



The Effect Of Promotion Costs On Car Sales at PT. Auto 2000 Bintaro

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Abstract: This study aims to see the cost of promotion at PT. Auto 2000 Bintaro, as well as to see sales results and any effect of promotional costs on car sales results at the PT. The research method was carried out on a quantitative scale using quantitative data with a hypothesis examiner. The population obtained from research data about the cost of promotion and car sales results. PT. Auto 2000 Bintaro, this study does not use a sample, because the total population can be studied, namely data on promotion costs and the results of car sales at PT. Auto 2000 Bintaro 2007-2014. The data analysis method used is Simple Linear Regression Analysis, Pearson Correlation Coefficient Analysis (r), Analysis of the Coefficient of Determination (KD), and Hypothesis / T Test. The results of the study show a strong relationship between promotional costs and the results of sales of promotional costs at the company which continues to experience fluctuating changes, this study shows that the promotional costs variable (X1) on the Sales Outcomes variable (Y) has a positive and significant effect between promotional costs on The sales results are $Y = 249,782 + 2,941X$, (a constant of 249,782 and a regression coefficient of 2,941, while the correlation value or r is 0.797 and the coefficient of determination (Kd) is 0.635 or 63.5% while the remaining 36.5% is other factors.

Keywords: Promotion Costs, Sales Results

INTRODUCTION

Along with the increasing purchasing power of society, the demand for a product or service both in quality and quantity will also increase, this encourages producers to compete to offer various kinds of products to consumers. In terms of the increasing demand for vehicles, the middle class today prefers a vehicle that can carry more passengers at an affordable price.

Competition in the car industry is getting tighter, Toyota, Honda, Mazda, Suzuki and others offer optimal service, competitive prices, quality products, easy payment is affordable either by cash or credit, this competition often makes companies have to review the implementation of promotions and implement sales strategies to be right on target. The obstacles that are often faced by companies are not achieving sales targets due to the minimal allocation of promotional costs, not comparable between the number of marketing

personnel and sales results, the performance of salespeople who are not able to take advantage of the market to the price that is often still above the price competing industry. This has an impact on not achieving sales targets.

PT. AUTO 2000 is a company engaged in the sale of cars, besides that, it is also engaged in the business of importing Toyota car parts and car maintenance. In an increasingly competitive competition, PT. AUTO 2000 tries to increase sales and service quality. This level of competition can be seen in the 2012 and 2013 national car sales charts.

Table 1.1 National Car Sales Data for 2012 and 2013

Brand	2012		2013	
	Unit	%	Unit	%
Toyota	61,805	42.29%	69,092	36.16%
Mitsubishi	21,630	14.80%	27,691	14.49%
Suzuki	18,571	12.71%	27,186	14.23%
Honda	15,825	10.83%	25,678	13.44%
Daihatsu	12,391	8.48%	19,100	10.00%
Isuzu	8,383	5.74%	8,612	4.51%
Hino	2,396	1.64%	5,797	3.03%
Nissan	1,755	1.20%	3,777	1.98%
Ford	1,689	1.16%	2,404	1.26%
KIA	1,689	1.16%	1,717	0.90%
Total	146,134	100%	191,054	100%

Source: Automotive Magazine 2014

From the 2012 and 2013 data, the market share of Toyota car sales reached 42.29%. Then in 2013, although there was an increase in sales, in terms of the percentage it actually decreased to 36.16%, down by 6.13% from the market share of the national car industry. On the contrary, the situation is the opposite with its competitors, while almost all of its sales competitors have increased from the previous year. Tight competition especially occurred in Toyota, Mitsubishi, Suzuki, Honda and Daihatsu where the market share was above 10%. To date, Toyota is still in the market leader position, but sales are still correcting.

Indonesia is a very potential market for other countries to market their products. There have been many car manufacturers from various countries who have entered the automotive market in Indonesia. The Indonesian Car Industry Association (AIMI) estimates that the motorcycle market will continue to increase in the coming years with an increase ranging from 12.5 to 15 percent. PT Toyota International Tbk (AUTO 2000) is a pioneer of the car industry in Indonesia and until now this company has become a "Top of Mind" in Indonesian society. For its own promotional activities, AUTO 2000 carries the theme of family vehicles and strengthens the corporate brand image campaign by introducing added value to the company that is reflected in products and technology. In addition, PT. AUTO 2000 Bintaro has a booking service program that makes it easy for consumers to care for consumer cars, express maintenance, namely in the form of service or vehicle maintenance that is carried out quickly, in just one hour and Toyota Home Service (THS) where this service makes it easy for busy customers to do light service at the customer's house with the same quality and price. In supporting sales, the role of the budget is quite important because it is part of the sales strategy carried out by marketing. The following is the budget and the realization of the promotional budget for the 2007-2014 period as shown in the table below :

