

## THE WAY TO SUSTAIN THE PERFORMANCE OF THE LOGISTIC DISTRIBUTION IN THE MIDLE OF THE COVID-19 PANDEMIC: STUDY CASE OF PT J-EXPRESS

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**Abstract:** *Currently, the COVID-19 Pandemic in Indonesia is changing the behavior of Indonesian people in cyberspace. Similarly, it also has an impact on e-commerce site traffic. PT J-Express is a logistic company from e-commerce company PT. JD.ID. Based on an empirical analysis of the electronic mall at PT JD.ID (Jingdong Indonesia), high demand surges make logistics companies do extra job to increase the productivity of the rate of performance of goods delivery amid the COVID-19 pandemic. The purpose of this study is to find out how logistic companies can maintain the rate of logistics distribution performance to match the performance targets that have been previously determined. This research uses descriptive method to describe the characteristics of the pandemic phenomenon that is being studied at this time.*

Keywords: the Covid-19, e-commerce, logistic distribution

### Introduction

The COVID-19 pandemic in Indonesia has changed the behavior of Indonesian people in cyberspace. Similarly, it also has an impact on e-commerce site traffic. The COVID-19 pandemic which has been rolling in Indonesia since early March 2020 is also predicted by many parties as a trigger for a number of visitors to go to online shopping sites. The reason is that it is believed that more and more people are choosing to buy various necessities from home using the online shopping application. The government also starts looking at the e-commerce sector as one solution to overcome the tax deficit due to the economic slowdown.

The COVID-19 pandemic that is rife in Indonesia, has made the government implement social distancing and support the #DiRumahAja or stay at home movement. Online platforms are becoming the ones that are relied upon to meet needs, despite the limitations of e-commerce companies in Indonesia. The increasing demand from consumers has caused some difficulties for the logistics companies to send their goods because of the frequent delays in the distribution. This is due to several factors, namely flight restrictions, road closures due to PSBB (large-scale social restrictions), and lack of manpower due to panic buying and health protocol.

This condition is in line with the results of the survey data conducted by PT J-express which is a logistics distribution company from an e-commerce company PT JD.ID (Jingdong Indonesia). From the data mentioned below we can understand that there has been a significant increase in the orders but there was a decrease in the productivity of distribution performance that started from March to May in the cities in West Java province compared to the previous months.

**Table 1**  
**Monthly Performance PT. J-Express**

|                    | Month    | Target | Performance | Order   |
|--------------------|----------|--------|-------------|---------|
| Before<br>Pandemic | December | 85%    | 86.00%      | 161.635 |
|                    | January  | 85%    | 86.60%      | 158.186 |
|                    | February | 85%    | 87.60%      | 152.337 |
| During<br>Pandemic | March    | 85%    | 70.30%      | 184.630 |
|                    | April    | 85%    | 75.70%      | 203.811 |
|                    | May      | 85%    | 80.60%      | 218.344 |

Source: PT J-Express in 2020

It can be seen from the data that prior to the COVID-19 pandemic, namely from December to February the delivery performance was on target. While at the time of the pandemic in March to May, PT J-Express run into a decreasing performance and did not achieve the target of the company. Therefore, the authors are interested in doing a research titled :*The Way to Sustain the Performance of Logistics Distribution in the Middle of the COVID- 19 pandemic: Study Case of PT J-Express*".

## **Literature Review**

### **1. COVID-19 on Consumer Behavior**

Lockdown and social distance policy interfere with all consumer behavior. When consumers have adapted to stay at home for a long time, they are likely to adapt new technologies to facilitate the working, studying and shopping in more comfortable way. Embracing digital technology will change their previous habits. Finally, public policy will also impose new consumption habits especially in public places such as airports, concerts, and public parks (Sheth, 2020).

