Influence of Distribution Channels on Sales Volume in PT. Sinar Sosro Sales Office Rangkasbitung Lebak Banten

Siti Chodijah[1]; Susanti[2]; Nurwijayanti[3]; & Arip Budisetiawan[4]

Pamulang University, Banten, Indonesia

E-mail: [a]sitichodijah2911@gmail.com; [b]sansanjj561@gmail.com
[c]nurwi1010@gmail.com; [d]arifbudisetiawan1993@gmail.com

Abstract: The quantitative research approach and descriptive analysis were employed in this research. The research hypothesis approach is to analyze using associative quantitative methods which are carried out to connect one variable to another variable, the purpose of this research method is to determine the influence between two or more variables. Based on the results of the analysis to analyze the effect of distribution channels consisting of the number of distribution channels (Agents, Semi Agents, Retailers) on the sales volume of The BotolSosro at PT. SinarSosro, Rangkas bitung Sales Office, Lebak Banten, used simple and multiple correlation analysis through SPSS Version 17.0 program. The simple correlation results produce a correlation value of -0.646 on the distribution of agents, -0.118 on the Semi-Agents and 0.900 on the distribution of retailers. So it can be concluded Ha and reject Ho. Because, The sales volume of the The Botol Sosro brand at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten is influenced by the distribution channels of Agents, Semi-Agents, and Retailers.

Keywords : Distribution Channel, Sales Volume, PT. SinarSosro.

INTRODUCTION

Marketing strategy is a decision-making process on how to allocate marketing costs and the marketing mix in accordance with the predictions of the market environment and competitor conditions. One of the operations carried out by an organization to achieve its goals is a marketing strategy. One of the strategies is the marketing mix. The marketing mix is a tactical marketing tool that includes product, price, place and promotion.

One of the strategies of marketing activities in its implementation is place, which includes location, transportation, and distribution channels. The distribution channel is an important component of the marketing mix in bringing the product to the target market. This place element marketing strategy makes the company's products available to target consumers.

Decisions in the marketing strategy of the place element include distribution channels, which can make it easier for consumers to reach the products marketed by the company. When the distribution channel is implemented properly, it becomes one of the strategies to achieve sales success and will increase sales volume in accordance with the achievement target.

Sales volume is the result of sales activities. Companies In implementing marketing tactics to increase sales volume, one of which is contained in the marketing mix, which consists of product, price, place, and promotion. The company's sales volume is usually an indicator of the success or failure of the company's marketing strategy.Based on table 1.1 shows the sales volume of bottled tea brand Sosro at PT. Sinar Sosro Rangkasbitung Sales Office from 2012 to 2016.

Table 1. Sales Volume

Year	Volume Penjualan	Perkembangan (%)
2012	234.303	-
2013	227.046	(3)
2014	182.656	(20)
2015	190.073	4
2016	176.335	(7)

Source: PT. Sinar Sosro Rangkasbitung Sales Office, 2021

Based on table 1 sales volume at PT. SinarSosro Sales Office RangkasbitungSosro bottled tea brand fluctuates every year. The sales volume of the bottled tea brand Sosro decreased in 2013 by a percentage of 3%, in 2014 it decreased by 20%, in 2015 it increased by a percentage of 4%, in 2016 it decreased again by 7 The decrease in sales volume at PT. Sinar Sosro Rangkasbitung Sales Office, followed by a reduction in the number of distribution channels implemented by PT. SinarSosroRangkasbitung Sales Office. The decrease in the number of distribution channels has been noted as having an impact on sales volume.

PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten uses three distribution channels, namely distributors (agents), sub distributors (semi agents), and retailers (retailers). The distribution channel used by PT. The Sales Office of Sinar Sosro Rangkasbitung Lebak Banten is shown in Table 1.2.

