

CHAPTER I

INTRODUCTION

1.1 Background

The current business world is characterized by increasingly tight competition in marketing company products, many companies have emerged, both state-owned companies, national private companies and foreign private companies that offer new products on the market with various product qualities, affordable prices, and supported by strong promotions. Good. This requires companies to be able to provide better services to meet consumer needs and desires. Apart from that, creative ideas are needed from companies to produce products that are better than before, better able to compete with similar companies, and win market competition.

Basically building a company that aims to generate the maximum possible profit so that the company continues to develop, the success of a company in achieving its goals is greatly influenced by the company itself in marketing its products at prices that are very profitable for the company and with the expected level of product quality. Just as we know that in order to obtain optimal profits, of course the company must first look at market conditions. All of this will be achieved if the company is observant in seeing what the needs and desires are of potential consumers. Apart from that, the company must also look at the economic level of the community. .

One method to face intense competition is to plan a marketing strategy to convey the product, so that the product is easily accepted by consumers. The company always wants



every business it undertakes to progress, develop and gain maximum profits. In conditions like these, every company is required to prepare various efforts to be able to maintain or even be able to take advantage of conditions so that they can develop the company by satisfying consumer desires. All of this can be realized if all activities are well organized and planned and involve all existing components of the company.

One of the activities that a company needs to carry out in order to maintain its existence is to carry out product marketing activities. Good marketing does not just talk about the product, price and distribution, but also promotes the product. Therefore, marketing activities are known as the marketing mix which includes 4Ps, namely product, price, promotion, and place/distribution.

Marketing is one of the main activities that needs to be carried out by companies, whether goods or service companies, to maintain the viability of their business to generate profits. In marketing activities, apart from product quality, pricing and distribution of goods, attention needs to be paid to, an element that is no less important in the product marketing series is promotion.

Promotion is an activity carried out by a company with the aim of informing, informing, persuading and influencing consumers in choosing and purchasing a product offered by the company. Proper promotional planning can determine the success or failure of a company in marketing the product. Promotion also requires more than just introducing product advantages and prices attractive, and make it affordable, but also promotional activities are intended to be able to communicate with consumers directly with the aim of introducing products to consumers in order to captivate potential customers



through giving good and attractive impressions so that they are remembered and felt by buyers.

Efforts that need to be made to communicate, provide information, convince consumers and introduce new products carried out by companies are known or often referred to as the promotion mix. According to Kotler (2001: 112) the definition of "promotion mix is a special combination of advertising, personal selling, sales promotion, and public relations that companies use to achieve advertising and marketing objectives". Promotional activities consist of four promotional mixes, including advertising variables (advertising), sales promotion (sales promotion), public relations (public relations) and publicity (publicity).

If the four promotion mixes are implemented effectively and efficiently, they can influence consumer decisions to buy promoted products, this can also increase company sales and vice versa. From the interpretation of the promotion above, the company can find out the effect on increasing sales and how much the company gets. Sales is one of the most important indicators carried out in a company, because with sales the company can make a profit. If the level of sales achieved by the company is large, the profit earned by the company will be large. Therefore, whether or not a product sells well is largely determined by who the seller is and how he sells the product so that it is known to the wider community. According to Assuari (2004) "sales activities are complementary activities or supplements to purchases to enable transactions to occur".

In line with the development of the automotive world, making business in this field is growing very rapidly. We can see the development of transportation facilities from the increasing sales of motorbikes and cars with many dealers in the city of Makassar. The honda remaja jaya dealer in Makassar is a dealer



where it sells various types of Motorcycle products, and cars besides that it also receives maintenance, repairs and also provides Honda Motorcycle spare parts. Observing the activities at the honda remaja jaya dealer in the city of Makassar, with the right promotion, it is hoped that it can satisfy and fulfill consumer desires and increase sales so that the goals of the company can be achieved, therefore the researcher examines this phenomenon. Of course, with good utilization of these two aspects, namely the promotion and sales mix, it will certainly have an influence on increasing sales. "Sales is a managerial social process where individuals and groups get what they need and want, creating, offering, and exchanging products of value with other parties" According to Kusnadi (2000: 19) who explains that "Sales (sales) is the amount of money charged to buyers for goods or services sold".

