THE EFFECT OF PROMOTION COSTS AND SELLING PRICES ON SALES VOLUME OF ESCULIN PERFUME PRODUCTS IN PT SINAR KENCANA MULTILESTARI

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Abstrak

The purpose of this study was to determine the effect of promotion costs and selling prices on the sales volume of Eskulin perfume products at PT Sinar Kencana Multilestari. The analysis used in this thesis is descriptive statistical analysis, requirements analysis test and classical assumption test, and inferential statistical analysis. Descriptive statistical analysis is descriptive statistics are statistics used to analyze data by describing or describing the data that has been collected, analysis requirements test and classical assumption test are used to analyze with model feasibility testing, while inferential statistical analysis is a statistical technique used to analyze data sample and the results are applied to the population. Through the analyzes that have been done, the authors get the results of the simultaneous test (F test) obtained a significance of 0.006. Then the promotion cost and selling price simultaneously have a significant effect on the sales volume of PT Sinar Kencana Multilestari. And for (t-test) Promotional Cost T-test (X1) with Sales Volume (Y) it was found to be partially significant at 0.008 shows that there is a significant effect on the Sales Volume (Y) of PT Sinar Kencana Multilestari. t-test Selling Price (X2) with Sales Volume (Y) with a significant level of 0.014 partially shows that there is a significant effect on the Sales Volume (Y) of PT Sinar Kencana Multilestari. The result of the calculation of the coefficient of determination is 0.987 or 98.7% explained by the two independent variables while the rest (1 – 0.987 = 0.013) or 1.3% is explained by other factors such as product quality and distribution channels.

Keywords — *PT. Sinar Kencana Multilestari, analysis requirements, sales*

INTRODUCTION

The company is a form of organization that generally has certain goals to be achieved to meet the interests of its members. Success in achieving company goals is a management achievement. The business world today is filled with increasingly fierce business competition, making business actors, both domestic and foreign companies, have to have strengths that can be used as a formidable weapon for a company in its efforts to win the competition with its competitors in the business world.

At this time many companies have emerged with various forms of business, which indicates that the business world is increasingly advanced. In developing its business a company must also pay attention to the important elements in marketing management consisting of product, price, distribution, and promotion. Marketing is generally seen as the task of creating, promoting, and delivering goods and services to consumers. Marketing is also the core of all business activities because marketing is the link between companies and consumers. Marketing is a total system of business activities designed to plan, determine prices, promote and distribute goods that can satisfy wants and achieve target markets and company goals.

However, it is often said that the market is the backbone of the company because no matter how good the management of production, personnel, and finance is if the products produced cannot be marketed, in the end, the company will suffer losses. The establishment of a company is basically to make a profit by providing goods and services that are following the needs of the community. Profits can be obtained if the company can achieve maximum sales volume.

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Sales volume has an important meaning, namely, the number of activities carried out effectively by sales to encourage consumers to make purchases. Profitable sales volume is the goal of the marketing concept, namely profit. A company issuing products should be tailored to the needs and desires of consumers. That way, the product can compete in the market, thus making consumers have many alternative product choices before deciding to buy a product offered. This is what makes promotion an important role for the company.

With the promotion of the company can communicate the product to consumers. The advantages of the product can be known by consumers and can attract consumers to try and then make a decision to buy the product. So promotion is one of the important aspects of marketing management because, with promotion, consumers who were originally not interested in the product can change their minds to buy the product.

Companies use promotions to trigger transactions so that consumers are willing to buy a certain brand and encourage salespeople to aggressively sell it. Promotion is all activities of producer companies to improve the quality of their products and persuade or seduce consumers to buy their products.

Pricing for companies is something that must be considered because the price is a marketing policy that has an impact on revenue generation. Inappropriate determination of the selling price will reduce the sales volume, but if the determination of the selling price is carried out according to a good strategy and consideration, it will affect increasing sales volume. Price is the amount of money needed to get a certain number of products or a combination of goods and services.

For the company's goal to increase sales results to be achieved, the company must have ways or methods that are used as guidelines, especially in the marketing field. Marketing strategy is the most appropriate way to increase sales, the way is by setting prices, promotions, and distribution channels. It is intended that in marketing their products, the company wants to get profits in the long term which is a reflection of the success of the business to provide satisfaction to consumers.

PT. Sinar Kencana Multilestari is a distributor of beauty products, one of which is Eskulin perfume. This company carries out promotions to introduce its products to the wider community in the face of competition between similar businesses. The competition is based on efforts to develop the market to attract consumers to buy the products offered. Not only with promotions, but the company is also trying to give value to Eskulin perfume products, which are very competitive with good quality as well.