Table 1.2 Promotion Budget and Realization - Period 2007-2014

Year	Cost Promotion			Remarks
	Budget (Rp)	Realization (Rp)		
2007	75.000.000	85.500.000	Minus	Exceeding the budget
2008	77.000.000	82.300.000	Minus	Exceeding the budget
2009	75.000.000	90.100.000	Minus	Exceeding the budget
2010	80.000.000	90.120.000	Minus	Exceeding the budget
2011	88.000.000	87.510.000	Plus	Less than budget
2012	88.000.000	88.400.000	Minus	Exceeding the budget
2013	92.000.000	92.520.000	Minus	Exceeding the budget
2014	93.000.000	93.150.000	Minus	Exceeding the budget

Data source: Auto 2000 Bintaro, 2015.

From table 1.2 above, it shows that the promotional cost budget incurred by PT. Auto 2000 Bintaro every year experiences fluctuating developments or changes, in 2007, 2009, 2010, 2011, 2012, 2013 and 2014 the realization of promotional expenses incurred over budget from the budget set by the company, only in 2011 there were still budget remaining by 0.56%. The company as a work unit always tries to organize all available resources so that maximum results can be achieved in production activities, which in turn can increase sales results. One way to increase sales results can be done by doing promotions. In modern marketing, companies not only develop quality products, fix prices, and place products that are affordable to consumers, but companies communicate with consumers to find out what consumers need and want. Communication that is usually carried out by companies is by promotion. PT. Auto 2000 Bintaro is a special Toyota car dealer which is a marketing and sales network of PT.

Toyota Astra, which has several types of Toyota car models, namely the Toyota, Avanza, Toyota New Vios, Toyota Yaris, Toyota Camry, Toyota Innova, Toyota Agya, Toyota Rush, Toyota Corolla ALTIS, Toyota Fortuner, Alpard, Land Cruiser and Toyota Crown Royal Saloon. The following is the sales data of PT. Auto 2000 Bintaro in 2007-2014 as follows:

Table 1.3 PT. Auto 2000 Bintaro Realization of Sales Data and Car Sales Targets

Year	Sales Car			Achievement Target (%)	Remarks
	Realization	Target	Dispute		
2007	482	460	22	104.78	Achieve
2008	456	465	(9)	98.06	Not Achieve
2009	485	470	15	103.19	Achieve
2010	488	480	8	101.67	Achieve
2011	474	485	(11)	97.73	Not Achieve
2012	480	490	(10)	97.96	Not Achieve
2013	478	490	(12)	97.55	Not Achieve
2014	496	495	1	100.20	Achieve

Data source: Auto 2000 Bintaro, 2015.

From table 1.3 above, it shows that the sales results achieved by PT. Auto 2000 Bintaro was fluctuating, in 2007, 2009, 2010, 2011 and 2014 it was able to meet the sales target but in 2008, 2012 and 2013 it experienced a decline in sales so that it did not meet the sales target acceptance set by management.

Sales promotion is a customer relationship, not just creating short-term sales results. In terms of sales of PT. Auto 2000 Bintaro is aiming for the lower economy class market share for the minibus type, while the sedan for the economy class and above. Sales promotion needs to strengthen product position and build long-term relationships. In terms of the sales force owned by AUTO 2000 is not comparable with the target set by the company. Marketing personnel (marketing) owned by PT. AUTO 2000 is still lacking and not ideal, considering

that the market is so wide and the car industry is increasingly competitive, marketers from the same industry (competitors) have made the decision to add more reliable sales force, considering that the competition for vehicle sales is already very tight. Mastery of a certain product class is part of a competitor's strategy by utilizing competent human resources. Thus, PT. AUTO 2000 should think about the right sales strategy including the addition of competent marketing personnel so that they are able to answer market challenges and realize sales targets set by the company. Based on the general description of the above problems, researchers are interested in discussing the problem of promotional costs associated with sales by taking the research title "The Effect of Promotion Costs on Car Sales Results at PT. AUTO 2000 Bintaro".

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Marketing in a company plays a very important role, because marketing is one of the activities carried out to maintain the viability of the company's operations, develop the company and to achieve the company's goals in making a profit. Marketing is a key concept for the success of a business where marketing with attention desire and fulfillment of customer needs to achieve the sales targets set so as to have a positive impact on the business development of a company in the midst of tight business competition today. Marketing understanding for marketers is very important for identifying customer needs and wants, determining which target markets can be served, and designing the right products and programs to serve the market.