According to Kotler (2006) efforts to increase sales volume are as follows:

- a. Selling products in such a way that consumers see them
- b. Placing and arranging regularly so that the product will attract consumer attention
- c. Conducting market analysis
- d. Determine potential buyers or consumers
- e. Organizing an exhibition
- f. Holding discounts or price cuts

There are several previous studies that state that there is a significant influence between the promotion and sales mix on increasing sales as in the research of ROBBY SATRIAWAN (2017/2018); Noviar Indra et al (2020); Desiastuty Paputungan Johnny

Revo Tampi Olivia Walangitan (2017); Remita Lumban Batu (2019); Ade Candra Gunawan, Febsri Susanti (2019); Desiastuty Paputungan



Johny Revo Tampi Olivia Walangitan (2017); Firdaus Ali, Andala R P Barusman, M Oktavianur (2019).

From the description of the background above, seeing how important it is to do the right promotion in relation to increasing sales, I am interested in exploring the **"ANALYSIS OF THE INFLUENCE OF PROMOTIONAL CHANNELS ON SALES INCREASE AT HONDA REMAJA JAYA DEALER IN MAKASSAR"**.

1.2 Problem Formulation

From the above background that the author has explained, the problem formulation is obtained, namely "does the promotion mix affect the increase in sales at Honda Remaja Jaya Dealer in Makassar".

1.3 Research Objectives

To find out whether the promotion mix affects the increase in sales at Honda Remaja Jaya Dealer in Makassar.

1.4 Benefits of Research

This research is expected to be useful for several parties, among others:

a. For the company

As input material for companies in improving products and promotions, so that companies can find out how to increase the number of product sales.



b. For the author

As a further understanding for the author regarding the marketing field related to promotion and marketing theory that the author obtained during the lecture process.

c. For other

As input material for other parties who need it in the future.

parties

CHAPTER II

LITERATURE REVIEW

2.1 Promotion Concept

Promotion comes from the word promote in English which is defined as developing or increasing. Promotion is one of the components of the marketing mix. According to Lamb, Hair, McDaniel (2015 in Yanus Sumitro et al 2019: 36) states that "Promotion is a communication from sellers that informs, persuades and reminds potential buyers of a product in the realm of influencing their opinions or getting a response". According to Subagyo (2010 in Hj. Wan Suryani 2016: 4) suggests that: "promotion is all activities intended to convey or communicate a product to the target market, to provide information about its features, uses and most importantly about its existence, to change attitudes or to encourage people to act in buying product.



The purpose of promotion is to get attention, educate, remind and convince potential customers. According to Lopiyoadi (2013 in Desiastuty Paputungan 2017: 3), "promotion is one of the variables in the promotional mix which is very important for companies to implement in marketing service products, this promotional activity functions as a means of communication between companies and consumers and as a tool to influence consumers in making purchases". According to Kotler Armstrong (2014 in Graisy Rompias et al 2020: 175), "Promotion is an element in the company's marketing mix that is used to inform, persuade and increase about the company's products.

Meanwhile, according to Tjiptono (2015 in Jill Klara Hariman 2019: 38) says that promotion is a form of marketing communication whose marketing activities try to disseminate information, influence, persuade, and remind the target market of the company and its products to be willing to accept, buy and be loyal to the products offered by the company concerned.

2.1.1. Target Marketing Objectives

A. Purpose

The Purpose of the promotion carried out by a company basically consist of several alternatives, including: informing consumers of products, influencing consumers, persuading and reminding target consumers about the company and the



marketing mix. According to Tjiptono (2018 in Yanus Sumitro et al 2019: 36), "the purpose of promotion is to inform, influence, and persuade and remind target customers about the company and its marketing mix. According to Subagyo (2010 in Hj.Wan Suryani 2016: 4), promotional objectives can be described as follows:

B. Inform

Activities to inform as related to the company and consumers can be in the form of:

1. Informing the market about new products
2. Introducing new ways of using a product
3. Communicate price changes to the market
4. Inform the market of services provided
5. Explaining how the product works
6. Correct wrong impressions
7. Reduce buyers' fears and concerns
8. Build the company's Image

2.1.2. Influence and Persuade Target Customers

- 1) Forming a brand choice
- 2) Shift the choice to another brand
- 3) Change customer perceptions of product attributes
- 4) Encourage customers to buy right away
- 5) Encourage buyers to accept salesman visits



6) Remind target consumers

2.1.3. Reminder Promotional Activities

- 1) Reminds buyers that the product in question is needed in
the near future
- 2) Reminds buyers of places that will sell the company's
products
- 3) Make buyers remember even if there is no advertising
campaign
- 4) Keeping the buyer's first memory falls on the company's
product

Based on the description above, the overall alternative promotional objectives that will be carried out by the company can briefly say that the objectives of the promotion carried out are closely related to efforts to make consumers or potential consumers recognize the company's products, then understand, change attitudes, like, believe and ultimately buy and will always remember the product.

