

The Effect of Distribution Channels Toward Sales Level at Ud Martabe Tarutung

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Abstract— The Research dealt with the Effect of Distribution Channels toward Sales Level at UD Martabe Tarutung. The formulation of the problem is: How the distributions channels affect the sales level at UD. Martabe Tarutung. The research was conducted by using quantitative research design. The research method used is: descriptive method, with technique Trend Analysis. The population of this study is all part UD. Martabe Tarutung and taken from sales data and distribution channels costs for 5 years in 2012-2016, and the subject of the study is marketing manager and staff who are willing to provide the required data. The result of this study showed that Distribution channels have positive effect (direction) Toward Sales Level at UD. Martabe Tarutung.

Keywords— *Distribution Channels, Sales Volume.*

I. INTRODUCTION

Marketing is an important activity in business. The quality of a business depends to the company's marketing. Through marketing will create the economic value of a product. And the economic value will determine the price of goods and services for individuals or consumers. A Factors that affect economic value are: production, marketing and consumption. Marketing is the relationship between production and consumption. Without marketing the consumers is difficulty to achieve satisfactory consumption goals. The quality of a company depends to the manager's expertise in marketing and the ability to combine functions in marketing, finance, and other related fields. A factor that important in facilitating the distribute of goods and services from producers to consumers is the marketing distribution. The marketing distribution is the path through which the goods distribute from producer to consumer. UD. Martabe Tarutung is a peanut company in Tarutung city. Its products distribute to Medan and Jakarta.

II. LITERATURE REVIEW

Marketing

The American Marketing Association offers this managerial definition (Kotler, 2002): stated Marketing (management) is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy

individual and organizational goals. Coping with exchange processes part of this definition calls for a consider able amount of work and skill. We see marketing management as the art and science of applying core marketing concepts to choose target markets and get, keep, and grow customers through creating, delivering, and communicating superior customer value. We can distinguish between a social and a managerial definition for marketing. According to a social definition, marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchange- ing products and services of value freely with others. As a managerial definition, marketing has often been described as “the art of selling products. a leading management theorist, says that “the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy.

Marketing Mix

Marketers use numerous tools to elicit the desired responses from their target markets. These tools constitute a marketing mix: Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. As shown in McCarthy classified these tools into four broad groups that he called the four Ps of marketing: product, price, place, and promotion. Marketing mix decisions must be made to influence the trade channels as well as the final consumers. Typically, the firm can change its price, sales-force size, and advertising expenditures in the short run. However, it can develop new products and modify its distribution channels only in the long run. Now the marketing mix is defined as set of controllable marketing tools that a company uses to create a desired response in the targeted market. (Kotler P., Armstrong, Wong, & Saunders, 2008). Set of these tools is generally referred to as 4P's of Marketing, being Product, Price, Promotion and Place.

Distribution Channels

Kotler and Susanto (2001: 683) stated that a distribution channel of a series of independent organizations involved in the process of making products or services available for

use or consumption. Tjiptono (2002: 187) states that a distribution channel is a route or series of intermediaries, whether managed by marketers or independent in delivering goods from producer to consumer. It can be concluded that the distribution channel is a series of activities to channel products from company to consumer by organization or marketer.

The Institutions of participating in distribution channels are:

- a) Intermediary trader
- b) Intermediary agent
- c) Wholesalers
- d) Retailer

Sales Volume

Basu Swastha (2004: 403) states that sales are interactions between face toface individuals who aim to create, improve, control, or maintain a useful exchange relationship for others. According Anoraga (2004: 523) states that sales volume is the amount of sales achieved or will be achieved by a company within a certain period. Radiosunu (2000: 23) sales volume is some amount of goods produced or goods sold from a particular product within a certain time. From the above definition can be concluded that the sale is an effort made by humans to deliver goods for those who need the money reward in accordance with the price determined by mutual agreement. Sales volume is addition / reduction of the amount of goods produced by the company within a certain period of time

III. RESEARCH METHODOLOGY

The collected data analyzed through A trend analysis method. A trend analysis is an aspect of technical analysis that tries to predict the future movement of a stock based on past data. Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future.

In general linear equations of time series analysis are:

$$Y = a + b X.$$

Where :

Y : Trend Variabe (Sales Volume)

X : variable time / year (Distribution Channels in this case data taken from Channel Cost of Distribution).