For more details on promotion costs selling prices and sales volume of Eskulin perfume at PT. Sinar Kencana Multilestari can be seen in the following table:

Data biaya Promosi, Harga Jual dan Volume Penjualan Parfum Eskulin Princess Miss Colongne 125 ml pada PT. Sinar Kencana Multilestari Tahun 2011 sampai dengan tahun 2015

Tahun	Biaya Promosi (X_1)	Harga (X_2)	Volume Penjualan(Y)
2011	Rp. 10,5	Rp. 11.350	54.350
2012	Rp. 12,5	Rp. 11.800	55.750
2013	Rp. 13,7	Rp. 12.250	56.350
2014	Rp. 15,0	Rp. 13.000	55.950
2015	Rp. 16,4	Rp. 13.500	56.550

Sumber : PT. Sinar Kencana Multilestari

From the table above, it is known that the sales volume of esculin perfume at PT. Sinar Kencana Multilestari experienced a decline in sales in 2014. With all the efforts and hard work made to improve and maintain its existence, in 2015 it experienced an increase again.

Based on this description, the writer is interested in raising this issue with the title "The Effect" Promotional Costs and Selling Prices on Sales Volume of Eskulin Perfume Products at PT. Sinar Kencana Multilestari".

Sales Volume

According to Basu Swastha (2012: 136) Sales are an activity aimed at reaching buyers, influencing and providing instructions so that buyers can adjust their needs to the products offered, and enter into agreements regarding prices that benefit both parties in making sales, special skills are needed.

While the notion of sales volume is net sales from the company's profit and loss, net sales are obtained by the company through the sale of several products for a certain period and sales results achieved from *the market share* which is a potential market, which can consist of groups of buyers for a certain period.

Promotion Fee

According to William J. Stanton (in Sunyoto 2015:151) promotion is an element in the company's marketing mix that is utilized to inform, persuade, and remind about the company's products.

According to McCarthy (in Ginting 2011:10) promotion are all activities of producer companies to improve the quality of their products and persuade or seduce consumers to buy their products. Meanwhile, according to Basu Swastha (2012:42), promotional costs are some units of money that are issued or used to hold/carry out activities to introduce and inform consumers about products.

From the definitions above, it can be concluded that promotional costs are the amount of money used to hold and carry out activities to notify, persuade, and remind about their products so that consumers buy their products.

Selling price

Determining to price requires a systematic approach, which involves setting goals and developing an appropriate pricing structure. Price, value, and utility are closely related concepts. Use (utility) is a product that can satisfy a need. While value is a quantitative expression of the strength of goods to be able to attract other goods in exchange. In today's economy, the exchange system does not use the barter system anymore. To conduct an exchange, currently using units of money in exchange for or the use of goods and services obtained which are often known as prices.
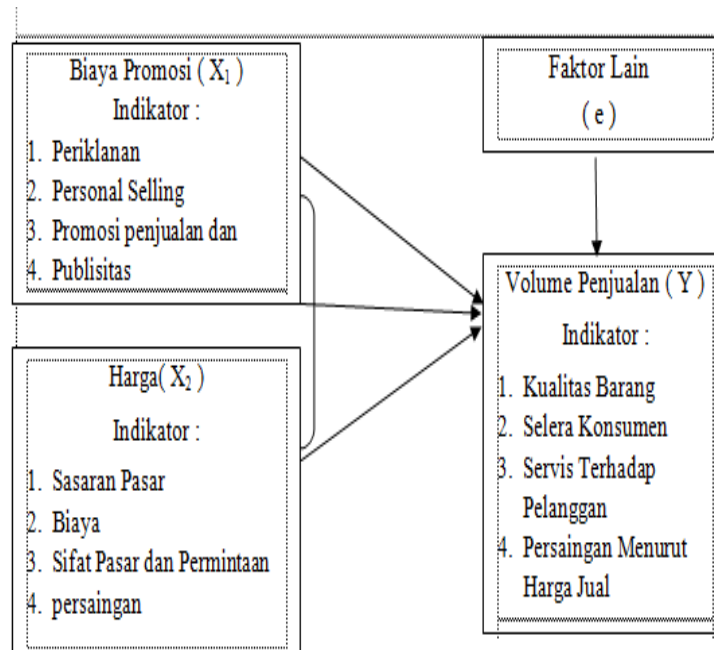
According to Indriyo Gitosudarmo (in Sunyoto 2012:131) Price is the amount of money needed to get a certain number of products or a combination of goods and services.

According to Indriyo Gitosudarmo (in Sunyoto 2015: 204), price is a measure of the size of the value of a person's satisfaction with the product he buys, which is expressed in units of currency or medium of exchange.

