

# **THESIS**

## **THE INFLUENCE OF MARKETING STRATEGY ON THE SALES EFFECTIVENESS OF FOOD AND BEVERAGE SMES IN MAKASSAR CITY**

**MUH RAIHAN AKHAM ARFAN**

**A021201164**



**DEPARTMENT OF MANAGEMENT  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS HASANUDDIN  
MAKASSAR  
2024**

# THESIS

## THE INFLUENCE OF MARKETING STRATEGY ON THE SALES EFFECTIVENESS OF FOOD AND BEVERAGE SMES IN MAKASSAR CITY

Complied and submitted by

**MUH RAIHAN AKHAM ARFAN**

**A021201164**



To

**DEPARTMENT OF MANAGEMENT  
FACULTY OF ECONOMICS AND BUSINESS  
UNIVERSITAS HASANUDDIN  
MAKASSAR  
2024**

**THESIS**  
**THE INFLUENCE OF MARKETING STRATEGY**  
**ON THE SALES EFFECTIVENESS OF FOOD AND BEVERAGE**  
**SMES IN MAKASSAR CITY**


Complied and submitted by

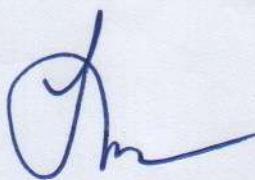
**MUH RAIHAN AKHAM ARFAN**  
**A021201164**

Has been checked and approved for examination  
Makassar, 18 January 2024

Supervisor I


Supervisor II

  
Prof. Dr. H. Abdul Rahman Kadir,  
S.E.,M.Si.,CIPM.,CWM.  
NIP.196402051988101001

  
Dr. Muhammad Sobarsyah, S.E.,M.Si.  
NIP.196806291994031002

Head of Management Department  
Faculty of Economics and Business  
Universitas Hasanuddin



  
Dr. Andi Aswan, S.E.,MBA.,M.Phil.  
NIP.197705102006041003

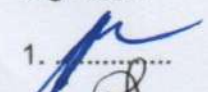

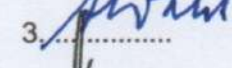
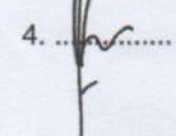
**THESIS**  
**THE INFLUENCE OF MARKETING STRATEGY**  
**ON THE SALES EFFECTIVENESS OF FOOD AND BEVERAGE**  
**SMES IN MAKASSAR CITY**

Complied and submitted by


**MUH RAIHAN AKHAM ARFAN**  
**A021201164**

Has been maintained in the thesis examination  
on February 21, 2024 and  
has been approved to pass the graduation requirement

Approved by,  
Examiner's Committee

Num.Examiner's Name	Position	Signature
1. Prof. Dr. H. Abdul Rahman Kadir, S.E.,M.Si.,CIPM.,CWM.	Chairman	1. 
2. Dr. Muhammad Sobarsyah, S.E.,M.Si.	Secretary	2. 
3. Prof. Dr. H. Abdul Rakhman Laba, S.E.,MBA.	Member	3. 
4. Prof. Dr. Indrianty Sudirman, S.E.,M.Si.,CRMP.,CRGP.	Member	4. 

Head of Management Department  
Faculty of Economics and Business  
Universitas Hasanuddin

  
**Dr. Andi Aswan, S.E.,MBA.,M.Phil.**  
NIP.19620405 198702 2 001

## STATEMENT OF AUTHENTICITY

The undersigned below,

Name : Muh Raihan Akham Arfan  
Student ID Number : A02120116  
Department : Management

I hereby declare truthfully that the thesis entitled.

**"THE INFLUENCE OF MARKETING STRATEGY ON THE SALES  
EFFECTIVENESS OF FOOD AND BEVERAGE SMES IN MAKASSAR CITY"**

is my own scientific work, and to the best of my knowledge, there is no scientific work submitted by others to obtain an academic degree at a university. There is no work or opinion written or published by others, except as expressly cited in this thesis and mentioned in the citation sources and bibliography.

If it is later proven that there are elements of plagiarism in this thesis, I am willing to accept the consequences of such actions and will be processed in accordance with applicable regulations (Law No. 20 of 2003, Article 25 paragraph 2 and Article 70).

Makassar, 4 March 2024



Muh Raihan Akham Arfan

## PREFACE

*Alhamdulillah Rabbil-'alamin* Praises and gratitude are raised to the presence of Allah SWT for the blessings and grace bestowed upon the author. The author has been granted health, as well as the opportunity and knowledge, allowing the completion of the thesis titled **"THE INFLUENCE OF MARKETING STRATEGY ON THE SALES EFFECTIVENESS OF FOOD AND BEVERAGES SMES IN MAKASSAR CITY."** This thesis is prepared as one of the requirements to complete the undergraduate program at the Department of Management, Faculty of Economics and Business, Hasanuddin University, Makassar.