2.1.4 Target

In various business activities, where promotional activities to be carried out are not just communicating objectives but promotional activities must also clearly determine the promotional objectives to be achieved within a certain period of time. These promotional goals further need to be translated into the following more specific and action-oriented goals:



A. Sales goals

Promotional goals, it is very necessary to pay attention to three basic characteristics, among others:

1. Objectives must be specific and measurable
2. The goal must be achieved within a limited time
3. The goal must be identifiable with an actual result.

B. Consumer goals

By clearly setting consumer goals, the company can determine exactly what to convey, how to convey, when to convey, where to convey and who to convey, as well as choosing the promotion mix modifier to be carried out.

2.1.5 Promotion Mix

Here are some definitions of the promotion mix according to experts including according to Kotler, Bowen, and Makens (2014 in Ida Hendarsih and Sri Harjunawati 2019: 187) promotion mix or promotion mix is a combination of advertising, public relations, personal selling, sales promotion and direct marketing used by companies in order to communicate consumer value and form relationships with consumers persuasively. According to Solomon in his book Basu Swastha Dharmmesta (2014 in Ni Nyoman Sonia Indra Wahyuni et al 2019: 68) suggests that the promotion mix is the main element of communication controlled by marketers, including advertising,



sales promotion, public relations, face-to-face sales, and direct marketing.

According to Kotler and Armstrong (2012 in Ida Hendarsih, Sri Harjunawati 2019: 187) suggest that "promotiom mix (marketing communication mix) is the specific blend of promotion tolls that the company uses to persuasively communicate costumer value and build costumer relatoinships" which means that the promotion mix (marketing communication mix) is a specific mix of promotional tools used to persuasively communicate customer value and build customer relationships.

According to Kotler (2016 in Yanus Sumitro et al 2019: 38) the promotion mix (marketing communication) consists of four promotional methods, including:

A. Advertising

According to Kotler "advertising is all forms of percentage and non-personal promotion that requires a fee about ideas, goods or services by the sponsor". The properties of advertising include:

1. General percentage

Advertising is general and gives some kind of validity to the product. This also means providing a standardized offer.

2. Widespread

Advertising is a wide-spread medium that allows the seller to repeat the message many times. Large-scale



advertising by a seller implies positive things about the size, strength and success of the seller.

3. Stronger expression

Advertising provides an opportunity to dramatize the company and its products through the artful use of print, sound and color.

4. Impersonal

In advertising the audience does not feel obliged to pay attention or respond. Advertising is only able to conduct a monologue, not a dialog with the audience.

The definition of advertising according to Caples Jhon (2017 in Yanus sumitro et al 2019: 39) states that "advertising is any form of non-personal presentation, promotion and ideas, goods or services by certain sponsors that require payment". Meanwhile, according to Fandy tjiptono (2018 in Yunus Sumitro et al 2019: 40) suggests that "advertising is the entire process which includes preparation, planning, implementation and supervision of advertising".

Advertising Indicator:

- a. Advertising media
- b. Advertising creativity
- c. Completeness of the ad



B. Sales promotion

According to Kotler "sales promotion is a collection of various incentive tools, some of which are short-term, designed to encourage greater purchases of a product or service by consumers or customers".

C. Personal selling

Personal selling is a personal percentage by a company's sales force with the aim of generating sales transactions and building relationships with customers.

Sales promotion indicators:

- a. Sales frequency
- b. Sales quality
- c. Timeliness and target suitability

D. Public relation

According to Kotler "public relations is building good relations with the company's public in a number of ways in order to obtain favorable publicity, build a good corporate image, and handle or straighten out unfavorable rumors, stories, and events".