Because of the significant impact of the COVID-19 pandemic, consumers will take the necessary precautions and will be more likely to act accordingly. Therefore, customer behavior mainly influences the demand for e-commerce business activities. Customer buying behavior will be affected due to locking in countries because there will be a lack of availability of products and services in various outlets and stores (Sandra Gitten, 2020)

### **2. Logistics Distribution Performance**

Some of e-commerce companies choose to collaborate with third- party logistics companies to develop their logistics operations (Aguezzoul, 2014) because of some advantages such as a higher level of specialization, rich experience, and various channels for distribution which can effectively help companies to save on logistics

investment costs and reduce their potential risks (Marasco, 2008). However, collaborating with third-party logistics companies can also lead to several potential problems in logistics distribution. For example, the required distribution management information system may not always be available to help clients track real-time information of their orders (Rushton et al., 2014)

JingDong cooperates with other companies, attracting high-quality suppliers to open their own online stores on JingDong platform, and JingDong provides logistical services for them. When a customer orders at JingDong, the order can be taken at the JingDong warehouse or other suppliers' warehouse, and then transported by JingDong fleets or suppliers in large trucks for the Line-Haul phase (Yu et al., 2016)

Co-distribution mode, in which many companies build strategic alliances to quickly respond to frequent changes in the market, to effectively coordinate supply and demand fluctuations, to develop synergies in action, and to reduce company risk, has become popular among companies in recent years (Zheng et al., 2020). However, this type of distribution mode requires a higher level of coordination between companies, which may not be applicable or available for some companies.

To improve the performance of logistics distribution rate in Jingdong, to analyze distribution personnel, warehouses, and user delivery points, JD also provides optimal distribution routes for logistics personnel (Zheng et al., 2020)

## **Materials and Methods**

The data analysis in this research was done descriptively because it was to describe the characteristics of the COVID-19 pandemic phenomenon that was being studied at this time. The data used are primary data and secondary data. The primary data was a questionnaire distributed to the employees of PT J- Express at Depok drop point. The employees were PT J-Express HRD to ensure the realness and objectiveness. The secondary data was the data from PT J-Express which was processed by comparing that in 2019 and 2020.

The methodology used for this research was formulated based on empirical studies in which conclusions were made based on the actual situation.

### **1. Case Analysis**

The research was done based on the results of the survey data conducted by PT J-Express which is a Logistics Distribution company from the E-commerce company from PT JD.ID. The data was taken from 2020. In that data, it is mentioned that there has been a significant increase in orders and a decrease in the distribution productivity performance from March to May compared to previous months, especially in the cities in West Java Province. There was 218,344 orders during the COVID-19 pandemic.

### **2. Employee Satisfaction**

In this study, researchers also collected data with a questionnaire in a quantitative study using to get results regarding the employee satisfaction in observing of the distribution performance rate in PT. J-Express at Drop Point Depok. Questionnaires are a number of written questions that are used to obtain information from respondents (Arikunto, 1998: 140).

The indicator in this study was the performance of the distribution rate of PT J-

Express. The distribution rate performance was measured by 4 indicators proposed by (Zheng 2019). They are:

- a. Distribution personnel
- b. Warehouse
- c. Delivery point
- d. Distribution route