Certainly, in the process of writing this thesis, the author encountered obstacles. However, with hard work and motivation obtained from oneself and those around, this thesis was successfully completed. Therefore, on this occasion, with sincerity from the author's heart, many thanks are expressed to all parties, both directly and indirectly, throughout the educational process to the completion of the author's studies. The author extends gratitude to:

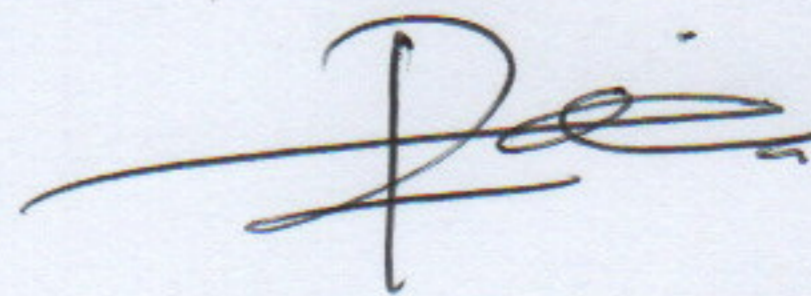
1. Thank you to Allah SWT for His protection and grace.
2. Thank you to my parents who have always provided moral and material support to the author.
3. Thank you to my siblings, Hanifah and Hafni, for their continuous support and companionship.
4. Thank you to Prof. Dr. H. Abdul Rahman Kadir, S.E.,M.Si.,CIPM.,CWM, as Supervisor I, and Dr. Muhammad Sobarsyah, S.E.,M.Si., as Supervisor II, who have dedicated much time to guide and provide input and advice to the author.
5. Thank you to the examiners, Prof. Dr. H. Abdul Rakhman Laba, S.E.,MBA, and Prof. Dr. Indrianty Sudirman,

S.E.,M.Si.,CRMP.,CRGP., for their suggestions and input in completing this thesis.

6. Thank you to the lecturers, staff, and employees of the Faculty of Economics and Business, Hasanuddin University, who have assisted and provided knowledge throughout the author's education until the completion of this study.
7. Thank you to the 70 respondents who took the time to participate in this research.
8. Thank you to Diva Alvania as a special person and always accompanied me during the thesis work time and supported the completion of my thesis.
9. Thank you to Absolute friends, especially my classmates who have fought together from the beginning.
10. Thank you to my gaming friends, Mufli, Kelvin, Iyan, Cicam, Paje, et al, who always accompany my free time while working on my thesis.
11. To everyone who knows and has helped the author and cannot be mentioned one by one, thank you very much.

The author realizes that this thesis is far from perfect even though it has received much assistance from various parties. If there are errors in this thesis, it is entirely the responsibility of the author. Therefore, constructive criticism and suggestions will be very helpful in perfecting this thesis.

Makassar, 4 March 2024



Muh Raihan Akham Arfan

## **ABSTRACT**

### **The Influence of Marketing Strategy On The Sales Effectiveness of Food And Beverages in Makassar City**

**Muh Raihan Akham Arfan**

**Abdul Rahman Kadir**

**Muhammad Sobarsyah**

This research aims to determine the influence of product-oriented marketing, customer-oriented marketing, human-oriented marketing, and digital-oriented marketing on the effectiveness of sales for small and medium-sized enterprises (SMEs) in the food and beverage sector in the city of Makassar. The study also seeks to identify which variable has the dominant impact on the effectiveness of food and beverage sales in Makassar, using 70 businesses as respondents through questionnaire surveys with purposive non-probability sampling. The analysis employed in this research is multiple regression analysis, with a significance level set at 0.1, using SPSS 29 software. The results indicate that product-oriented marketing, customer-oriented marketing, human-oriented marketing, and digital-oriented marketing have a positive and significant partial impact on the effectiveness of food and beverage sales in Makassar. The simultaneous test or F-test results demonstrate the combined influence of product-oriented marketing, customer-oriented marketing, human-oriented marketing, and digital-oriented marketing on the effectiveness of sales for UMKM in the food and beverage sector in Makassar. The contribution of product-oriented marketing, customer-oriented marketing, human-oriented marketing, and digital-oriented marketing to the influence on sales effectiveness is 65.3%, with the remaining 34.7% attributed to factors outside the scope of this study.