Table 2. Distribution Channels

Year	Dister (agen)	SubDister (Semi agen)	*Retailer* (Pengecer)	Total/ Tahun
2012	2	93	1.147	1.242
2013	2	217	955	1.174
2014	2	203	774	979
2015	4	137	900	1.041
2016	4	135	807	946
Jumlah	14	785	4. 583	
Grand Total				5.382

Source: PT. Sinar Sosro Rangkasbitung Sales Office, 2021

Table 2 shows the fluctuations in the number of distribution channels applied by PT SinarSosro, the Rangkasbitung Sales Office, especially in the distribution channels of sub distributors (semi agents) and retailers (retailers). In 2013 distribution channels decreased due to a decrease in the number of distribution channels at retailers . Another drop occurred in 2014, which was driven by a fall in the number of Semi agents and shops. The number of distribution channels at agents and merchants increased in 2015, whereas semi-agent

distribution channels decreased. The number of semi-agent and store distribution channels decreased in 2016. (retailers).

According to the findings of pre-research interviews, the decrease in the number of distribution channels carried out by PT SinarSosroRangkasbitung Sales Office was caused by a number of factors, including distribution channel breakers, distribution channel selection that did not go through distribution channel selection, and distribution channel locations that consumers did not reach. As a result, the distribution channel chosen must be appropriate.

The goals of this study are to investigate the influence of distribution channels on sales volume at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten in accordance with the subject matter. This research is expected to provide theoretical and practical benefits while the theoretical benefits of this research are expected to add insight and experience for researchers regarding the influence of distribution channels on sales volume at PT. SinarSosroRangkasbitung Sales Office LebakBanten. While the Practical Benefits For the authors of this study, it is hoped that it can collect information as material for contributing ideas to PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Distribution channel

According to Tjiptono in DamasWahyuNugroho (2015) distribution channel is a route or series of intermediaries, both managed by marketers and independent in delivering goods from producers to consumers. The company must determine the right distribution channel so that the distribution channel really becomes a company channel to distribute its products to consumers. According to BasuSwasta in DesiWita Sari (2014) distribution channel is a path traversed by the flow of goods from producers to intermediaries and finally to consumers.

Intermediary Institutions

In general, the purpose of using intermediaries is to help improve distribution channels to be efficient and effective. The intermediary institutions that can be used are as follows:
1. Agents, according to C. Glenn Walters in BasuSwasta and Irawan (2008:286) agents are institutions that carry out trade by providing services or special functions related to the sale or distribution of goods, but they do not have the right to own the goods traded.
2. holesaler is a business unit that buys and resells goods to retailers and other traders and or to industrial users, institutional users, and commercial users who do not sell in the same volume to final consumers.
3. Retailer, is an institution that conducts business activities selling goods to final consumers for personal (non-business) purposes.

Sales Volume

Sales is an activity in marketing as an effort to transfer property rights that are not involved in the manufacture of products. Sales volume, according to Freddy Rangkuti (2009:207), is a quantitative achievement stated in terms of physical or volume or units of a product. According to Anorga, in DamasWahyuNugroho (2015) sales volume is the number of sales that a company has achieved or wants to achieve within a certain period of time. Meanwhile, according to FandieTjiptono in DesiWita Sari (2014), sales volume is the number of goods and services sold in a given period based on quantitative data.

Based on the various interpretations of the concept of sales volume, it can be concluded that sales volume is the number of sales achievements in the form of goods and or services that a company has achieved in a given period based on quantitative data and measured using physical volume or product units.

The Effect of Distribution Channels on Sales Volume

Marketing activities and activities carried out by producers or companies are one of the important things to do. Because the marketing activities carried out are successful or not, see from the number of product sales in the form of goods or services of the company itself.

The company's marketing program is where demand is influenced by a number of controllable elements, particularly the marketing program. Demand will show how many levels of elasticity in relation to prices in an industry, promotion, product improvement and distribution efforts.

According to DesiWita Sari (2014) Distribution channels as one of the marketing activities, play an important role in the distribution function and product availability in the market. Distribution channels can be used when companies formulate market segments, consumer needs, and product development. So that the accuracy in the selection of distribution channels aims to support the company by increasing sales relations so that the targets that have been set can be achieved.