So it can be concluded that the price is the amount of money set for a product or service and its combination expressed in currency.

Framework

The framework of thought in this study, the independent variable as the variable that affects (X_1) is Promotional Costs, (X_2) is Price and the dependent variable as the variable that is affected (Y) is Sales Volume.

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Based on the explanation above, a picture in the form of a framework of thought can be presented as follows:

Hypothesis

According to Sugiyono (2012:96), the hypothesis is a temporary answer to the research problem, where the formulation of the research problem has been stated in the form of a question sentence.

The authors can put forward the hypothesis in this study are:
1. There is a significant effect between Promotional Costs and Prices simultaneously on Eskulin Perfume Sales Volume at PT Sinar Kencana Multilestari.
2. There is a significant effect of Promotional Costs partially on Eskulin Perfume Sales Volume at PT Sinar Kencana Multilestari.

There is a significant effect of selling price partially on Eskulin Perfume Sales Volume at PT Sinar Kencana Multilestari

RESEARCH METHODS

In this research, the researcher uses descriptive research with a quantitative approach and basically can be used from any of the existing methods.

Descriptive research is research conducted to determine the value of independent variables, either one or more variables without making comparisons or connecting with other variables. In this study, the writer analyzes the problems that exist at present and makes a systematic description of the object of research, so this research is descriptive.

This study uses a quantitative approach because the research data is obtained using numbers and analysis using statistics. In the quantitative approach used for research is a certain population or sample, the sampling technique is carried out using purposive sampling, data collection using research instruments, quantitative or statistical data analysis which aims to test the established hypothesis.

RESEARCH RESULTS AND DISCUSSION

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	71015.215	2406.601		29.509	.001		
Biaya Promosi	.001	.000	3.611	10.801	.008	.028	35.112
Harga Jual	-2.743	.331	-2.771	-8.287	.014	.028	35.112

Coefficients[a]

a. Dependent Variable: Volume Penjualan

Multiple Regression Analysis

The regression equation obtained can be seen in the table of coefficients [a] above Constants and the regression coefficient can be seen in column B. The results obtained are as follows:

$Y = a + b_1 X_1 + b_2 X_2 + e$

Sales Volume = $71,015,215 + 0.001 X_1 - 2.743 X_2 + e$

1. If the Constant of 71,015,215 states that if the company does not incur promotion costs and selling prices then its sales are 71,015,215
2. If the regression coefficient of 0.001 indicates that each promotion cost increases +1 point, then sales will increase by 0.001.
3. If the regression coefficient - 2.743 indicates that each selling price increases +1 point, then sales will decrease by 2.743.

Simultaneous Test (F Test)

The F test is used to determine the significance of the effect of the Promotional Cost (X_1) and Price (X_2) variables simultaneously on Sales Volume (Y). To see the test results can be seen in the table below:

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2972946.699	2	1486473.350	156.033	.006[a]
	Residual	19053.301	2	9526.650		
	Total	2992000.000	4			

ANOVA[b]

a. Predictors: (Constant), Harga Jual, Biaya Promosi

b. Dependent Variable: Volume Penjualan

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Hypothesis

Ho : b1 = b2 = 0, F $_{count}$ < F $_{table}$ or (F-sig > 0, 05), then Ho is accepted, Hi is rejected. It means that there is no significant effect of Promotional Cost (X_1) and Selling Price (X2 $_)$ on Sales Volume (Y) of employees at PT Sinar Kencana Multilestari.

Hi : b1 ≠ b2 0, F $_{count}$ < F $_{table}$ or (F-sig < 0.05), then Ho is rejected, Hi is accepted. It means that there is a significant and significant effect of Promotional Costs (X_1) and Selling Price (X_2) on Sales Volume (Y) of employees at PT Sinar Kencana Multilestari.

Analysis

From the ANNOVA test or f-test, the f-count is 156.033 with a significance level of 0.006 (0.006 < 0.05)), then Ho is rejected, Hi is accepted. Because this significance level is less than 0.05, this regression model can be used to predict sales. In other words, promotion costs and selling prices simultaneously (simultaneously) have a significant effect on the sales volume of PT Sinar Kencana Multilestari.

Partial Test (t-Test)

Used to determine whether there is a significant effect of the independent variable on the dependent variable partially or independently. To see the test results can be seen in the table below:

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	71015.215	2406.601		29.509	.001		
Biaya Promosi	.001	.000	3.611	10.801	.008	.028	35.112
Harga Jual	-2.743	.331	-2.771	-8.287	.014	.028	35.112

a. Dependent Variable: Volume Penjualan

Sales Volume (Y).