**Keywords:** Product Oriented Marketing, Customer Oriented Marketing, Human Oriented Marketing dan Digital Oriented Marketing, Sales Effectiveness



## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> .....	<b>ix</b>
<b>LIST OF FIGURES</b> .....	<b>xii</b>
<b>LIST OF TABLES</b> .....	<b>xiii</b>
<b>CHAPTER I INTRODUCTION</b> .....	<b>1</b>
1.1 Background .....	1
1.2 Research Question .....	3
1.3 Research Objective .....	4
1.4 Research Contributions .....	4
1.4.1 Theoretical Contributions .....	4
1.4.2 Practical Contributions.....	4
1.5 Writing Systematics .....	5
<b>CHAPTER II LITERATURE REVIEW</b> .....	<b>7</b>
2.1 Theoretical Review .....	7
2.1.1 Marketing Strategy .....	7
2.1.2 Marketing 1.0 (Product Oriented Marketing) .....	8
2.1.3 Marketing 2.0 (Customer Oriented Marketing) .....	9
2.1.4 Marketing 3.0 (Human Oriented Marketing) .....	10
2.1.5 Marketing 4.0 (Digital Oriented Marketing).....	11
2.1.6 Marketing Strategy Indicators.....	12
2.1.7 Sales Effectiveness .....	15
2.1.8 Sales Effectiveness Indicators .....	16
2.1.9 SMEs (Small, and Medium Enterprises).....	16
2.2 Empirical Review .....	18
<b>CHAPTER III RESEARCH FRAMEWORK AND HYPOTHESIS</b> .....	<b>21</b>
3.1 Research Framework.....	21
3.2 Hypothesis Development.....	22
<b>CHAPTER IV RESEARCH METHOD</b> .....	<b>24</b>
4.1 Type and Research Design .....	24
4.2 Research Location and Time .....	24
4.2.1 Location .....	24

4.2.2 Time .....	24
4.3 Research Population and Sample .....	24
4.3.1 Population .....	24
4.3.2 Sample .....	25
4.4 Sampling Technique .....	25
4.5 Data Collection Technique .....	25
4.6 Research Variable and Operasional Definition .....	26
4.7 Research Instrument .....	28
4.8 Validity and Reliability Test .....	29
4.8.1 Validity Test .....	29
4.8.2 Reliability Test .....	29
4.8.3 F-test .....	30
4.8.4 T-test .....	30
4.8.5 Coefficient of Determination Test .....	31
4.9 Data Analysis Technique .....	31
4.9.1 Multiple Linear Regression .....	31
<b>CHAPTER V ANALYSIS AND DICUSSION .....</b>	<b>33</b>
5.1 Research Result .....	33
5.1.1 Characterictis of Responden by Gender .....	33
5.1.2 Characterictis of Responden by Age .....	33
5.1.3 Range Determination .....	34
5.1.4 Description of Product Oriented Marketing Variable (X1) and Score Calculation .....	34
5.1.5 Description of Customer Oriented Marketing Variable (X2) and Score Calculation .....	35
5.1.6 Description of Human Oriented Marketing Variable (X3) and Score Calculation .....	36
5.1.7 Description of Digital Oriented Marketing Variable (X4) and Score Calculation .....	37
5.1.8 Description of Sales Effectiveness Variable (Y) and Score Calculation ..	38
5.1.9 Validity Test .....	39
5.1.10 Reliability Test .....	39
5.1.11 Multiple Regression Analysis .....	40
5.1.12 Coefficient of Determination ( $R^2$ ) .....	42

5.2 Hypothesis Test .....	43
5.2.1 F test.....	43
5.2.2 T test.....	44
5.3 Discussion.....	46
<b>CHAPTER VI CONCLUSION AND SUGGESTION .....</b>	<b>48</b>
6.1 Conclusion .....	48
6.2 Suggestion.....	48
<b>REFERENCES .....</b>	<b>50</b>

## LIST OF FIGURES

Figure 3. 1 Framework .....	21
-----------------------------	----

## LIST OF TABLES

Table 2. 1 Emperical Review .....	18
Table 3. 1 Hypothesis .....	22
Table 4. 1 Research Variable and Operational Definition .....	26
Table 4. 2 Likert Scale .....	29
Table 5. 1 Characterictis of Responden by Gender .....	33
Table 5. 2 Characterictis of Responden by Age .....	33
Table 5. 3 Description of Product oriented marketing Variable (X1) and Score Calculation .....	34
Table 5. 4Description of Customer Oriented Marketing Variable (X2) and Score Calculation .....	35
Table 5. 5 Description of Human Oriented Marketing Variable (X3) and Score Calculation .....	36
Table 5. 6 Description of Digital Oriented Marketing Variable (X4) and Score Calculation .....	37
Table 5. 7 Description of Sales Effectiveness Variable (Y) and Score Calculation...	38
Table 5. 8 Validity Test .....	39
Table 5. 9 Reliability Test.....	40
Table 5. 10 Multiple Regression Analysis .....	41
Table 5. 11Coefficient of Determination .....	43
Table 5. 12 F test .....	43
Table 5. 13 T test .....	44

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Success is a crucial goal for every company. Success in marketing is a necessity for business discipline, understanding and maintaining it is part of the key to carrying out marketing goals. Marketing also aims to provide effective value to the company's sales activities. Sales is defined as a communication and interaction process between a seller and a prospective buyer with the aim of convincing the buyer to buy the product or service offered.