Whereas to find the value of constants (a) and parameter (b) are:

$$a = \frac{\sum Y}{n}$$

$$b = \frac{\sum XY}{\sum x^2}$$

The population of this study is all part UD. Martabe Tarutung taken from sales data and distribution of channel costs for 5 years in 2012-2016, and subjects are marketing managers and staff who are willing to provide the required data.

IV. RESULT AND DISCUSSION

Tarutung Located in North Tapanuli Utara has been known as a producer of fried nuts. One of the businesses in the city that sold in the package of UD. Martabe Tarutung and it is located at Jl. Balige, KM 12 Silangkitang, Tarutung was established in 1990. The business is managed by S. Panjaitan. These fried nuts are packed in plastic and canned form. UD. Martabe Tarutung distributed peanuts to Medan and Jakarta. Delivery to Medan area is done once a month with cost RP. 500,000. And the amount of goods sent as many as 30 packages. Delivery to Jakarta area done once a month with postage Rp. 800,000. The amount of goods sent as many as 30 Packages.

Analysis Channel Costs Distribution and Sales UD Martabe in Tarutung

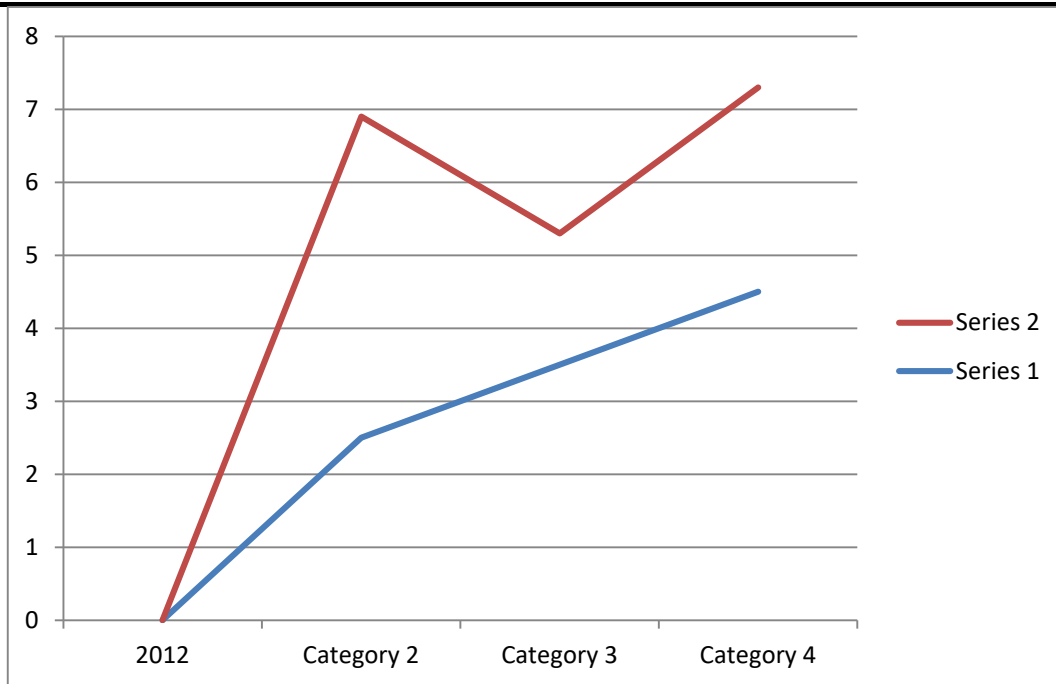
The following is data taken from UD. Martabe Tarutung , the distribution and sales channel cost data as follows:

Table.4.1: The distribution and sales channel cost data of UD .Martabe

Years	Biaya Distribusi	Sales
2012	67.800.000	1.000.000.000
2013	83.400.000	1.200.000.000
2014	67.800.000	1.100.000.000
2015	72.600.000	1.000.000.000
2016	72.600.000	1.000.000.000
Total	364.200.000	5.300.000.000

From the above data the graph trend analysis of are the distribution and sales costs:

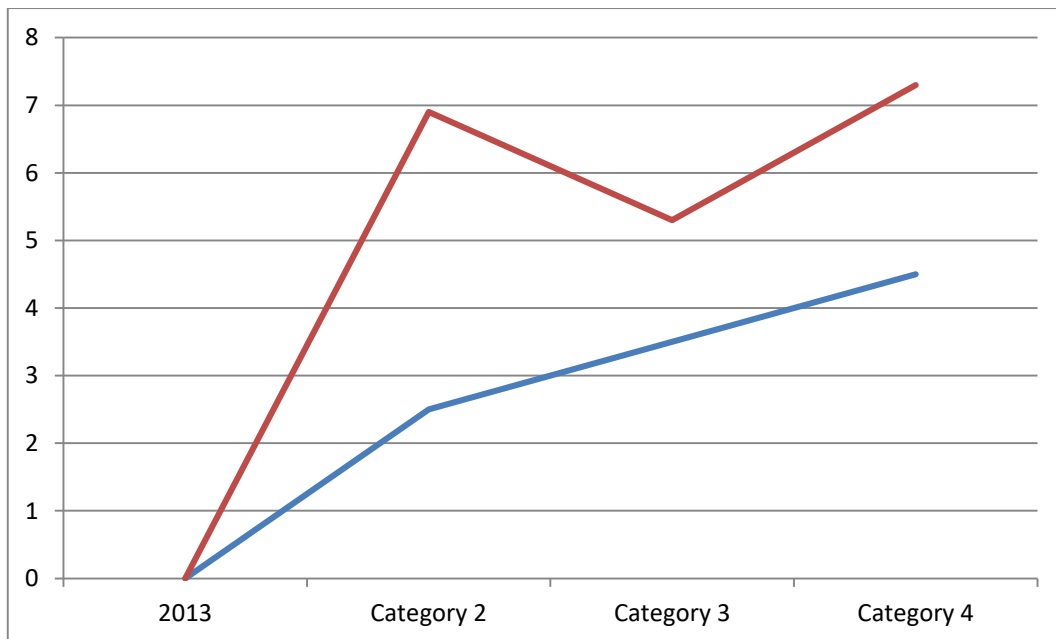
- a. In 2012



Graph. 4.1: Distribution trends Analysis and sales cost in 2012

The graph above shows that the trend between distribution and sales costs in 2012 tends to increase. The sales trend shows a significant improvement. This shows that UD. Martabe Tarutung has used the distribution channel well.

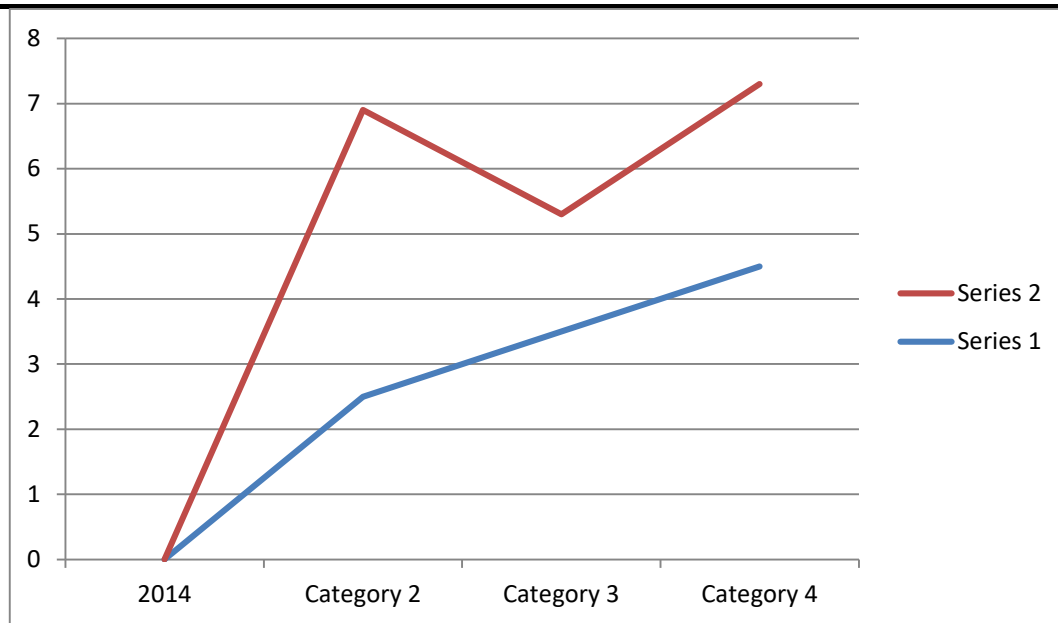
b. In 2013



Graph. 4.2: Distribution trends Analysis and sales cost in 2013

The chart above shows that the trend between distribution and sales costs in 2013 tends to increase. The sales trend shows a significant improvement. It shows that UD. Martabe Tarutung has used the distribution channel well.