According to Kotler (2010: 10) defines marketing as follows "Marketing is a social and managerial process that makes individuals and groups get what they give and what they want by creating, offering and freely exchanging products and services of value with other parties.". Meanwhile, according to Bilson Simamora (2013: 1) says that "Marketing has a completely different meaning from sales". Marketing is also not just advertising and other forms of promotion. However, every day we are always the target of marketing various products.

According to Sugiyanto (2020: 7) Marketing management is the process of planning and executing thoughts, fixing promotional pricing, and channeling ideas, goods and services to create exchanges that satisfy individual and organizational goals. Another opinion expressed by Staton (2012: 5) states as follows "Marketing is a system of business activities aimed at planning, pricing, promoting and distributing goods and services that contain both existing and potential buyers" needs. Another opinion of the definition of marketing according to Philip Kotler and Gary Armstrong (2014: 5) marketing is "the process of managing profitable customer relationships".

From the opinion of several experts, it can be seen that marketing is a process of compiling integrated communication that aims to provide information about goods or services in relation to satisfying consumers by requiring marketers to carry out targets through three main steps, namely:

1. Identify and sort out the different groups of buyers who may ask for a separate product or marketing mix (market segmentation).
2. Selecting one or more market segments with the aim to enter the market targeting.
3. Establish and communicate benefits with other products in the market (market penetration).

According to Philip Kotler (2004: 12) says the meaning of marketing management is as follows "Marketing management is the analysis, planning, control of programs designed to create, build, maintain beneficial exchanges and relationships with target markets with a view to achieving organizational goals". According to Bashu Swastha and Irawan (2013: 7) defines marketing management as "Marketing management is the analysis, planning, implementation and supervision of programs shown to make exchanges with the intended market with the aim of achieving the operational objectives of the organization". Meanwhile, according to Boyd Walker and Lareenche (2012: 23) say that "Marketing management is the

process of analyzing, planning, coordinating and controlling programs that include concept making, pricing, promotion and distribution of products, services and ideas designed to create and maintain a profitable exchange with the target.

According to Mangkunegara (2015: 2) Human resource management is a planning, organizing, implementing, and supervising procurement, From the above definition put forward by these experts, it shows the importance of resource management humans in achieving the goals of the company, employees and society. Human resource management functions include planning, organizing, directing, controlling, procurement, development, compensation, integration, maintenance, discipline, and dismissal. The conclusion that can be drawn from the above definitions is that marketing management is a process that includes analysis, planning, implementation and supervision, also includes goods and services as well as exchange ideas and the goal is to provide satisfaction to the parties involved and emphasize effectiveness and existence.

METHODS

In this study the authors used quantitative research methods, data obtained from data on promotional costs and car sales results at PT. Auto 2000 Bintaro 2007-2014. This research is located at PT. Auto 2000, which is located at Bintaro Business Center Sector 9, South Tangerang. This research was conducted for 3 months, starting from March to May 2015. The research was carried out in stages starting with preliminary preparation in the form of writing a research title proposal, seminar on thesis title proposal, refining proposal material, making research instruments, collecting primary and secondary data, processing data has been obtained by the author and the preparation of reporting the results of the thesis. In this study, the authors did not use a sample, because the entire population can be studied, namely data on promotional costs and car sales results at PT. Auto 2000 Bintaro 2007-2014. The data analysis method used is Simple Linear Regression Analysis, Pearson Correlation Coefficient Analysis (r), Analysis of the Coefficient of Determination (KD), and Hypothesis / T Test.

RESULT AND DISCUSSION

From the overall calculation, the regression equation can be obtained:

$$Y = 249,782 + 2,594x$$

Based on the above equation, the writer can interpret it as follows:

1. b is positive, namely 2.594, which means that there is a positive effect of X on Y .
2. A constant of 249,782 states that if the promotional costs are not considered ($X = 0$) or constant, then the sales proceeds will be 2,594 units, meaning that the sales results will not increase.
3. The regression coefficient of 2.594 (positive sign) states that every increase of 1 unit of promotional costs will increase sales results by 2.594 units. It means that from these results it can be said that there is a positive influence between promotional costs on sales results.

Pearson Correlation Coefficient Analysis

From the results of the above calculations, the correlation coefficient is 0.797 and according to the provisions, if r is closer to number 1, then the two variables have a positive relationship. This means that promotional costs have a strong positive and significant effect on car sales results. After knowing the amount of r , then it is calculated by the correlation of determination.