Determination of distribution channels is important, because it can affect the smoothness of sales, the level of profit, capital, risk and so on. Distribution is an activity that must be carried out by producers to distribute, send, distribute and deliver the products they market to consumers.

Thus, the more products sold in the market through an increase in the number of distribution channels such as agents, wholesalers, retailers owned by the company or manufacturer, the more sales volume will be generated. Because the more distribution channels, the higher the level of contact with consumers, who promote products and provide more information. Actively wholesalers will encourage retailers to increase their sales so that it affects the sales volume of the company or producer.

Based on the explanation above, that distribution channels affect sales volume, because distribution channels are an important component of marketing activities, namely to deliver products to consumers and expand the reach of marketing areas to increase the number of distribution channels and increase sales.

METHODS

Methods used in this research are quantitative research methods and descriptive analysis. As for the proposed hypothetical approach, the authors analyze using the associative quantitative method, which is a research conducted to connect one variable to another, the purpose of this research method is to determine the effect between two or more variables. Descriptive analysis, used to describe and explain the results of interviews conducted and presented with data obtained from interviews conducted during the research process.

The types of data used in this research are primary data and secondary data. Primary data, namely data obtained directly related to the problems to be studied by conducting interviews with employees at PT. SinarSosro, Rangkasbitung Sales Office, was chosen as the respondent. In this study, secondary data became the main data in the form of numbers, the results of the calculation of the number of distribution channels and sales volume of the bottled tea brand Sosro at PT. SinarSosroRangkasbitung Sales Office LebakBanten.

RESULT AND DISCUSSION

Correlation Analysis

To analyze the effect of distribution channels consisting of the number of distribution channels (Agents, Semi-Agents, Retailers) on sales volume, simple and multiple correlation analysis was used through the SPSS Version 17.0 program. The following shows the recapitulation of overall data acquisition starting from Variable X Distribution Channels (Number of distribution channels of Agents, Semi Agents and Retailers) and variable Y sales volume of PT. Sinar Sosro Rangkasbitung Sales Office in table 3.

Table 3. Recapitulation of Overall Data Acquisition of Distribution Channel Variables and Sales Volume of PT. Sinar Sosro Rangkasbitung Sales Office 2012 – 2016

Year	Distribution Channels			Volume Sales
	Dister (Agent)	Sub Dister (Semi Agent)	Retailer (Retailer)	
2012	2	93	1,147	234,303
2013	2	217	955	227,046
2014	2	203	774	182,656
2015	4	137	900	190,073
2016	4	135	807	176,335

Source: PT. Sinar Sosro Rangkasbitung Sales Office, 2021

Calculation of the effect of agent distribution channel (X_1) on sales volume (Y)

Based on the results of a simple correlation calculation of the agent's distribution channel variable on sales volume produce a correlation value of -0.646. This means that there is a negative and strong correlation between the agent's distribution channel variables and sales volume. This means that the fewer the number of distribution channels applied by agents, the more sales volume is generated. Then the accepted research hypothesis is Ha and rejects Ho. Because, there is an influence between the agent's distribution channel on the sales volume of the bottled tea brand Sosro at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten.

The effect of the distribution channel Semi agent (X_2) to sales volume (Y)

Based on the results of a simple correlation calculation of the semi-agent distribution channel variable on sales volume produce a correlation value of -0.118. This means that there is a negative and very low correlation between the semi-agent distribution channel variables and sales volume. This means that the fewer the number of semi-agent distribution channels that are applied, the more sales volume is generated even though the effect is very low. Then the accepted research hypothesis is Ha and rejects Ho. Because, there is an influence between the semi-agent distribution channel on the sales volume of the bottled tea brand Sosro at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten.