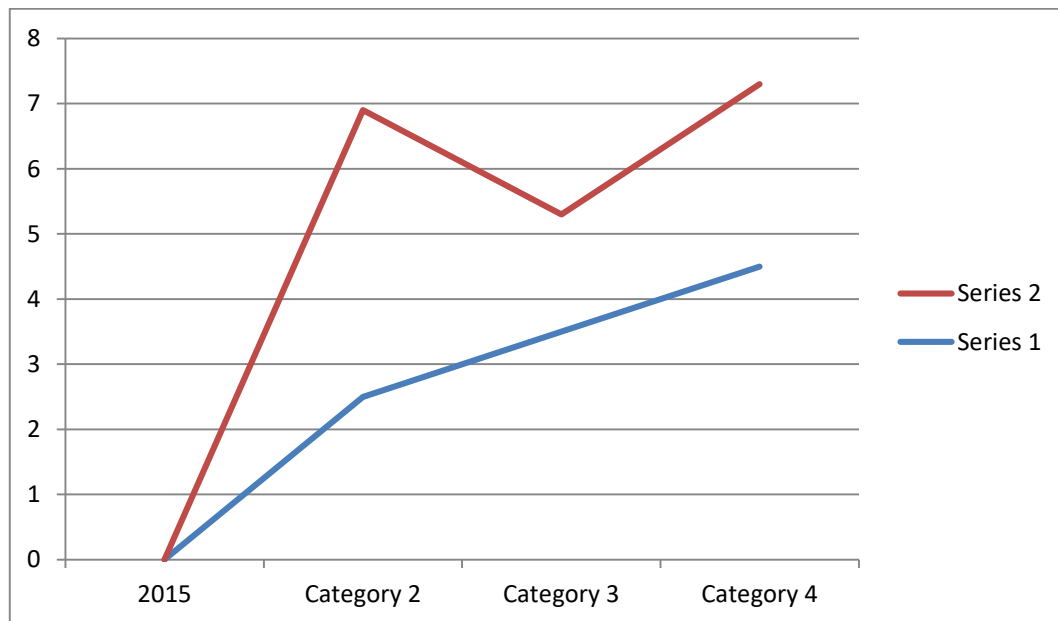
c. In 2014



Graph. 4.3: Distribution trends analysis and sales cost in 2014

The graph above shows that the trend between distribution and sales costs in 2014 tends to increase. Although in 2014 decreased in 2013. Seen from the trend between distribution and sales costs still tend to increase. This shows that UD. Martabe Tarutung has used the distribution channel well.

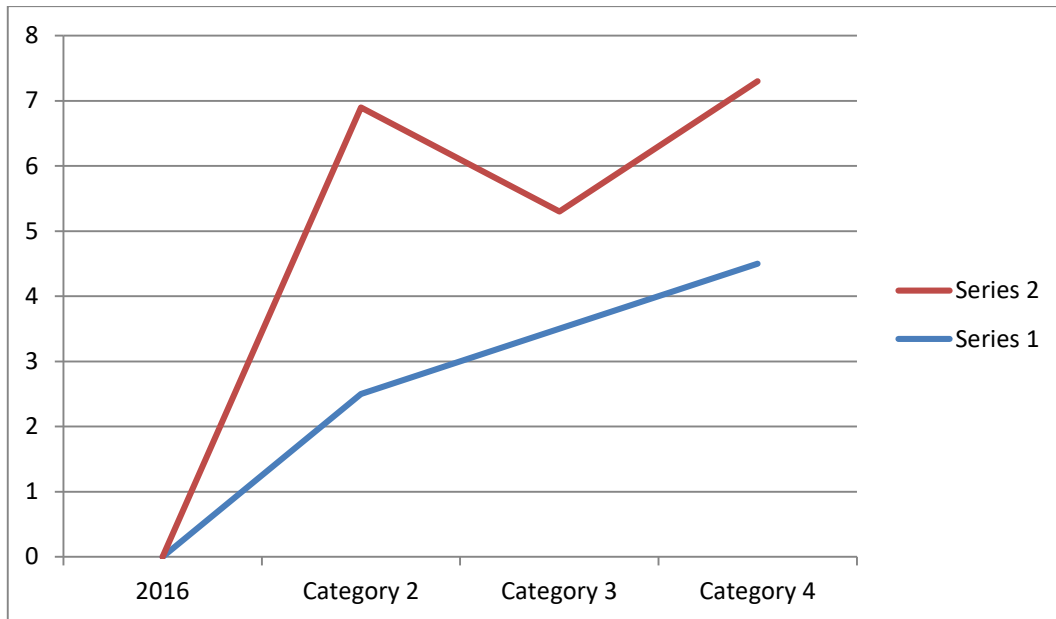
d. In 2015



Graph. 4.4: Distribution trends analysis and sales cost in 2015

The graph above shows that the trend between distribution and sales costs in 2015 tends to increase. The sales trend shows a significant improvement It shows that UD. Martabe Tarutung has used the distribution channel well.

