

# CHAPTER I

## INTRODUCTION

### 1. 1. Research Background

The World Health Organization (WHO) declared the outbreak of coronavirus disease (COVID-19) as a pandemic on 11<sup>th</sup> March 2020. The disease made countries around the globe went on a public health emergency. The pandemic was also threatening the market stability. (Shaikh et al. 2020). The physical distancing protocol was applied to prevent the disease from spreading (Flaxman et al. 2020). This situation threatened the economic growth in many countries. Many businesses were struggling to adapt to the situation. The food and beverage industry was also strongly hit by the pandemic.

Cleanliness and hygiene had become a top priority for the customers leading to the behavior transformation. Customers then had a serious concern and tendency to consume more healthy and safe food (Yilmaz & Şahin, 2021). This concern also based on the virus transmission that was occurred by human to animal interaction. However, this concern was affecting food security.

The Food and Agriculture Organization (FAO) has stated that nourishment shortage emergencies were likely to happen during the COVID-19 pandemic (Anugrah et al., 2020). One of the industries that were impacted by the pandemic is the poultry industry. The Poultry industries hold an important role to provide nutrition in food security while crisis. The pandemic caused a crisis leading to the instability between demand and supply (Uyanga et al., 2021).

In Indonesia, adjustment and changes on poultry-based food supply pattern applied with the Government Law No. 21/2020. The COVID-19 pandemic affected the decrease of demand for poultry products. This was also resulting in the instability of poultry product prices in the market. Also, the raise of animal feed prices and medicine were affecting the situation. (Sukmawati; Asmawati; Nurhidayanti; Abubakar, 2020).

Cobb-Vantress, Inc. as one of the players in the global livestock industry which is responsible for providing genetic chicken to chicken farming business in Indonesia, has been affected by the COVID-19 pandemic phenomenon. Cobb-Vantress, inc. has reported that in 2019, before the COVID-19 pandemic, they had made 5.726.235 USD total sales in Indonesia while the pandemic hit in 2020, they had made 4.523.426 USD total sales.

This decrease in sales occurred because of the slow demand from the customer. While in Indonesia itself, many hotels, food, and beverage businesses reducing their operation time in addition to the social restriction policy made by the Indonesian government have been the cause of the customer's slow demand. The social restriction was also made the distribution going slow during the pandemic leading to a decrease in sales.

Customers	Sales					
	Before Pandemic		During the Pandemic		Projection	
	Februari 2019-January 2020		February 2020-January 2021		February 2021-January 2022	
	FLF (heads)	\$ USD (@38 USD)	FLF (heads)	\$ USD (@38 USD)	FLF (heads)	\$ USD (@40 USD)
PT Charoen Phokpand Indonesia	24960	912000	24960	912000	24960	960000
PT Wonokoyo	23920	874000	16640	608000	16640	640000
PTHybro Indonesia	23920	874000	18720	684000	18720	720000
PT Bibit Indonesia	18720	684000	12480	456000	5848	224923
PT Berdikari	14280	521769	14280	521769	9880	380000
CV Missouri	12480	456000	8640	315692	3120	120000
PT Karya Indah Pertiwi	7800	285000	15600	570000	7800	300000
PT Expravet Nasuba	15038	549465	12480	456000	9672	372000
PT Satwa Borneo Raya	15600	570000	10400		10400	400000
PT Sido Agung (New Customer)					5200	200000
PT Widodo Makmur Unggas (New Customer)					5200	200000
	156718	5726235	134200	4523462	117440	4516923

**Picture 1.1 Cobb-Vantress, Inc. Sales in Indonesia During the COVID-19 Pandemic and Sales Projection**

(Source: Cobb-Vantress, 2021 retrieved on 10th April 2021 20.53 WIB)

Cobb-Vantress, Inc. operate as a poultry research company as well as providing organic farming and animal welfare services. Established in 1916, This company is focusing on the development, production sale, and service of broiler breeding stock around the globe. Their meat quality is a result of their efficient system of genetics program. PT Charoin Phocpand Indonesia (CPI), PT Bibit Indonesia, PT Wonokoyo, PT Berdikari, PT Widodo Makmur Unggas, etc. have been clients to this Arkansas-based poultry company.