A marketing strategy is a mathematical and conceptual representation used by companies or organizations to understand, plan, and optimize their marketing. Over time, marketing strategies have changed their orientation patterns, from being product-oriented or called Marketing 1.0, shifting towards Marketing 2.0, namely marketing orientation with a focus on customer or consumer behavior. The marketing 2.0 pattern has been widely implemented because it has the advantage of increasing consumer interest in products because the company's orientation focuses on needs or consumers. However, on the other hand, consumers sometimes buy products that they need without considering the impact on the surrounding environment. Companies are also aware that they must think about other than the needs of their consumers, namely that after the product can be enjoyed or accessed, the company can create good things around its consumers. By looking at the social aspect, marketing patterns develop from consumer needs orientation to consumer orientation and the surrounding social environment, which is called Human Centric Marketing or Marketing 3.0. Marketing 3.0 is an orientation

towards sustainability and marketing integration that encourages creating products or services that offer positive value to other people and the environment around them.

With the significant development of Marketing Strategies and the influential impact of digital technology on consumer purchasing behavior, there is a continuation of the Marketing Strategy pattern from marketing 3.0 towards a marketing orientation using digital marketing, known as Marketing 4.0. Marketing 4.0 is a Marketing Strategy that implements a marketing system through digital technology and bridges the gap between the physical and digital worlds in marketing.

Small, and Medium Enterprises (SMEs) play a crucial role in the country's economy. The number of SMES participants increases every year, creating a positive trend for the Indonesian economy. According to data from the Ministry of Cooperatives and SMEs, SMES contributes 60.5% to the National Gross Domestic Product (PDB). The Ministry of Industry of the Republic of Indonesia notes that the food and beverage industry showed growth from 2020 to 2022. In 2022, the food and beverage industry grew by 4.90% year-on-year, becoming the largest contributor to the Non-Oil and Gas Processing Industry's Gross Domestic Product (PDB) in 2022, with 38.35%. In 2023, this sector is projected to grow by approximately 6.25% compared to the previous year. This indicates that SMES in Indonesia has great potential for further development, contributing even more significantly to the economy.

With the implementation of Marketing Strategies, SMES can effectively market their products. Besides fostering economic growth, SMES often serves as a

breeding ground for innovation and creativity in the development of their products or services.

However, some phenomena indicate that different marketing strategy patterns have their own advantages and strengths. Some SMEs implement effective marketing strategy patterns that work well for them. However, it is not ruled out that other marketing strategy patterns may not be effective for SMEs' sales activities.

This research aims to compare the impact of each marketing strategy on the sales effectiveness of Food and Beverage Small and Medium Enterprises (SMES) in Makassar City. Therefore, this study assesses the effectiveness of each marketing strategy, including marketing 1.0, marketing 2.0, marketing 3.0, and marketing 4.0, on sales effectiveness.

Therefore, the author is interested in conducting a research titled "**The Influence of Marketing Strategy on the Effectiveness of Food and Beverage SMES Sales in the City of Makassar.**" By understanding the interconnection of these variables, it is possible to identify strategies to enhance the implementation of effective marketing for increasingly sophisticated SMES.

## **1.2 Research Question**

The formulation of the problem in this research is as follows:

1. Is there a significant influence of each marketing strategy on the sales effectiveness of Food and Beverage SMEs in the city of Makassar?



### **1.3 Research Objective**

Based on the stated research problems, the formulated research objectives are as follows:

1. To assess the outcomes of each marketing strategy on the sales effectiveness of Food and Beverage SMEs in the city of Makassar.
2. To compare the evaluation results of regression models constructed from each marketing strategy regarding Food and Beverage SMEs in the city of Makassar.

### **1.4 Research Contributions**

#### **1.4.1 Theoretical Contributions**

This research is expected to contribute knowledge and information regarding the Influence of Marketing Strategies on the Effectiveness of Sales in Food and Beverage SMEs (Small, and Medium Enterprises). The study is also anticipated to serve as a benchmark and provide valuable insights for other researchers interested in conducting similar research

#### **1.4.2 Practical Contributions**

1. For Researchers

This research can contribute to expanding the knowledge and insights held by researchers within the scope of the researched field. The findings of this research can be utilized by other researchers in related studies.

2. For Academics / Readers

This research can enhance insights and deepen scientific knowledge, serving as a benchmark for readers interested in conducting research in the field of marketing, particularly regarding marketing strategies.

### 3. For Small, and Medium Enterprises (SMEs)

This research is expected to be beneficial as input for both domestic companies and SMEs in evaluating marketing strategies in their current marketing practices.

## **1.5 Writing Systematics**

### **CHAPTER I: INTRODUCTION**

This chapter consists of the background of the problem, problem formulation, research objectives, research benefits, and writing structure.