The influence of Retailer distribution channels (X_3) on sales volume (Y)

Based on the results of a simple correlation calculation of the Retailer distribution channel variable on sales volume produce a correlation value of 0.900. This means that there is a positive and very strong correlation between retailer distribution channel variables and sales volume. This means that the more the number of retail distribution channels applied, the more sales volume.

Then the accepted research hypothesis is Ha and rejects Ho. Because, there is an influence between retailer distribution channels on the sales volume of the bottled tea brand at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten.

Based on the analysis of correlation calculations, it can be seen that the influence of the most dominant distribution channel is the distribution channel *RetailerRetailer* orof 0.900 which means it is very strong and has a positive effect on sales volume.

Multiple Correlation

Based on results of multiple correlation analysis, the influence of distribution channel variables (Agents, Semi-Agents) and Retailers) simultaneously to the sales volume of 0.996. This means that the distribution channel variables (Agents, Semi-Agents and Retailers) together have a very strong influence on the sales volume variable. If there is an increase or decrease in the number of distribution channels used by the company, then simultaneously there will be an increase or decrease in sales volume. Then the accepted research hypothesis is Ha and rejects Ho. Because, there is an influence between distribution

channels (Agents, Semi-Agents, Retailers) simultaneously on the sales volume of the bottled tea brand Sosro at PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten.

Coefficient of Determination

Based on coefficient of determination (R^2) distribution channel variable (agent) to sales volume is 0.417. That is, the significant influence in percent between distribution channels (agents) on sales volume is 41.7%. The results of the analysis of the coefficient of determination between the semi-agent distribution channel variables (X_2) and the sales volume are as follows:

Table 4. The results of the Coefficient of Determination analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.118a	.014	-.315	30584.47589

Based on table 4 coefficient of determination (R^2) distribution channel variables (semi agent) to sales volume of 0.014. That is, the significant effect in percent between distribution channels (Semi-Agent) on sales volume is 1.4%.The results of the analysis of the coefficient of determination between the retailer distribution channel variables (X_3) on sales volume are as follows:

Table 5. Results of the Coefficient of Determination analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.900a	.810	.746	13435.79640

Based on table 5 coefficient of determination (R^2) distribution channel variables (retailers) to sales volume of 0.810. That is, the significant influence in percent between distribution channels (retailers) on sales volume is 81%.The results of the analysis of the coefficient of determination between the variables of distribution channels (Agents, Semi-Agents, Retailers) simultaneously on sales volume are as follows:

Table 6. Results of the Coefficient of Determination Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.996a	.992	.967	4875.91738

Based on table 6 coefficient of determination (R^2) distribution channel variables (Agents, Semi-Agents, Retailers) simultaneously to the sales volume of 0.992. That is, the significant influence in percentage terms between distribution channels (Agents, Semi-Agents, Retailers) together is 99.2% and can be said to be very influential on sales volume.

Descriptive Analysis Distribution

channels are activities that function and play an important role in distributing products to the hands of final consumers. The inhibiting factors that influence the selection of bottled tea distribution channels in PT. Sinar Sosro Rangkasbitung Lebak Banten sales office, namely:

1. Market considerations

   The obstacle is a decrease in the number of purchases of consumers or consumers which are relatively small, as a result of the decline in the number of consumers causing a decrease in sales volume. Efforts to overcome the obstacles are to pay attention to how the conditions and strategic places are or not to be used as distribution channels

(dister), affordable by consumers or not and *monitoring* each distribution channel the state of the market at the time of the survey. (Interview Results, May 22, 2017).

2. Consideration of Goods

Barriers to purchasing products, namely the problem of product limits in glass bottle packaging. Efforts to overcome the limited distribution of bottled Sosro tea products in glass bottles are for agent and semi-agent distribution channels, for retail distribution channels only *outlites* certainare provided with glass bottle packaging products. (Interview Results, May 22, 2017). Loss of glass bottles is also one of the effects of the limitations of the packaging, the efforts made by PT. Sinar Sosro Rangkasbitung Sales Office is the application of compensation if the distribution channel eliminates the glass bottles, with the price of one bottle Rp. 500, - (Five hundred Rupiah) and if the crates are Rp. 25.000.- (Twenty thousand Rupiah) and for disters (distribution channels) who will supply products with glass packaging, a minimum of 20 crates must be purchased in advance. (Interview Results, May 22, 2017).