e. In 2016

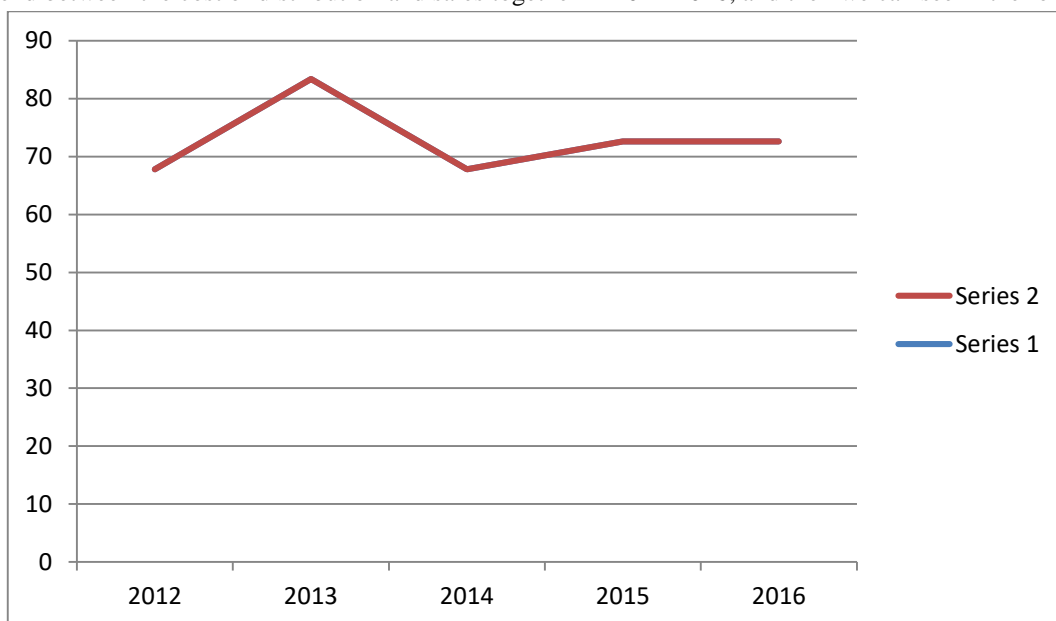


Graph. 4.5: Distribution trends analysis and sales cost in 2015

The chart above shows that the trend between distribution and cost of sales in 2016 tends to increase. Although the number of figures in 2016 is decrease compared to 2015.

However, from the trend between the distribution and cost of sales is still likely to increase. This shows that UD. Martabe Tarutung has used the distribution channel well.

To see the trend between the cost of distribution and sales together in 2012-2016, and then we can see in the following graph



Graph. 4.6: Distribution trends analysis and sales cost in 2012- 2016

V. CONCLUSION

From the graph above shows the trend between the cost of distribution and sales is unidirectional. Can be seen sales trends follow the trend of distribution costs. This shows that distribution costs are in line with sales at UD. Martabe Tarutung.

Trends and Prediction of Distribution Costs

Based on Table 4.1 The UD distribution channels and sales cost data the authors do the calculations to

determine the trend and sales prediction as described below:

Years	Sales (Y)	X	X ²	XY
2012	1.000.000.000	0	0	0
2013	1.200.000.000	1	1	1.200.000.000
2014	1.100.000.000	2	4	2.200.000.000
2015	1.000.000.000	3	9	3.000.000.000
2016	1.000.000.000	4	16	4.000.000.000

Total	5.300.000.000		30	10.400.000.000
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VI. CONCLUSION

Based on the results of the study described in Chapter IV, the following conclusions are drawn:

1. Trends distribution costs and joint sales in 2012-2016. Shows the trend distribution and sales costs are not unidirectional. Can be seen that trend of distribution costs follow the sales trend. This shows that distribution costs are in the same direction (positive) with sales at UD. Martabe in Tarutung.
2. The Estimated sales at UD Martabe peanuts in 2017 ($X = 5$) is: Rp. 2,793,333,330

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