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The Effect Of Price And Distribution Channels On Thread Sales Volume At Pt. Amann Indonesia In Bogor

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Abstract

The textile and apparel industry is one of the backbones of the manufacturing industry and is the focus of a national era that continues to offer opportunities for development. In facing competition, marketing has an important role in supporting business progress and increasing sales volume. The purpose of this study was to determine the effect of price and distribution channels on sales volume at PT Amann Indonesia using a quantitative approach. The data used in this study are secondary data, namely financial data per month of PT Amann Indonesia in 2020-2022. The analysis methods used in this study are classical assumption test, multiple linear regression analysis, multiple correlation analysis, coefficient of determination, partial t and simultaneous f hypothesis testing. Based on the results of this study, it shows that the level of correlation between varables is 77%, which means that there is strong correlation. Further partially price has a significant effect on sales volume or t count > t table of 6.519 > 1.694, but partially distribution channels have no effect on sales volume or t count < t table of 1.513 < 1.694 due to a lack of vendors transportation and human resources in the warehouse. Similarly or together price and distribution channels have a significant effect on sales volume. This shows that companies must consider pricing strategies and distribution channels well because it will have an impact on the level of sales volume.

Keywords : Distribution Channels, Price, Sales Volume, Textile Industry

Introduction

The progress of the current business environment is getting faster along with the progress of an increasingly advanced era. This can be seen in the business sector, both in the field of production and service businesses. Then marketing has an important role in supporting business progress (Widiarto & Hardiana, 2021).

The textile and apparel industry is one of the pillars of the manufacturing industry and is the focus of a national era that continues to offer opportunities for development. The textile and textile products industry makes an important contribution to economic growth. Not only does it create many jobs, but it also encourages more domestic and foreign investment. Indonesia's textile and apparel industry is currently facing challenges and pressures with the globalization of free trade (Sari & Rahmawati, 2020).

Source: DataIndonesia.id (2022)

Figure 1 PDB Textile Industry and Apparel

Based on Figure 1 above, according to the Central Statistics Agency (BPS), the gross domestic product (GDP) of the textile and textile clothing industry at constant prices (ADHK) amounted to IDR 34.85 trillion in the third quarter of 2022. This amount grew 8.09% from the same period last year of IDR 32.24 trillion. Although still growing positively, growth slowed down compared to the previous quarter, which amounted to 13.74% with a value of IDR 35.17 trillion. This situation was due to the decline in textile and textile apparel exports, especially to the United States and Europe. This is in line with the decline in market demand due to the economic downturn in the two regions (Sadya, 2022).

For this reason, a company must have a marketing strategy that is appropriate and in accordance with the market conditions faced to achieve the specified objectives. Basically, companies are formed with the aim of achieving maximum profit by increasing sales volume, determining the right price and the right distribution channels. If this goal is achieved, the survival of a company will continue in the future. One of the factors that encourage the achievement of these goals is marketing (Widodo, 2018).

Price is one of the elements of the marketing mix that affects the survival of a company or business. According to Kotler & Armstrong (2018:52) states that "price is the amount of money exchanged or spent by consumers to get a product or service". Price is not only one of the key competitive factors that directly affects a company's sales and profitability, but also one of the most flexible elements of the marketing mix, adapting to a rapidly changing environment. Therefore, price is considered the only revenue factor in the marketing mix and the most important factor for customer satisfaction and loyalty (Išoraitė, 2016).

Apart from price, another element of the marketing mix is distribution channels. According to Tanama Putri (2017:114) states that "distribution channels are routes or a series of intermediaries, both managed by marketers and independent ones, in delivering products from producers to consumers". Distribution channels play an important role in marketing strategies to achieve company goals. The important role of distribution channels in marketing requires companies to build good and appropriate distribution channels. Companies must be careful in carrying out the distribution of their products. Companies must be able to see market opportunities to distribute their products not only in the local market but also in the national market. So that the company's products can be reached by all consumers, all of this must be done (Widiarto & Hardiana, 2021).