### **CHAPTER II: LITERATURE REVIEW**

This chapter contains the theories used as a foundation for conducting this research and analyzing the core issues that have been proposed.

### **CHAPTER III: CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT**

This chapter presents two main aspects, namely the conceptual framework/thought and the development of hypotheses.

### **CHAPTER IV: RESEARCH METHOD**

This chapter includes the research design, location and time, population and sample, type and source of data, data collection techniques, research variables, operational definitions, research instruments, and data analysis.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Theoretical Review**

##### **2.1.1 Marketing Strategy**

Marketing strategy is a plan formulated with the aim of marketing a business or product. It helps companies achieve their vision, mission, and business objectives in an effective manner. According to Kotler (Kotler and Armstrong, 2012:72), marketing strategy is the logic of marketing where a company aims to create value for customers and establish profitable relationships with them.

There are several definitions of strategy from experts. According to Marrus, as cited in Umar (2001:31), strategy is defined as a process of determining plans by top leaders that focus on the long-term goals of the organization, accompanied by the development of a way or effort on how those goals can be achieved. Strategy is specifically defined as actions that are incremental (continuously improving) and continuous, carried out from the perspective of what customers are expected to desire in the future (Prahalad in Umar, 2001:31).

According to Chandra (2002:93), marketing strategy is a plan that outlines a company's expectations regarding the impact of various marketing activities or programs on the demand for its products or product lines in a specific target market. Marketing programs encompass marketing actions that can influence product demand, including changes in pricing, modification of advertising campaigns, designing special promotions, determining channel distribution choices, and so on.

According to Philip Kotler, one of the leading marketing experts, there are four levels of evolution in marketing strategy, namely: Marketing 1.0 or Product oriented, Marketing 2.0 or Customer oriented, Marketing 3.0 or Human oriented, and Marketing 4.0 or Digital oriented.

### **2.1.2 Marketing 1.0 (Product Oriented Marketing)**

Focusing on the product. Companies strive to create superior products or services and offer them to the market.

Marketing 1.0, as explained by Philip Kotler in his book "Marketing 4.0: Moving from Traditional to Digital," is the first evolutionary level in marketing strategies that characterizes the traditional approach in the marketing world. Here is an explanation of Marketing 1.0 according to Kotler:

Marketing 1.0 is a product-focused marketing orientation. Companies are oriented towards creating the best quality and features of the products and services they own. The focus is on the product or service rather than on customers or understanding the market.

This approach often involves marketing strategies that focus on the physical characteristics of the product, such as design, quality, and features. Making the product outstanding is the company's effort, followed by aggressively marketing it in the market. The goal is to make the product attractive and stand out in the market to gain a larger market share.

Marketing 1.0 often uses conventional marketing tools such as print advertising, promotions, and direct sales to reach potential buyers. This is a time when traditional advertising, such as television and radio ads, as well as print advertising, are still considered the primary methods to reach the audience.

It is important to note that the Marketing 1.0 approach may become less relevant in the context of modern marketing if not supported by the application of technology. Changes in consumer behavior and technological advancements have prompted companies to transition to further stages of marketing development, such as Marketing 2.0, which places more emphasis on customers and their interactions.

### **2.1.3 Marketing 2.0 (Customer Oriented Marketing)**

Focusing on the customer. Companies not only create good products but also understand and respond to the needs and desires of customers. Marketing 2.0, also introduced by Philip Kotler in his book "Marketing 4.0: Moving from Traditional to Digital," is a stage in the development of marketing strategies that emphasizes the role of customers rather than just focusing on the product itself. Here is an explanation of Marketing 2.0 according to Kotler:

Marketing 2.0 is a marketing paradigm that places emphasis on customers. At this stage, companies not only strive to create superior products but also seek to understand more deeply the needs, desires, and preferences of their customers. Marketing at this stage is more about a profound understanding of customers and intensive interaction with them.

Companies adopting the Marketing 2.0 approach strive to build closer relationships with their customers. They recognize that understanding customers is the key to long-term success. More personalized interactions with customers, listening to their feedback, and responding to their needs are integral elements of the marketing strategy.

Digital marketing, including social media, content marketing, and other online strategies, becomes a crucial tool in Marketing 2.0. Through these digital platforms, companies can interact with customers more directly and in real-time.

#### **2.1.4 Marketing 3.0 (Human Oriented Marketing)**

Focused on values and human values. Marketing not only considers customer satisfaction and benefits but also pays attention to higher values and positive impacts on society and the environment.

Marketing 3.0 is a marketing concept introduced by Philip Kotler in his book "Marketing 3.0: From Products to Customers to the Human Spirit" (2010). This concept proposes a paradigm shift in the marketing world, where the focus is no longer solely on products and customers but on broader human values. The following is a paraphrase of the explanation of Marketing 3.0 according to Kotler:

Marketing 3.0 is a marketing approach that prioritizes human values. In this model, companies not only create high-quality products or services and understand customer needs but also integrate aspects such as ethics, social care, and sustainability into all aspects of their business.