3. Company Considerations

Barriers to the company's considerations are on the distribution channel supervision factor, consisting of distribution channel conditions, capital, product storage or warehouse, vehicle resources and bank guarantees for agent distribution channels (Dister), human resources. To overcome obstacles in the selection of distribution channels PT. Sinar Sosro Rangkasbitung Sales Office Lebak Banten conducted a site survey first. The process starts from receiving information in the field from *sales.* In this determination, the supervisor sales pays a visit to the distribution channel location, or the distribution channel candidate registers directly with the Sales Office, and after a survey and negotiation, an agreement is reached (if there is an agreement)..

4. Intermediary Considerations

The obstacle to intermediary considerations is the service factor provided by the intermediary, the amount of capital owned by the prospective distribution channel as one of the distribution channels has equipment in customer service. Efforts to overcome these obstacles are adjusting the distribution channel level according to the capital owned by the distribution channel. Provision of storage facilities needed by distribution channels, but still imposes requirements, namely in the form of achieving targets. The existence of a motorized loan financing program for selected distribution channels, in the form of providing interest payments on credit installments will be paid by PT. Sinar Sosro.

CONCLUSION

Based on the results of research and discussion, it can be concluded as follows:

1. The influence of the distribution channel of agents or distributors (X1) on sales volume is - 0.646, meaning that it has a negative effect and has a strong influence on sales volume. Analysis of the determinant coefficient of 41.7% means that the significant effect in percent between the variables of the distribution channel of agents or distributors on the sales volume variable is 41.7%.

2. The influence of the semi-agent distribution channel or sub-dister (X2) on the sales volume is -0.118 which means it has a negative effect and the effect is very low on the sales volume. Analysis of the determinant coefficient of 1.4% means that the significant influence in percent between the variables of the distribution channel Semi agent or sub-dister on the sales volume variable is 1.4%.

3. The influence of the distribution channel reseller or retailer (X3) on sales volume that is equal to 0,900 means a positive and very strong impact on sales volume. Analysis determinant coefficient of 81% means meaningful influence in percent between the variable distribution channel resellers or retailers to variable sales volume by 81%.

4. According to multiple correlation study, the influence of the distribution channel used, which includes distributors (agents), sub distributors (semi agents), and retailers (retailers), on sales volume is quite strong, r = 0.996, which is close to +1.. This means

that the influence of distribution channels on sales volume is very strong and unidirectional (positive), every change in the distribution channel used will simultaneously affect the increase in sales volume. Analysis of the determinant coefficient of 99.2% means that the significant influence in percent between the variables of distribution channels consisting of agents, semi agents and retailers on the sales volume variable is 99.2%. The remaining 0.8% is influenced by other factors not examined.

5. The inhibiting factors that influence the selection of distribution channels and the efforts to overcome these obstacles by PT. Sinar Sosro Rangkasbitung Sales Office are as follows:

   a. Market considerations, namely the inhibiting factor for choosing distribution channels are the relatively small number of potential buyers and efforts to overcome these obstacles by researching the feasibility analysis as a distribution channel, *monitoring* distribution channels on the state of the market.

   b. Consideration of goods, namely the inhibiting factor for the relatively low value of units sold, efforts to overcome these obstacles, namely the distribution of products that have a large sales *trend* that will be sold in the distribution channel. Factors limiting product limitations on glass bottles packaging. Efforts to overcome the obstacle is by choosing the distribution channel for bottled tea, bottled glass, only distributed to certain distribution channels.

   c. Company considerations, namely the distribution channel control factor. Supervision on changes in the state of capital and the amount of debt distribution channels are large. Efforts to overcome these obstacles are the sales *supervisor* of PT. Sinar Sosro Rangkasbitung Sales Office conducted a survey of distribution channel locations first, to overcome changes in the classification of changes in distribution channel conditions, PT. Sinar Sosro Rangkasbitung Sales Office provides assistance in the form of a policy of changing the distribution level by adjusting the capital capacity and facilities owned by the distribution channel.