The increase in sales volume is the revenue received by the company for the business activities it carries out. According to Risal (2021:68) argues that "the definition of sales volume is the amount of sales activities of a product or service produced by a company in a certain size (unit / total / thousand) of time". The higher the sales volume, the higher the profit that allows the company to survive, grow and develop, and face the impact of environmental factors that will always change. Increasingly fierce competition in the business world forces entrepreneurs to always actively strive so that the company can continue to generate maximum profits so that it can develop its business (Afif & Krisdianto, 2020).

Based on the description above, therefore the researcher is interested in conducting research with the title **"The Effect of Price and Distribution Channels on Thread Sales Volume at PT Amann Indonesia in Bogor"**.

Method

The type of research used is the type of research using quantitative data where the data is in the form of numbers that can be analyzed using statistical methods (Noor, 2015:38). This study consists of three variables, namely price and distribution channels as independent variables and sales volume as the dependent variable. The object of this research is PT Amann Indonesia which is located in Sentul Industrial Estate, Jl. Cahaya Raya Kav. H10 No.21 Sentul, Bogor.

The data sources taken for this study use secondary data, namely data sourced from reports made by other parties (Kountur, 2018:60). Secondary data from this study is data obtained through recording company documents in the form of financial reports from the company. The sampling technique used in this study was purposive sampling. In this research, the samples taken are monthly financial data from PT

Amann Indonesia for three years, namely in 2020-2022 regarding product price lists, distribution channel costs and sales volume.

The data collection techniques used to obtain data are documentation, observation and literature study. The method used for data analysis in this study is a classic assumption test consisting of normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. Furthermore, multiple linear regression analysis, multiple correlation analysis, coefficient of determination and hypothesis testing consisting of T test and F test.

The basis for decision making in this study uses SPSS (*Statistical Package for Social Science*) Version 26, using the significance probability number. If the significance probability number> 0.05 then H∘ is accepted and H₁ is rejected. If the significance probability number <0.05 then H∘ is rejected and H₁ is accepted.

Result

Classical Assumption Test

1) Normality Test

Table 1 Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters[a,b]	Mean	-.0000003
	Std. Deviation	192675574.00711408
Most Extreme Differences	Absolute	.121
	Positive	.098
	Negative	.121
Test Statistic		.121
Asymp. Sig. (2-tailed)		.200[c,d]

Source: SPSS Output Ver 26.0 (2023)

Based on Table 1 above, the Kolmogorov-Smirnov output results show Asymp. Sig. (2-tailed) value of 0.200 which is bigger than 0.05. So it can be concluded that the regression model is normally distributed.

2) Multicolinearity Test

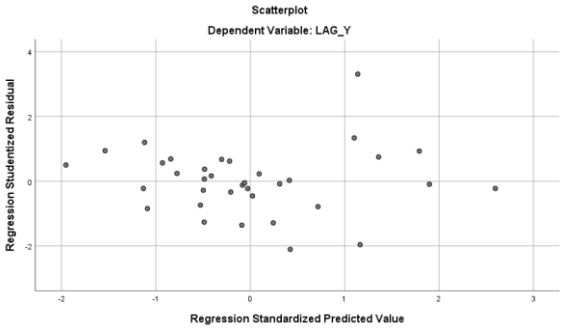
Table 2 Multicolinearity Test Results
Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Harga	.994	1.006
	Saluran Distribusi	.994	1.006

Source: SPSS Output Ver 26.0 (2023)

Based on table 2 above, it can be concluded that the tolerance value is 0.994> 0.10 and the VIF value is 1.006 < 10, it can be concluded that there are no multicollinearity symptoms in the regression model.

3) Heteroscedasticity Test



Source: SPSS Output Ver 26.0 (2023)

Figure 2 Heteroscedasticity Test Results

Based on Figure 2 above, it can be seen that the data spreads above and below zero (0) on the Y axis and does not form a clear pattern. It can be concluded that the regression model does not have symptoms of heteroscedasticity.

4) Autocorrelation Test

Table 3 Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.770[a]	.593	.567	81428228.66855	1.965

Source: SPSS Output Ver 26.0 (2023)

Based on table 3 above, it can be seen that dU < DW < 4-dU or 1.343 < 1.965 < 2.417. Thus it can be concluded that the regression model does not have autocorrelation symptoms.