## Results and Discussion

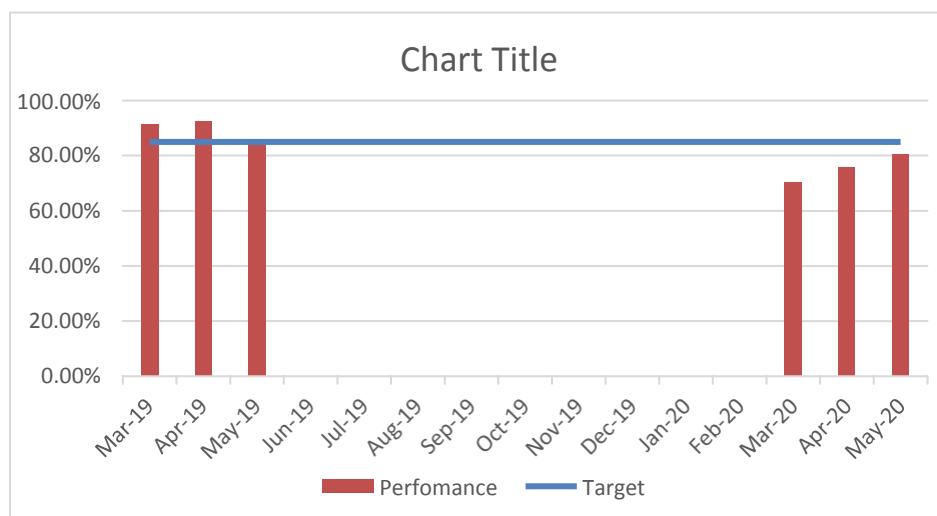
### 1. Case Analysis

The analysis was conducted to see the distribution rate performance of goods by PT J-Express. This table was obtained to compare the results of the distribution performance in 2019 with 2020. In March 2019 Indonesia had not experienced the impact of the COVID-19 Pandemic, while starting from March 2020 Indonesia has been experiencing the impact of the COVID-19 pandemic. For this reason, the researchers took the data from March-May 2019 and March-May 2020. The following is the calculation of the performance described.

**Table 2**  
**Monthly Performance of PT. J-Express in West Java**

|                 | Month  | Target | Performance |
|-----------------|--------|--------|-------------|
| Before Pandemic | Mar-19 | 85%    | 91.24%      |
|                 | Apr-19 | 85%    | 92.73%      |
|                 | May-19 | 85%    | 85.66%      |
| During Pandemic | Mar-20 | 85%    | 70.30%      |
|                 | Apr-20 | 85%    | 75.70%      |
|                 | May-20 | 85%    | 80.60%      |

**Diagram 1**  
**Monthly of Performance PT. J-Express in West Java**



Based on the data, it can be seen that in March 2019 there had not been the COVID-

19 pandemic in Indonesia and the distribution performance of PT J-Express in West Java was quite good because it matched the target that the company wanted. However, in March 2020, when Indonesia experienced the COVID-19 pandemic, the distribution performance decreased and the company did not achieve the desired target.

## 2. Employee Satisfaction

Employee Satisfaction was used to measure the level of distribution rate performance during the COVID-19 Pandemic. Employee satisfaction is an indicator to measure the growth and the learning perspectives that are very important. Employee satisfaction is considered very important because employees are the ones who drive the course of operational activities of a company. They are also the valuable assets which in turn can create returns for the company.

In this study, the measurements of employee satisfaction were carried out through the distribution of questionnaires to 32 employees who work at the Depok Drop Point. The results of the employee satisfaction research as a whole through the four variables namely distribution personnel, warehouse, delivery point, and distribution route can be seen in the following table:

**Table3.**  
**Employee Satisfaction Percentage**

| No. | Indicator              | Percentage (%) |
|-----|------------------------|----------------|
| 1   | Distribution Personnel | 76.84%         |
| 2   | Warehouse              | 77.05%         |
| 3   | Delivery Point         | 83.16%         |
| 4   | Route Distribution     | 62.11%         |
|     | Total                  | 74.79%         |

The percentage of employee satisfaction was obtained from the sum of the satisfied and very satisfied categories from each indicator. This was done because this study would only see the percentage of employees who were satisfied with the distribution rate performance at PT. J-Express Depok Drop Point. The employee ratings based on data from the distribution of questionnaires indicate that employee satisfaction with the performance of the distribution rate performance at PT. J-Express Depok drop point was 82%. In other words, there were still 18% of employees who were not

satisfied with the performance of the distribution rate performance at PT. J-Express Depok Drop Point. The lowest employee satisfaction indicator was the distribution route by 62%. This occurred because during the COVID-19 pandemic, there were restrictions and alley closures. These constraints had caused delays in the distribution of goods.

## Conclusion

All e-commerce certainly requires delivery services. The vast market makes shipping business increasingly needed. Moreover, when the COVID-19 pandemic continues to plague, people are accustomed to do online shopping. The surge in demand has caused the shipping business to emphasize on the distribution rate of logistics. This is of the important instruments in supporting the success of the shipping business. As a result, there are several shipping companies that are disrupted during the process of shipping goods.

In PT J-Express which is a logistics company of PT. Jd.id, there has been a decrease in the performance of the distribution rate and it is not in line with the company's target in sending packages. The writers suggest that PT J-Express should make every effort to be able to continue sending packages to their destinations by carrying out various strategies in distribution. First, they should maximize shipping by land by delivering goods at hours where the local government opens access. Second, the distribution employees should use daily out sourcing service to help increasing the efficiency of delivery time. Third, the company should cooperate with other 3PL (third party logistics) to handle excess packages.

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