

The Effect of Sales Promotion Costs on Sales Quantity at PT Kamajaya Aneka Lestari Tangerang

Faqihuddin¹⁾, Sugiyanto²⁾

Universitas Pamulang, Tangerang Selatan, Indonesia

E-mail: ¹⁾faqih290@gmail.com; ²⁾dosen00495@unpam.ac.id

Abstract: This research was conducted at PT Kamajaya Aneka Lestari Tangerang using a descriptive method. The data used is taken from secondary data from the company in the form of reports on sales promotion costs and sales quantity from 2018 to 2020. The data analysis technique used is simple linear regression and coefficient of determination. From the results of data analysis calculations, a constant for sales of Rp.5,213,99 the regression coefficient for X is $6311 e^{-5}$, which means that sales (Y) will increase by Rp. $6311 e^{-5}$. The unit for increasing sales promotion costs (X) is Rp.1. From the analysis of the coefficient of determination, the results obtained R^2 (coefficient of determination) of 0.887, this indicates that 88.7% of the sales variable is strongly influenced by the independent variable. between 0.8 - 1.0. The relationship is positive which means that if the sales promotion costs is increased, this will increase the sales quantity. So in order to increase the sales quantity, the company must increase sales promotion costs.

Keywords: Sales Promotion Costs, Sales Quantity

INTRODUCTION

Marketing is an important activity in a company. According to (Sugiyanto & Haryoko, Manajemen Pemasaran, 2020) marketing is a social and managerial process in which individuals and groups obtain what they need and want by creating, offering and exchanging products of value with others. In addition, marketing aims to make customers loyal and get satisfaction for the benefits of the products sold. In modern marketing, companies are required to establish good relationships with all elements such as customers, distributors, retailers, suppliers and also the community. The efforts or tools used in providing information, solicitation, and introducing new products so that consumers are interested and confident in various ways in marketing activities are known as the "marketing mix". According to Kotler (2006: 48) in (Putri & Safri, 2015) "Marketing mix is a set of marketing tools that includes product, price, promotion, place that the company combines to produce the response the company wants in the target market."

To communicate a product, it is necessary to develop a strategy known as the promotion mix which consists of 4 main components : advertising, sales promotion, public relations, and personal selling (Sugiyanto, Nadi, & Wenten, Studi Kelayakan Bisnis, 2020). Sales promotion is one of the tools of the promotion mix. As one of these functions, sales promotion is usually used for short-term interests in a company that aims to stimulate buyers quickly so that they make a purchase. The

difference between advertising and sales promotion in general is that advertising provides reasons for consumers to make purchases while sales promotions provide incentives to consumers to buy.

Motorcycle spare parts are complementary products of a motorcycle. Among many types of motorcycle parts, a motorcycle battery is one of the spare parts that is always a special concern for every motorized vehicle owner. Motorcycle battery replacement is usually drained every year to every two years from the purchase of a new motorcycle. In line with the increase in motorcycle sales, of course, this is directly proportional to the need for motorcycle batteries on motorcycle that have been purchased.

PT Kamajaya Aneka Lestari is the official dealer for the "Yuasa" brand motorcycle battery for the Banten area. This company also sells various types of motorcycle batteries to serve its customers. Customers of PT Kamajaya Aneka Lestari are generally motorcycle repair shops or motorcycle spare parts shops located in the Banten province. In running its business, PT Kamajaya Aneka Lestari has various sales strategies, one of which is sales promotion. By doing sales promotions, it is expected that the company can increase the sales quantity and increase the loyalty of its customers.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Sales promotion

Sales promotion is one way to attract or stimulate customers to make purchases of a product. According to Kotler, (2007:266) in (Kurnianingsih & Sugiyanto, 2019) "Sales promotion is the main element in a marketing campaign, in the form of a collection of incentive tools, mostly short term, designed to stimulate buyers of certain products or services more efficiently. faster and bigger by consumers or traders". Therefore, sales promotions are needed to attract potential consumers to the products offered.