Indicators of public relations:

- a. News
- b. Community service activities
- c. Company identity



Lopiyoadi (2013 in Desiastuty Paputungan et al 2017: 4), explains that the things that need to be considered in promotion are the choice of promotion mix which consists of:

- 1) Advertising / advertising
- 2) Personal selling / personal selling
- 3) Sales promotion/sales promotion
- 4) Public relations/public relations
- 5) Direct mail/direct mail

From these several definitions, it can be concluded that promotional activities are forms of communication used by companies to provide information about the existence of a product along with its advantages and benefits, then influence and convince consumers to buy these products and remind customers about the products or services offered so as to increase sales of goods or services.

2.2 Sales Concept

2.2.1 Definition of

Sales

Sales are essentially a transaction between the seller who sells a number of goods and the buyer who buys a number of these goods, these goods can be products or services.

According to Sofyan Assauari (2010 in Agus Prasetyo 2016: 4)



"sales activities are complementary activities or supplements to purchases, to enable transactions to occur, so buying and selling activities are a unity for the implementation of transfer of rights or transactions". Therefore, sales activities, like purchasing activities, consist of a series of activities which include creating demand, finding the buyer, negotiating prices, and payment terms. Meanwhile, according to Swastha (2010 in Desiastuty Paputungan et al 2017: 4), "sales are interactions between individuals meeting face to face aimed at creating, improving, controlling or maintaining exchange relationships, so that it is profitable for the other party.

2.2.2 Purpose of sales

Companies need to pay attention to the sales objectives that have been set Basu Swastha and prone (2008 in Hasudungan Philip Andreano L Tobing 2019: 26) explain the sales objectives as follows:

2.1 Achieving sales volume

In general, every company has a goal, namely to achieve sales volume. Sales volume itself is influenced by two factors, namely:

1. Sales target
2. Sales amount

2.2 Getting a certain profit

Profit or profit is the culmination of the goals of the company that has been set. By getting profit or profit, the



company will be able to run its business. Profit or profit itself is influenced by:

1. Number of products sold
 2. The level of consumer demand
- 2.3 Supporting company growth

Company growth can be seen from the level of the extent to which high sales occur in the company. Every sales activity carried out by a company is to obtain optimal profits and try to increase or possibly maintain the results obtained by the company so that it can support the continuity of the company.

2.2.3 Factors Affecting Sales

Sales activity is influenced by several factors that can increase company activity, therefore sales managers need to pay attention to the factors that influence sales. According to Basu Swastha (2005 in Jill

Klara Hariman 2019: 40) as follows:

3.1 Conditions and abilities of the seller

The seller must be able to convince the buyer in order to achieve the expected sales goals. For this reason, sellers must understand several important issues that are closely related, namely:

- 1) Types and characteristics of goods or services offered
- 2) The price of the product or service



3) Terms of sale, such as: payment and delivery

3.2 Market conditions

Market conditions are influenced by several factors, namely:

1) Type of market (industrial market, consumer market, government market or international market)

2) Buyer groups

3) Rich purchase

4) Frequency of purchase

5) Desires and needs

3.3 Capital

The initial funds or capital of the company in this explanation are the company's working capital used to achieve the budgeted sales target.

3.4 Company organizational conditions

In large companies, sales problems are usually handled by the sales department which is held by certain people / experts in the field of sales, unlike small companies, sales problems are handled by people who also perform other functions. This is due to a smaller workforce. The organizational system is also simpler, the problems it faces are also not complex.

2.4 Sales Volume

From the explanation of sales, sales are always associated with sales volume. The size of sales is strongly influenced by the



number of products sold. According to Freddy Rangkuti (2009 in Agus Prasetyo 2016) states that sales volume is the achievement of sales expressed quantitatively in terms of physical or volume or a unit of product. Sales volume is something that indicates the rise and fall of sales and can be expressed in units, kilos, tons or liters. According to Rangkuti (2019 in Ramita Lumban Batu 2019: 24), the dimensions of sales volume are:

1) Selling price

The price factor is very important and greatly affects the sale of goods or services produced. Whether the goods or services offered by the company can be reached by target consumers.

2) Product

Product is one of the factors that affect the level of sales volume as the goods or services offered by the company whether in accordance with the level of needs of consumers.

3) Quality / quality

The quality or quality of goods is one of the factors that affect sales volume. With good quality, consumers will remain loyal to the products of the company, and vice



versa, what if the quality of the products offered is not good, consumers will turn to other products.