Multiple Linear Regression

Table 4 Multiple Linear Regression Results

Coefficients[a]

Model		Unstandardized Coeficients		Standarized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1656523616.027	281306408.946		5.889	.000
	LAG_X1	115209.710	17672.548	.738	6.519	.000
	LAG_X2	1.124	.743	.171	1.513	.140

Source: SPSS Output Ver 26.0 (2023)

Based on Table 4 above, the multiple liner equation is obtained as follows:

$Y = 1656523616{,}027 + 115209{,}710\ X_1 + 1{,}124\ X_2 + e$

a. The constant is 1656523616.027, meaning that the price and distribution channel value is 0, then the purchase decision value is IDR 1.656.523.616,027.
b. The regression coefficient for price of 115209.710 illustrates that when the price increases by 1 Rupiah, the total sales volume increases by 115209.710.
c. The regression coefficient for distribution channels of 1.124 illustrates that when the distribution channel increases by 1 Rupiah, the total cost of the distribution channel increases by 1.124.

Multiple Correlation

Table 5 Multiple Correlation Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.770[a]	.593	.567	81428228.66855	1.965

Source: SPSS Output Ver 26.0 (2023)

Based on Table 5 above, in this study the model correlation coefficient (R) value is 0.770 or 77%, which means that the level of relationship between the independent variable price and distribution channel with the dependent variable sales volume is strong because it is in the interval (0.600 - 0.799).

Coefficient of Determination

Table 6 Coefficient of Determination Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.770[a]	.593	.567	81428228.66855	1.965

Source: SPSS Output Ver 26.0 (2023)

Based on Table 6 above, the output result of the adjusted R square value is 0.567 or 56.7%. It can be concluded that the independent variable price and distribution channels have an influence on the dependent variable sales volume of 56.7%, and (100% - 56.7% = 43.3%) 43.3% is influenced by other variables outside of the discussion of this study such as promotion, product quality, etc.

T Test

Table 7 T Test Results

Coefficients[a]

Model		Unstandardized Coeficients		Standarized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1656523616.027	281306408.946		5.889	.000
	LAG_X1	115209.710	17672.548	.738	6.519	.000
	LAG_X2	1.124	.743	.171	1.513	.140

Source: SPSS Output Ver 26.0 (2023)

1. First Hypotesis Testing

   Based on Table 7 above, the price variable has a coefficient value of 6.519 and a significance value of 0.000. Thus the value of t count> t table, namely 6.519> 1.694 and the significance value < α = 0.05 or 0.000 < 0.050. So it can be concluded that the price variable has a positive and significant effect on sales volume, meaning that H_1 is accepted.

2. Second Hypotesis Testing

   Based on Table 7 above, the distribution channel variable has a coefficient value of 1.513 and a significance value of 0.140. Thus the value of t count < t table, namely 1.513 < 1.694 and the significance value> α = 0.05 or 0.140> 0.050. So it can be concluded that the distribution channel variable has no significant effect on sales volume, meaning that H_2 is rejected.

F Test

Table 8 F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.088E+17	2	1.544E+17	23.283	.000[b]
	Residual	2.122E+17	32	6.631E+15		
	Total	5.209E+17	34			

Source: SPSS Output Ver 26.0 (2023)

Based on table 8 above, the value of F count > F table is 23.283 > 3.295 and the significance value < α = 0.05 or 0.000 < 0.050. So it can be concluded that the independent variables of price and distribution channels together or simultaneously have a positive and significant effect on the dependent variable sales volume, meaning that H_3 is accepted.

Conclusion

Based on the results of the research analysis, the conclusions are obtained, namely, 1) Based on the results of the t test, it is concluded that price has a significant effect on sales volume. That means when the product price decreases, the product sales volume will increase and otherwise when the product price increases, the sales volume will decrease. 2) Based on the t test, it is concluded that distribution channels have no effect on sales volume. This can be caused by the lack of consideration of distribution channels, especially in providing transportation for product distribution channels to consumers. 3) Based on the F test, it is concluded that price and distribution channels simultaneously or together have a significant effect on sales volume. This means that if the price offered is appropriate and the distribution channel is good, it will affect the level of sales volume. 4) In hypothesis testing, the price variable is the most dominant variable affecting sales volume.

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