Hypothesis

Ho : bi = 0, t $_{count}$ < t $_{table}$ or (t-sig > 0.05), then Ho is accepted and Ha is rejected. This means that there is a significant effect of Promotional Costs (X_1) on the Sales Volume (Y) of employees at PT Sinar Kencana Multilestari.

H_1: b1 ≠ 0, t $_{arithmetic}$ t $_{table}$ or (t-sig < 0.05), then Ho is rejected and Hi is accepted. This means that there is a significant effect of Promotional Costs (X_1) on the Sales Volume (Y) of employees at PT Sinar Kencana Multilestari.

Analysis

The t-count value of promotion costs (X_1) is 10,801 with a significant level of 0.008 (0.008 <0.05), then Ho is rejected and Hi is accepted. Since this significance level is less than 0.05, this regression model can be used to predict sales. This shows that there is a significant effect between Promotional Costs (X_1) and Sales Volume (Y) partially PT Sinar Kencana Multilestari.

Selling Price t-test (X_2) with Sales Volume (Y)

Hypothesis

Ho : b2 = 0, t $_{count}$ < t $_{table}$ or (t-sig > 0.05), then Ho is accepted and Ha is rejected. This means that there is a significant effect of the selling price (X $_2$) on the sales volume (Y) of employees at PT Sinar Kencana Multilestari.

H$_1$: b2 ≠ 0, t $_{arithmetic}$ t $_{table}$ or (t-sig < 0.05), then Ho is rejected and Hi is accepted. This means that there is a significant effect of the selling price (X $_2$) on the sales volume (Y) of employees at PT Sinar Kencana Multilestari.

Analysis

The t-count value of Selling Price (X $_2$) is -8.287 with a significant level of 0.014 (0.014 < 0.05), then Ho is rejected and Hi is accepted. Since this significance level is less than 0.05, this regression model can be used to predict sales. This shows that there is a significant effect between the selling price (X $_2$) and the sales volume (Y) partially PT Sinar Kencana Multilestari.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.997^a	.994	.987	97.605	3.494

a. Predictors: (Constant), Harga Jual, Biaya Promosi

b. Dependent Variable: Volume Penjualan

Coefficient of Determination

From the model summary table above, it can be seen that the R Square number or the coefficient of determination is 0.987. This means that 0.987 or 98.7% of the variance of data from sales can be explained by the two independent variables, namely promotion costs and selling prices. While the rest (1 – 0.987 = 0.013) or 1.3% is explained by other factors such as product quality and distribution channels.

CONCLUSIONS

Based on the descriptions that have been put forward in the previous chapters, the author tries to draw some conclusions and then provide suggestions that may be useful for employees of PT Sinar Kencana Multilestari as a material for consideration in making future policies:

Conclusion

1. From the consideration of multiple linear regression obtained:

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Sales Volume = 71,015,215 + 0.001 Promotional Expenses - 2,743 Selling Price + e, indicating that each promotion cost increases +1 point, then sales will increase by 0.001 and each selling price increases +1 point, then sales will decrease by 2,743

2. The results of the simultaneous test (F test) obtained a significance of 0.006. In other words, promotion costs and selling prices simultaneously (simultaneously) have a significant effect on the sales volume of PT Sinar Kencana Multilestari.

3. From the results of the Partial Test, it can be seen that:
   a. for (t-test) Promotional Cost T-test (X_1) with Sales Volume (Y) was found to be significant at 0.008. This shows that there is a significant effect between Promotional Costs (X_1) and Sales Volume (Y) partially PT. Sinar Kencana Multilestari.
   b. Selling Price t-test (X_2) with Sales Volume (Y) with a significant level of 0.014. This shows that there is a significant effect between the selling price (X_2) and the sales volume (Y) partially PT. Sinar Kencana Multilestari.

From the results of the calculation, the coefficient of determination is equal to 0.987. This means that 0.987 or 98.7% of the variance of data from sales can be explained by the two independent variables, namely promotion costs and selling prices. While the rest (1 – 0.987 = 0.013) or 1.3% is explained by other factors such as product quality and distribution channels

SUGGESTION

Based on the conclusions above, the authors try to provide suggestions that may be useful for PT Sinar Kencana Multilestari in increasing its sales volume:

1. PT Sinar Kencana Multilestari should pays more attention to the problem of promotional costs to increase promotions so that sales volume can increase even better.

2. The selling price that is quite cheap should be adjusted to the appropriate quality of goods so that the sales volume can continue to increase.

3. PT. Sinar Kencan Multilestari can continue to do its best efforts to improve employee welfare and the company's main goals can be achieved successfully.

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