Analysis of the Determination Coefficient

From the above calculations, it is found that the correlation number between variable X and variable Y is positive with a magnitude of r of 0.797 while the determination can be calculated as:

- $KD = r^2 \times 100\%$
 $= 0.7972 \times 100\%$
 $= 0.635$ or 63.5%

By obtaining the results of calculations with the coefficient of determination analysis, it can be concluded that the increase in sales results is due to the expenditure of promotional costs. This means that the variable X (promotion costs) affects the variable Y (sales results) by 63.5%, while the remaining 36.5% is influenced by other factors that the authors are not careful about.

Based on the above calculations, obtained $t_{count} > t_{table}$ or $3,232 > 2,447$, it can be said to be positive. This means that H_0 is rejected and H_1 is accepted, meaning that there is a positive and significant influence between promotional costs on sales results. If a curve image is drawn, it will be seen as follows:

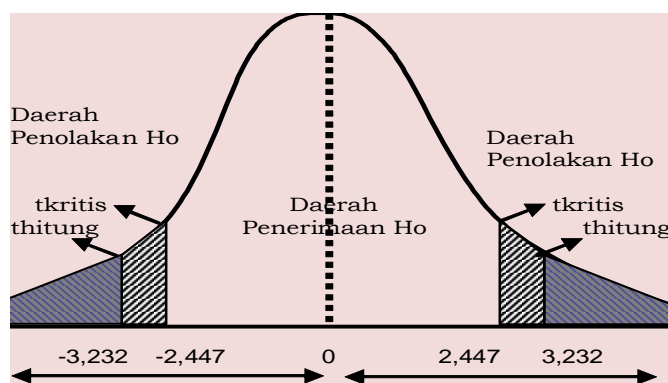


Figure 1. Distribution of t test results

CONCLUSIONS

Based on the descriptions in the previous chapters, the writer can conclude that today's business is getting tighter, more competitive, business actors must be able to implement marketing strategies in order to achieve the expected goals. Promotion is one strategy to assist companies in achieving these goals. With the important role of promotion, promotional costs are needed because promotional costs are an amount of funds that are spent into promotions so that products are known and able to increase profits. After the authors describe and analyze the effect of promotional costs on car sales results. PT. Auto 2000 Bintaro, the authors can draw the following conclusions:

1. Promotional costs incurred by PT. Auto 2000 Bintaro in general every year has increased fluctuating beyond the budget set by the company, this is as a result of the increased costs of sales promotion, advertising, publicity and others. Promotion costs at PT. Auto 2000 Bintaro in 2007 amounting to Rp. 85,500,000, in 2008 it decreased to Rp. 82,300,000, a decrease of 3.74%, in 2009 it increased to Rp. 90,100,000, an increase of 9.48%, in 2010 it increased to Rp. 90,120,000 increased by 0.02%, in 2011 decreased to Rp. 87,510,000 decreased by 2.90%, in 2012 it increased to Rp. 88,400,000, increased by 1.02%, in 2013 experienced an increase to Rp. 92,520,000, an increase of 4.66%, the last year in 2014 it increased to Rp. 93,150,000, an increase of 0.68%.
2. The results of car sales at PT. Auto 2000 Bintaro in 2007-2014 experienced a fluctuation where in 2007 there were 482 units, in 2008 decreased sales results to 456 units, down

5.39%, in 2009 it increased to 485 units, up by 6.36%, in 2010 it rose again to 488 units, an increase of 0.62%, in 2011 it decreased to 474 units, down 2.87%, in 2012 it had increased to 480 units, an increase of 1.27%, in 2013 it decreased to 478 units, a decrease of 0.42% and in 2014 it increased to 496 units, an increase of 3.77%.

3. There is a positive and significant influence between promotion costs on sales results, namely $Y = 249,782 + 2,941X$, (constant 249,782 and regression coefficient 2,941, while the correlation value or r is 0.797 and the coefficient of determination (K_d) is 0.635 or 63.5% while the remaining 36.5% is influenced by other factors. Testing the hypothesis using the t count statistical test obtained $t_{count} > t_{table}$ ($3,232 > 2,447$) thus H_0 is rejected and H_1 is accepted, meaning that there is a positive and significant influence between promotional costs on sales results.

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After drawing conclusions from the discussion that has been described above, suggestions are submitted for consideration by PT. Auto 2000 Bintaro, as follows:

1. Promotion costs at PT. Auto 2000 Bintaro 2007-2014 continues to experience fluctuating changes, even more promotional costs are dominated by advertising activities which reach a percentage of 41.86% of the total promotional cost budget for 8 years. Management should make a more efficient promotional budget strategy by allocating costs proportionally between personal selling, advertising and publicity so that the percentage is balanced, thus the promotional costs incurred can be right on target and able to increase optimal sales results.
2. Although the research results show a strong relationship between promotional costs and company sales results, it is also necessary to evaluate promotional activities in the coming years, to determine the effectiveness of the company's promotional media.

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