Marketing at this level is more centered on creating a positive impact on society and the environment. Companies are committed not only to customer satisfaction but also to providing greater benefits to society and the planet. In this framework, Corporate Social Responsibility (CSR) and concern for social, environmental, and humanitarian issues are considered highly important.

Marketing 3.0 encourages companies to engage in various social initiatives, such as charity campaigns, environmental impact reduction, and

positive contributions to the overall well-being of society. Furthermore, companies strive to build a brand that reflects integrity and values aligned with broader humanitarian values.

### **2.1.5 Marketing 4.0 (Digital Oriented Marketing)**

Marketing 4.0 is a marketing concept introduced by Philip Kotler in his book titled "Marketing 4.0: Moving from Traditional to Digital" (2016). This concept reflects the next evolutionary stage in the marketing world, where companies integrate digital technology and artificial intelligence into their marketing strategies. Here is an explanation of Marketing 4.0 according to Kotler:

**Focus on Digital Technology:** In the digital era, marketing combines artificial intelligence, data analytics, and digital technology to interact with customers in a more personalized and effective manner.

Marketing 4.0 is a marketing paradigm that emphasizes the crucial role of digital technology and artificial intelligence in addressing challenges and opportunities in the digital era. At this level, companies are not only oriented towards products, customers, or human values as applied in previous marketing concepts, but also recognize the importance of technology as a crucial component in achieving marketing success.

Marketing 4.0 leverages digital technology to interact with customers in a more personalized and effective manner. This involves the use of data and analytics to understand customer behavior, preferences, and needs. Companies can deliver highly relevant and timely content to consumers through various digital platforms, such as social media, websites, and mobile devices.



Moreover, Marketing 4.0 also emphasizes the role played by Artificial Intelligence (AI) in enhancing the customer experience. With AI, companies can make personalized recommendations, automate marketing processes, and provide more responsive customer service.

Companies embracing the concept of Marketing 4.0 understand that modern consumers are increasingly digitally connected, requiring continuous innovation in their interactions with customers. They also recognize that customer data is an asset, helping them better understand the market and make smarter decisions.

Marketing 4.0 reflects the significant shift in consumer behavior towards digitalization. This concept underscores the pivotal role of digital technology, data analytics, and artificial intelligence in building closer relationships with customers in the rapidly evolving digital environment.

### **2.1.6 Marketing Strategy Indicators**

Product orientation in **marketing 1.0 or (Product Oriented Marketing)** has indicators such as:

- a) Emphasis on Product Excellence and Quality

The level of product excellence in terms of quality, features, design, and innovation can be an indicator of Marketing 1.0 orientation. The more efforts a company invests in improving the excellence and quality of its products, the more likely they are to adopt this orientation.

- b) Use of Conventional Marketing Tools

The use of traditional marketing tools such as print advertising, sales promotions, direct sales, and product promotion campaigns. Direct sales and promotions are conventional ways to approach potential buyers and encourage purchases. The use of these strategies and achieving sales targets becomes an indicator in Marketing 1.0.

c) Product Orientation on Product Image

Companies that tend to create a strong product image and emphasize the physical characteristics of the product in their marketing messages so that the market perceives the product and has an interest in the company's products or services.

Market or customer orientation in **marketing 2.0 or (Customer Oriented Marketing)** has indicators such as:

a) Presence of Consumer Interaction on Social Media

Companies implementing Marketing 2.0 tend to be active on social media platforms such as Facebook, Twitter, Instagram, and others. They not only have a presence there but also interact with customers, answer questions, and respond to feedback.

b) Content Marketing Tailored to Consumer Needs

Companies adhering to Marketing 2.0 often produce and share useful content regularly with their customers. This could be in the form of blog articles, videos, infographics, and others that provide information. They not only provide information but add value to consumers by offering solutions to their needs.

c) Engagement in Relevant Industry Communities or Associations

Companies adopting the Marketing 2.0 approach often manage online communities or forums that allow customers to interact with each other. They also tend to actively participate in relevant industry communities.

The human values and environmental orientation in **marketing 3.0 or (Human Oriented Marketing)** are indicated by:

a) Corporate Social Responsibility

The level of a company's commitment to initiatives that support human values, such as charitable campaigns, environmental protection, and community support.

b) Consumer Awareness

Measuring the extent to which consumers are aware of a company's initiatives and commitments to ethical, social, and environmental values.

c) Environmental Friendliness

Assessing the types of products or services used by the company and their efforts to reduce waste and prevent environmental pollution, such as the use of eco-friendly packaging.