According to Swastha, (1996, p.10) in (Widharta & Sugiharto, 2013) Sales promotion are marketing activities other than personal selling, advertising and publicity that encourage the effectiveness of consumer and merchant purchases by using tools such as demonstrations, exhibitions, demonstrations. , etc.

Meanwhile, according to Buchari (2000-74) in (Darmadi, Suharyono, & Latief, 2013) sales promotion is an activity that shows activities to complement sales or advertisements effectively, such as conducting exhibitions, shows or other sales efforts that are not carried out. Repeatedly and is not a common thing.

According to Tjiptono (2008) in (Kurnianingsih & Sugiyanto, 2019) "the purpose of sales promotions aimed at final consumers, among others, is encouraging consumers to be willing to try new products, persuading consumers to ignore competing products, encouraging consumers to make stock for their products. established, maintain and reward loyal customers, build relationships with customers. A company has various reasons in conducting sales promotions.

Sales

In a company organization sales is one of the most important benchmarks. This is unavoidable because sales are what generate profits for a company. So if a company has large sales of course the company will get a large profit and vice versa. Because of this rejection, the company must be able to compete with competitors' products in marketing their products. Various efforts are continuously made by the company to gain a place in the hearts of its customers, one of which is by making high quality products accompanied by reliable services.

According to (Kertajaya, 2006) sales is how to create long-term relationships with customers through the company's products or services. In this case, selling means a tactic that can integrate companies, customers, and relationships with each other. The selling concept holds that if the company ignores the customer, the customer will not buy the product in sufficient quantity. Therefore, companies must make aggressive promotions (Kotler, 2002:16) in (Darmadi, Suharyono, & Latief, 2013).

From the opinion above, it can be said that sales are activities in selling products to customers so that these products can be enjoyed by customers and customers are satisfied with the products they buy. More than that, satisfied customers will invite others to buy the products they use. The main purpose of sales is to get optimal profit for a company in order to fulfill all its operational activities. If the company can sell more of its products, the profits will be even greater.

METHODS

This research uses descriptive research method. The researcher aims to find out how much influence the sales promotion costs have on the sales quantity of motorcycle batteries at PT Kamajaya Aneka Lestari, so that the data collected is also descriptive. The variables used in this research are the independent variable (X) which is the cost of sales promotion and the dependent variable (Y) is the sales quantity. The data obtained for this study came from two sources of data collection, namely primary data by means of direct interviews with the management of PT Kamajaya Aneka Lestari Tangerang and secondary data that the authors obtained directly from the company.

The analysis technique uses descriptive analysis and inferential statistical analysis. Through this method, the researcher wants to know how much influence the sales promotion costs incurred by PT Kamajaya Aneka Lestari have on sales quantity for three years, starting from 2018 to 2020.

Simple linear regression analysis is an analytical tool used to measure the effect between the independent variable (X) and the dependent variable (Y) (Sugiyono, 2011). This technique is to analyze data through the frequency of sales promotion activities, namely the independent variable (X) Sales promotion and there are two indicators : regular promotion costs and cashback promotion costs, as for the dependent variable (Y) is the sales quantity of motorcycle batteries at PT Kamajaya Aneka lestari Tangerang. Later the results of this calculation will be used as consideration for decision making for the company concerned. The inferential statistical technique to analyze the data is using simple linear regression. Simple linear regression is the relationship between the variable (X) and the dependent variable (Y). for the variable (X) is the cost of sales promotion and the variable (Y) is the sales quantity. The author uses SPSS software for windows to process the data.

RESULT AND DISCUSSION

Promotional activities carried out by PT Kamajaya Aneka Lestari in order to increase sales quantity and develop marketing areas are by providing promotions in the form of regular sales programs (Campaign regular) and cashback programs for its customers. PT Kamajaya Aneka Lestari In budgeting sales promotion costs using the percentage of total sales in rupiah.

