conducted on May 24, 2022)

The conclusion of this increase in confidence is that with the use of omnichannel, it is certain that the increase in consumer confidence will also increase in the brands offered. With the use of omnichannel, consumers observe the seriousness of sellers to offer their products, and see that there must be costs incurred to produce such a strategy. Of course, this will always be appreciated by consumers, namely in the form of increasing the trust of the products offered. Research (Sufiyan et al., 2021) shows the results that the right strategy will always improve the company's performance. This implies that the implementation of an omnichannel strategy is also an effort to improve company performance, where not all strategy ideas can be actively applied in different business fields.

Research (Ginting & Siringo Ringo, 2021) using quantitative analysis found that the quality of products and services provided almost 50% influence on the decision to buy products. This indicates that a successful omnichannel strategy will certainly improve consumer decision-making in choosing the products they buy. Furthermore, research (Septiawati et al., 2022) shows the results that the implementation of e-marketing strategies allows a business company to reach a wider market and wider segmentation. It is expected that the use of optimization of omnichannel strategies will also expand market segmentation and more complex market mechanisms.

### **Interpretation of Brand Image Theory**

Brand image theory according to (Istiyanto & Nugroho, 2017) is a perception of beliefs carried out by consumers and consists of attributes and benefits. Based on attributes, it is explained that the brand image must refer to product related attributes, namely information about the price, packaging, product design, people and how the product or service is used. In the omnichannel strategy, some of these things are listed and clearly seen by consumers, so this of course increases the brand image of the products offered. The omnichannel strategy is also additional product information so that consumers can get more detailed information about the quality and quantity of the products they will buy.

The second is non-product related attributes, namely the external aspects of a product related to purchase and consumption consisting of packaging, product design. In the omnichannel strategy, this has also been done as a form of increasing the brand image based on the theoretical tools that have been explained upfront. Furthermore, the variables that are taken into account in increasing the brand image are benefits or personal values attributed by consumers and product attributes which include: functional benefits, experiential benefits, and symbolic benefits.

Functional benefits are related to the fulfillment of basic needs in the form of physical needs, based on the calculation of this variable in the omnichannel strategy, it has a suitability, namely the expediency of the product. Experiential benefits, the feeling that arises when using products and services, namely in the application of omnichannel, provides a new experience for consumers.

So that consumers find that the experience obtained is easy access, ease of transaction, and ease of shopping. This gives rise to high trust so that consumers can buy the product back. The third is symbolic benefits, namely the need for social approval of the value of prestige, exclusivity and fashion style. In implementing an omnichannel strategy, of course, the prestige value is increasing along with the use of increasingly complex technology. This certainly increases the trust and brand image of the products offered.

Based on research (Syerin et al., 2022) which uses quantitative analysis shows that product quality and brand image have a significant effect on purchasing decisions. Of course, the improvement of the omnichannel strategy causes a multiplier effect on the purchase decision of a product. This strategy generally has a very positive impact on the development of a business. Furthermore, research (Manto et al., 2022) service quality will be significant to consumer loyalty. With the use of omnichannel strategy as one of the improvements in service quality, it will have a significant impact on customer loyalty.

#### 4. CONCLUSION

Past literature suggests that omnichannel offers a segmented and inconsistent view of consumer decision-making. Furthermore, this study found that omnichannel will improve the quality of service which has an impact on consumer loyalty to the products offered. The study broadens the understanding of the field of omnichannel retail in a number of dimensions, firstly the research assumes a linear consumer decision-making process. Second, the literature and structure review brings the spotlight needed to observe omnichannel based on a broader management perspective. This focus is more context-specific and fragmented from the findings about the decision-making process. Fourth, this study shows results in online business people who do not understand much about omnichannel strategies carried out by the segmentation of medium to upper business people.

Furthermore, this study concluded that omnichannel strategies can be applied to medium to upper business conditions, this is due to the limited capital owned as well as the development needed is highly correlated to high cost expenditures. This article is one of the references for improving business management strategies at the middle and upper levels. In a limited way this article looks at the disciplines of management, further research is expected to be able to analyze other multidisciplinary as well as different research methods.

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