The digital marketing orientation in **marketing 4.0 or (Digital Oriented Marketing)** is indicated by:

a) Content Marketing

Content marketing is a key aspect of Marketing 4.0. Companies generate relevant and valuable content for their consumers through various digital platforms, such as social media, blogs, videos, and more.

b) Digital Customer Interaction

Customer interactions increasingly occur digitally through online platforms. Companies communicate with customers via social media, email, chatbots, and websites to provide more personalized support and information.

c) Mobile Marketing

The use of mobile devices becomes increasingly important in Marketing 4.0. Companies ensure that their websites and content are optimized for mobile devices, providing a seamless user experience for mobile users.

d) User Experience (UX)

Companies focus on creating a seamless and satisfying user experience across digital channels. This includes responsive website design, intuitive user interfaces, and simple navigation.

### **2.1.7 Sales Effectiveness**

The definition of effectiveness, according to Dearden and Bedford (in Maulana, 2001:14), is the ability of a unit to achieve the desired goals. Meanwhile, according to Kartika Hadi (in Agus, 2004:182), effectiveness is the comparison of inputs and outputs in various activities, up to the attainment of set goals, whether viewed in terms of quantity (volume) and work results, the quality of work, or the targeted timeframe. From these definitions, it can be concluded that if the planned goals of a company have been successfully achieved, then the company's activities can be considered effective. Conversely, if these goals are not met, it can be said that the company's activities are not effective.

According to Dearden and Bedford (in Maulana, 2002:203), sales effectiveness is the ability of a unit to sell the goods produced by the company and

purchased for resale to achieve the desired goals. On the other hand, according to Akmal (2006:37), sales effectiveness is the comparison of sales realization with sales targets. Sales effectiveness can be achieved when the implementation of activities and programs runs optimally. Thus, sales effectiveness is the company's effort in distributing goods and services optimally to achieve the goals set by the company.

### **2.1.8 Sales Effectiveness Indicators**

#### a) Sales Revenue

Revenue generated from sales is a crucial indicator of sales effectiveness. It reflects whether the company has successfully generated the expected revenue from the sale of products or services.

#### b) Customer Retention Rate

Customer retention rate is a measure of how well the company retains existing customers. Satisfied customers are more likely to return for repeat purchases.

#### c) Cross-selling and Upselling Customer Rate

This measures the extent to which the company succeeds in selling additional products to existing customers (cross-selling) or persuading customers to purchase more expensive products (upselling).

#### d) Customer Evaluation

Analyzing customer feedback, reviews, or ratings can provide insights into customer satisfaction and the effectiveness of the sales team.

### **2.1.9 SMEs (Small, and Medium Enterprises)**

Small, and Medium Enterprises, abbreviated as SMEs, represent a form of productive business owned by individuals or corporate entities, typically

engaged in trade activities with varying characteristics. SMES is one of the largest economic players in the Indonesian economy. Apart from being the sector with the most significant contribution to national economic development, it also serves as a significant source of employment opportunities for domestic labor, thus contributing to unemployment reduction.

According to Government Regulation No. 7 of 2021, SMES can be classified based on business capital and annual sales. Business capital includes both self-owned and loaned capital used for business activities.

The classification of SMES based on wealth or business capital, as stipulated in Article 35 paragraph (3) of Government Regulation No. 7 of 2021, is as follows:

- **Micro Enterprises:** Micro-enterprises have business capital not exceeding 1 billion Indonesian rupiahs, excluding land and building assets for business premises.
- **Small Enterprises:** Small enterprises have business capital ranging from more than 1 billion to 5 billion Indonesian rupiahs, excluding land and building assets for business premises.
- **Medium Enterprises:** Medium enterprises have business capital ranging from 5 billion to 10 billion Indonesian rupiahs, excluding land and building assets for business premises.

Additionally, there are other criteria if not using business capital criteria. The criteria based on annual sales, as stated in Article 35 paragraph (6) of Government Regulation No. 7 of 2021, are as follows:

- Micro Enterprises: Micro-enterprises have an annual sales limit of up to 2 billion Indonesian rupiahs.
- Small Enterprises: Small enterprises have annual sales ranging from a minimum of 2 billion to 15 billion Indonesian rupiahs.
- Medium Enterprises: Medium enterprises have annual sales ranging from 15 billion to 50 billion Indonesian rupiahs.

With a considerable workforce absorption capacity, SMES plays a significant role in economic development. Therefore, the government pays considerable attention to assisting in the development of SMES.

## 2.2 Empirical Review

**Table 2. 1 Empirical Review**

No	Author/Year	Title	Result
1	Addilnul Alfando Putra (2022)	The Implementation of Marketing 4.0 and Marketing Communication Towards Traditional SME Marketing in the Digitalization Era (A Case Study of Batik Az-Zahra Medan)	Based on the research, it is concluded that the Implementation of Marketing 4.0 and Marketing Communication towards Traditional SME Marketing in the Digitalization Era (Case Study: Batik Az-Zahra Medan).