In 2018 PT Kamajaya Aneka Lestari spent Rp. 708,409,576 while the cost for the cashback program is Rp. 134,273,000. So the total cost of sales promotion for 2018 is Rp. 842,682,576. In 2019 PT Kamajaya Aneka Lestari spent Rp.749,830,576 for the regular program while the cost for the cashback program was Rp.149,479,000. So the total cost of sales promotion for 2018 is Rp.899,309,576. In 2020 PT Kamajaya Aneka Lestari spent for the regular program of 896,609,807 while the cost for the cashback program was Rp. 207,123,827. So the total cost of sales promotion for 2018 was Rp. 1,103,733,634

In carrying out its promotional program, the company makes policies such as providing higher regular discounts for types of fast moving motorcycle batteries. This is in order to achieve maximum sales for these types where competitors also pay special attention to the types of fast moving motorcycle batteries. In addition, the company has a policy for the cashback program by providing more incentives if the customer reaches the predetermined target and makes an increase in purchases from the previous year at least 5%.

The efforts are certainly carried out by the company in order to obtain the maximum sales quantity. So that the company can run its business continuously because the company can meet all of its operational needs from the profits earned.

Sales promotion costs (X)

This costs includes the cost of the regular program (campaign regular) and the cashback program. Regular program is a program that is issued when customers make purchases in large quantities. While the cashback program is a program for purchases with a minimum amount that has been set by the company and the purchase is at least 5% higher than the previous year's purchases.

Sales promotion costs incurred are very volatile from 2018 to 2020 because it really depends on the total value of sales in rupiah each year.

Table 1. Details of PT Kamajaya Aneka Lestari Sales Promotion Costs for 2018-2020

Year	Regular Program	% vs previous year	Cashback program	% vs previous year	Total sales promotion	% vs previous year
2018	708,409,576		134,273,000		842,682,576	
2019	749,830,576	5.8%	149,479,000	11.3%	899,309,576	6.7%
2020	896,609,807	19.6%	207,123,827	38.6%	1,103,733,634	22.7%

There are changes to the regular program promotion costs, which can be seen in detail as follows:

1. In 2019 there was an increase in regular program costs by 5.8%
2. In 2020 there was an increase in regular program costs by 6.7%

There are changes to the Cashback program promotion fee, which can be seen in detail as follows:

1. In 2019 there was an increase in cashback program costs by 19.6%
2. In 2020 there was an increase in cashback program costs by 38.6%

Changes in all costs incurred, which can be seen in detail as follows:

1. In 2020 there was an increase in promotional costs by 6.7%
2. In 2020 there was an increase in promotional costs by 22.7%

Result of sales (Y)

From Table 2 we can see that the sales of motorcycle batteries at PT Kamajaya Aneka Lestari are as follows:

Table 2. Sales Results of PT Kamajaya Aneka Lestari 2018-2020

Year	Sales (Qty)	% vs previous year	Sales in (Rupiah)	% vs previous year
2018	55,741		13,385,336,000	
2019	65,363	17.3%	15,220,144,000	13.7%
2020	74,137	13.4%	17,333,337,000	13.9%

From the table above we can conclude:

1. In 2019 it was noted that there was an increase in sales results of 17.3% in units and 13.7% in rupiah.
2. In 2020 it was recorded that there was an increase in sales of 13.4 % in units and 13.9% in rupiah.

Table 3. Sales Targets, Sales Promotion Costs and Sales Quantity of PT Kamajaya Aneka Lestari 2018-2020

Year	Target (Qty)	% vs previous year	Sales Promotion Costs	% vs previous year	Sales Quantity	% vs previous year
2018	58,800		842,682,576		55,741	
2019	61,200	4.1%	899,309,576	6.7%	65,363	17.3%
2020	70,800	15.7%	1,103,733,634	22.7%	74,137	13.4%

From the table above we can conclude that:

1. In 2019 it was noted that there was an increase in sales target (units) by 4.1% and in 2020 by 15.7%
2. In 2019 it was recorded that there was an increase in sales promotion costs by 6.7% and in 2020 it was recorded that there was an increase in sales promotion costs by 22.7%