**Picture 1.2 Cobb-Vantress, Inc. Logo**

(Source : <https://twitter.com/cobbvantress> n.d. Accessed on 2021-03-03 10.00 WIB)

Since they are operating on business-to-business services, they were used to hold an offline seminar and company visit to inform the customer about the benefits of using their products. Personal selling is used as their tool in marketing communication in the aim of building their client loyalty. Since the travel ban and other government regulation concerning the COVID-19 Pandemic, They are more often held an online Webinar on the topics of poultry area along with the online personal selling through video conferences, phone calls, and e-mail as their marketing communication tools to persuade client in buying their genetic chicken.

Personal selling were believed to be an efficient marketing tool to build their client loyalty because they believe that the persuasive information was delivered more efficiently in two-way personal communication than the one-way public marketing communication strategy. As a result, it generates a higher client's attention on the Cobb-Vantress, Inc. genetic chicken. They are also very open to the client's complaint and give consultation to the client as they are also provide the solution the client's problem in keeping the genetic chicken.

In previous research, the result in general only describes the strategy to cope with COVID-19 pandemics in the technical poultry area. This research purpose is to provide an outlook on marketing communication strategy perspective for the poultry

industry during the COVID-19 pandemic. Since the pandemic has widely known to have an impact on various customer goods businesses, the researcher is additionally desire to take a look at the business-to-business corporation strategy to cope with the COVID-19 pandemic situation that forces public behavioural transformation in the term of new normal since the research object, Cobb-Vantress, Inc. is also a poultry corporation who sells product business-to-business. The researcher is also used a qualitative descriptive scope for this research.

Qualitative descriptive designed research is used by the researcher to get the result more objectively. The pandemic of COVID-19 affecting the world is not only a natural science phenomenon. It is also affecting the social circumstances within communities around the world. People around the world had to live in the new normal situation. As a result of this social circumstance transformation, economy was becoming unstable. Businesses started to change their marketing communication strategy to cope with this circumstance. This phenomenon cannot be only measured by numbers and statistics, but it necessarily require qualitative explanation to be able to infer more unbiased results.

Based on the background that has been elaborated above, This study focuses on changes in the implementation of personal selling as a marketing communication activity used by Cobb-Vantress, Inc in the crisis situation of the COVID-19 pandemic. Thus, this research can also help salespersons adapt in carrying out their personal selling in the COVID-19 pandemic situation or if the pandemic had over, the online personal selling strategy still apply. As for previous research that explains how personal selling can be adapted according to changing times, this research of conducted during the COVID-19 pandemic which is also a very different era than before and the researcher wanted to give an in-depth look on how personal selling adapted during this situation.

## **1. 2. Research Problem**

Based on the explanation of background above, this research identification is formulated by :

1. How was the Re-Strategy Cobb-Vantress Personal Selling During The Covid-19 Pandemic?

### **1.3. Research Objective**

As the researcher explained the research background above, this research purpose is described as down below:

- 1.1. To explain How was the Re-Strategy Cobb-Vantress Personal Selling During The Covid-19 Pandemic?

### **1.4. Research Utility**

Hopefully, this research will bring many benefits for parties as a consideration to re-write their personal selling as in marketing communication strategy during the COVID-19 pandemic. Since the economic damage done by the pandemic explained above, the researcher also hopes that this research would help as an idea for a business-to-business company to cope with the future economic crisis.

#### **1. Theoretical**

Companies who are players in business-to-business can use this research as consideration for them in re-writing their personal selling as their marketing communication strategy during the COVID-19 pandemic.

#### **2. Practical**

This research can be a reference for academic study especially for those who are currently studying the personal selling in marketing communication. Researchers can also use this research as an insight or inspiration for future research in marketing communication and also for re-researching.

### **1.5. Time and Period of Research**

**Table 1.1 Time and Period of Research**

No.	Research Stages	Years 2021				Years 2022		
		Jun	Jul	Aug - Nov	Dec	Jan - Feb	Mar - May	Jun
1	Submission Topics and Title							
2	Preparation for Chapter I to III							
3	Pre-Research							
4	Desk Evaluation							
5	Desk Evaluation Collection							
6	Desk Evaluation Revision							
7	Research							
8	Preparation for Chapter IV to V							
9	Thesis Define							

(Source: Researcher Processed Data, 2021)