2	Brian <i>et al</i> (2022)	Analysis of Factors Influencing the Marketing Performance of Culinary SMEs in the Mandolang Subdistrict, Minahasa Regency.	<p>1. Simultaneously, digital marketing, market orientation, and competitive advantage have a positive and significant impact on the marketing performance of culinary MSMEs in the Mandolang sub-district, Minahasa regency.</p> <p>2. Partially, digital marketing has a positive and significant impact on the marketing performance of culinary MSMEs in the Mandolang sub-district, Minahasa regency.</p> <p>3. Partially, market orientation has a positive and significant impact on the marketing performance of culinary MSMEs in the</p>
---	------------------------------	---	--



			<p>Mandolang sub-district, Minahasa regency.</p> <p>4. Partially, competitive advantage has a positive and significant impact on the marketing performance of culinary MSMEs in the Mandolang sub-district, Minahasa regency.</p>
--	--	--	---

## CHAPTER III

### RESEARCH FRAMEWORK AND HYPOTHESIS

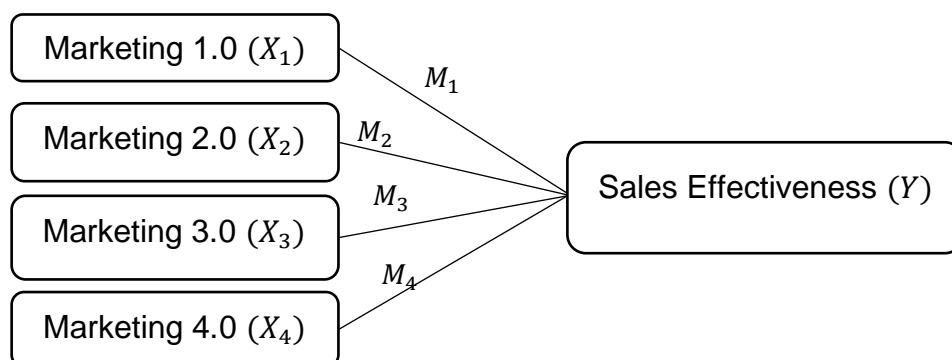
#### 3.1 Research Framework

The conceptual framework is the result of critical thinking in estimating the possible research outcomes. The conceptual framework is based on the variables under investigation along with their indicators. A robust conceptual framework for a social phenomenon can be strengthened to present the research problem in a clear and testable manner (Sugiyono, 2011).

Therefore, the researcher prepares the outcomes of thoughts, which can be outlined through the conceptual framework in line with the variables under investigation of a relevant social phenomenon. This preparation aims to strengthen the presentation of the research problem currently under examination.

In this conceptual framework, the researcher creates a sketch illustrating the application of marketing strategies to the effectiveness of sales in Micro, Small, and Medium Enterprises (UMKM) in the Food and Beverage sector in Makassar City. Hence, the researcher develops a model through the conceptual framework of this research as follows:

Figure 3. 1 Framework



Note:

$X_1$  = Marketing 1.0

$X_2$  = Marketing 2.0

$X_3$  = Marketing 3.0

$X_4$  = Marketing 4.0

$M_1$  = Regression Model 1

$M_2$  = Regression Model 2

$M_3$  = Regression Model 3

$M_4$  = Regression Model 4

$Y$  = Sales Effectiveness

### 3.2 Hypothesis Development

Hypothesis is a temporary assumption that is most likely still in need of verification. The relationships between variables in this research have the following hypotheses:

Table 3. 1 Hypothesis

Regression Model	Hypothesis	Information
1	$H_0$	There is no influence of Marketing 1.0 or Product Oriented Marketing on the sales effectiveness of Food and Beverage Small, and Medium Enterprises (SMEs) in the city of Makassar.

	$H_a$	There is influence of Marketing 1.0 or Product Oriented Marketing on the sales effectiveness of Food and Beverage SMEs in the city of Makassar.
2	$H_0$	There is no influence of Marketing 2.0 or Customer Oriented Marketing on the sales effectiveness of Food and Beverage Small, and Medium Enterprises (SMEs) in the city of Makassar.
	$H_a$	There is influence of Marketing 2.0 or Customer Oriented Marketing on the sales effectiveness of Food and Beverage SMEs in the city of Makassar.
3	$H_0$	There is no influence of Marketing 3.0 or Human Oriented Marketing on the sales effectiveness of Food and Beverage Small, and Medium Enterprises (SMEs) in the city of Makassar.
	$H_a$	There is influence of Marketing 3.0 or Human Oriented Marketing on the sales effectiveness of Food and Beverage SMEs in the city of Makassar.
4	$H_0$	There is no influence of Marketing 4.0 or Digital Oriented Marketing on the sales effectiveness of Food and Beverage Small, and Medium Enterprises (SMEs) in the city of Makassar.
	$H_a$	There is influence of Marketing 4.0 or Digital Oriented Marketing on the sales effectiveness of Food and Beverage SMEs in the city of Makassar.