Inferential Statistical analysis

Based on the purpose of this study which is to find out how much influence sales promotion costs have on sales quantity, therefore the researcher uses the relevant statistical analysis method by using simple linear regression analysis. By using the SPSS software program, the following results are obtained:

Table 4. Results of Simple Linear Regression

Model		Unstandardize	Coefficients Std. Error	Standardized Coefficients	t	Sig
		b		Beta		
1	Constant	5213.95	21496.586		0.243	0.849
	Sales Promotion Costs	6.311 e ⁻⁵	0.000	0.942	2.804	0.218

From the equation above, it can be interpreted as follows:

1. The calculation results showing that the sales quantity constant in Rp. 5,213.99, it means the average value of sales quantity (Y) if there is no sales promotion cost of Rp. 5,213,99
2. The regression coefficient obtained for X is 6311 e⁻⁵, meaning that the sales quantity (Y) will increase by Rp. 6,311 e⁻⁵ units in each additional sales promotion cost (X) of Rp. 1. Thus, if sales promotion costs are carried out properly, the sales quantity will increase.

Coefficient of determination

The coefficient of determination is used to show how much influence the independent variable has on the dependent variable. From the calculation results obtained the value of R² (Coefficient of determination) and the correlation coefficient (R) as in Table 5

Table 5. Coefficient of Determination

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.942 ^a	0.887	0.774		4370.579

From the results of data analysis in the table above, R² (coefficient of determination) is 0.887.

This means that 88.7% variable (Y) sales quantity is influenced by variable (X) sales promotion costs. The remaining 11.3% variable (Y) sales quantity is influenced by other factors not discussed in this study. Furthermore, a correlation coefficient is also obtained which describes the magnitude of the relationship between the variable (X) and variable (Y), the value of R (relationship coefficient) is 0.942, this value explains that the relationship between the two variables is categorized as very strong because it is between 0.8 – 1.0. And the relationship between the two variables is positive. This also indicates that the sales quantity will increase along with the increase in sales promotion costs. In other words, the sales promotion cost variable has a significant influence on the sales quantity. This is also confirmed by (Darmadi, Suharyono, & Latief, 2013) in a study entitled "the influence of sales promotion on sales volume" and (Putri & Safri, 2015) in their research entitled "The Effect of Sales Promotion in Increasing Mitsubishi Car Sales at PT.Perkasa Berlian Motor Pekanbaru".

CONCLUSIONS

In accordance with the results and data analysis that has been done, the authors can draw conclusions and suggestions that can be carried out by the company are as follows:

1. Promotional activities carried out by PT Kamajaya Aneka Lestari are sales promotions in the form of regular programs, is direct price cuts when purchasing in large quantities and cashback programs that are given after the program period ends.
2. This study aims to determine how much influence the promotional costs incurred on the sales quantity at PT Kamajaya Aneka Lestari. The independent variable used in this study is the cost of sales promotion and the dependent variable used is the sales quantity
3. From the results of simple linear regression data analysis obtained constants worth Rp. 5,213,99 which means the average value of sales quantity (Y) if there is no sales promotion cost of Rp. 5,213.99. - The regression coefficient obtained for X is $6311 e^{-5}$, meaning that the sales quantity (Kertajaya, 2006) (Machfoedz, 2005) will increase by Rp. $6,311 e^{-5}$ units in each additional sales promotion cost (X) of Rp. 1.
4. From the results of the data analysis in the table 5, R^2 (coefficient of determination) is 0.887. This means that 88.7% variable (Y) sales quantity is influenced by variable (X) sales promotion costs. The remaining 11.3% variable (Y) sales quantity is influenced by other factors not discussed in this study.
5. The value of R (relational coefficient) is 0.942, this value explains that the relationship between the two variables is categorized as very strong because it is in the range of 0.8 - 1.0. And the relationship between the two variables is positive. This also indicates that the sales quantity will increase in line with the increase in sales promotion cost

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