REFERENCE

Alizar Isna and Warto. 2013. Quantitative Data Analysis. Purwokerto: STAIN PRESS.

Arif Rahman. 2010. A Powerful Marketing Mix Strategy for Small Business: The Right Way to Eliminate Competitors. Jakarta:Transmedia Pustaka

Fandy Tjiptono and Gregory Chandra. 2012. Strategic marketing. Second edition. Yogyakarta: CV. Andi.

Harras, H., Sugiarti, E., & Wahyudi, W. (2020). Kajian Manajemen Sumber Daya Manusia Untuk Mahasiswa.

Hikmah, Mia Nurul. 2017. Pengaruh Saluran Distribusi Terhadap Volume Penjualan Di PT. Sinar Sosro Kantor Penjualan Rangkasbitung Lebak Banten (Studi Merek Teh Botol Sosro). Pandeglang : STIA BANTEN

Kotler and Armstrong. 2001. Principles of Marketing Volume I. Jakarta: Erlangga.

Kotler and Kevin Lane Keller. 2002. Marketing Management. Edition 12 Volume I. Jakarta: PT. index.

Lesmana, R., Sunardi, N., & Kartono. The Effect of Financing and Online Marketing on MSMEs Income Increasing at Intermoda Modern Market BSD City Tangerang Selatan. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(7), 25-34

Lesmana, R., Sunardi, N., Hastono, H., & Widodo, A. S. (2021). Perceived Quality Membentuk Customer Loyalty via Brand Equity pada Pengguna Smartphone Merek Xiaomi di Tangerang Selatan. *Jurnal Pemasaran Kompetitif*, *4*(2), 157-167

Lesmana, R., Sutarman, A., & Sunardi, N. Building A Customer Loyalty Through Service Quality Mediated by Customer Satisfaction. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(3), 38-45

Nana Herdiana Abdurrahman. 2015. Marketing Strategy Management. Bandung: Loyal library.

Philip Kotler, et al. 2001. Marketing Management in Indonesia: Analysis of Planning, Implementation and Control. Book Two. Jakarta: Four Salemba.

Rudy, R., Sunardi, N., & Kartono, K. (2020). Pengetahuan Keuangan dan Love Of Money pengaruhnya terhadap Pengelolaan Keuangan Pribadi dan dampaknya terhadap Kesejahteraan Masyarakat Desa Cihambulu, Kec. Pabuaran Kab. Subang. *Jurnal SEKURITAS (Saham, Ekonomi, Keuangan dan Investasi)*, *4*(1), 43-56.

Sunardi, N., & Lesmana, R. (2020). Konsep Icepower (Wiramadu) sebagai Solusi Wirausaha menuju Desa Sejahtra Mandiri (DMS) pada Masa Pandemi Covid-19. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, *4*(1).

Sunardi, N., & Lesmana, R. (2020). Konsep Icepower (Wiramadu) sebagai Solusi Wirausaha menuju Desa Sejahtra Mandiri (DMS) pada Masa Pandemi Covid-19. *JIMF (Jurnal Ilmiah Manajemen Forkamma)*, *4*(1).

Sunardi, N., Lesmana, R., Kartono, K., & Rudy, R. (2020). Peran Manajemen Keuangan dan Digital Marketing dalam Upaya Peningkatan Omset Penjualan bagi Umkm Pasar Modern Intermoda Bsd City Kota Tangerang Selatan di Tengah Pandemi Covid-19. *Jurnal Abdi Masyarakat Humanis*, *2*(1).

Wahyu, W., & Salam, R. (2020). KOMITMEN ORGANISASI (Kajian: Manajemen Sumber Daya Manusia).