2.2.5 The Effect of Promotion Mix on Increasing Sales

From the marketing mix, one of the most important variables is promotion. Promotion is one of the important factors in determining success in the company. No matter how good the product is produced but the product is not yet known by consumers, the product will not be purchased, so promotion is needed to introduce the product to consumers so that consumers are interested in buying. Because promotional activities are a form of marketing communication activities that seek to disseminate information about products, influence consumers, remind target markets to be willing to accept, buy, and be loyal to the products offered by the company.

2.3 Previous research

Table 2.1 Previous Research

NO	NAME OF THE RESEARCHER	FRAMEWORK OF THINKING	RESULTS RESEARCH
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1.	Ade Candra Gunawan, F eбри Susanti (2019).	Man as a definite buyer using various considerations in buy or not buy a product certain. for example, the benefits of goods or services what is purchased, the term of the benefit, satisfying which needs you want satisfied, what is primary, secondary, or testier. purchase decision according to schiffman and kanuk (2008:485).	The data obtained in this study will be analyzed using statistical methods to test the hypotheses and variables used. the data was analyzed using spss (statistical program for science) version 16.0. multiple linear regression test is a statistical technique used to test the.
2.	Fesiastuty Paputungan Johny Revo Tampi Olivia Walangitan (2017).	Based on the background that stated above, the formulation of the problem research is: "Is the promotion affects the increase sales at PT. Columbia in Kotamobagu".	Given that the level of competition continues to increase, the company must increase the company's work, including in increasing sales, one of the efforts that need to be done is promotion. Promotion intends to persuade target consumers in terms of the value of the products being sold. Determining the media used is an important part of a product promotion. In addition, companies must have strategic planning which can be described as a method to achieve a goal by anticipating what will happen and determining the actions that need to be taken.



OF THE RCHER	FRAMEWORK OF THINKING	RESULTS RESEARCH
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3.	Noviar Indra dkk (2020).	This study entitled The Effect of Promotion Mix on Sales Volume of Jtrust Bisnis Savings Products at Bank Jtrust Indonesia Tbk Palembang Branch. This research instrument uses a questionnaire, then uses multiple linear regression to process data that has been tabulated from the results of respondents' answers.	To find out the relationship between promotion mix to sales volume, the method used is literature study. The results of this study indicate that the promotion mix has a positive and significant effect on sales volume.
4.	Firdaus Ali, Andala R P Barusman, M Oktavianur (2019).	In today's era of globalization, marketing is very important, considering the many competitions that occur between companies that fight for consumers in every line and consumer segmentation in a sales area.	Promotion Mix and Service Quality together have a significant influence on consumer purchasing decisions at PT Astra Internasional Daihatsu Lampung. These results indicate that by increasing the marketing mix and improving the quality of employee services to meet consumer needs so that it will increase customer satisfaction which can affect purchasing decisions.

NO	NAME OF THE RESEARCHER	FRAMEWORK OF THINKING	RESULTS RESEARCH
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5.	Remita Lumban Batu (2019).	Marketing management is an activity planned and carried out by the company. Planning requires the right strategy and expertise to determine the plan. The role of marketing management in a company is very important, this includes preparing more innovative products, by choosing the company's expected market share, and promoting new products to potential buyers.	To determine the relationship of the promotion mix to sales volume, the method used is quantitative. The results of this study indicate that the promotion mix has a positive effect on the sales volume of adidas and Nike shoes in Karawan district.
6.	Satriawan 2017/2018	Pengaruh Promosi terhadap Volume Penjualan Pada Kangaroo Motor Mandiri Oleh Robby Satriawan NIM 212 313 9122 Penelitian ini bertujuan untuk mengetahui: 1. Pengaruh promosi terhadap volume penjualan pada Kangaroo Motor Mandiri. 2. Besarnya pengaruh promosi terhadap volume penjualan pada Kangaroo Motor Mandiri. Jenis penelitian adalah penelitian lapangan dengan menggunakan pendekatan kuantitatif asosiatif. Dengan teknik sampling purposive sampling, pengumpulan data yaitu dengan observasi, survey, dan kepustakaan serta teknik analisis data dengan uji kualitas data, uji hipotesis dan koefisien determinasi.	It is concluded that the costs incurred by the company for promotional activities are useful for selling or introducing its products to consumers. Because it has to do with the amount of sales results that the company will get from these promotional activities.



Brainstorming

Framework

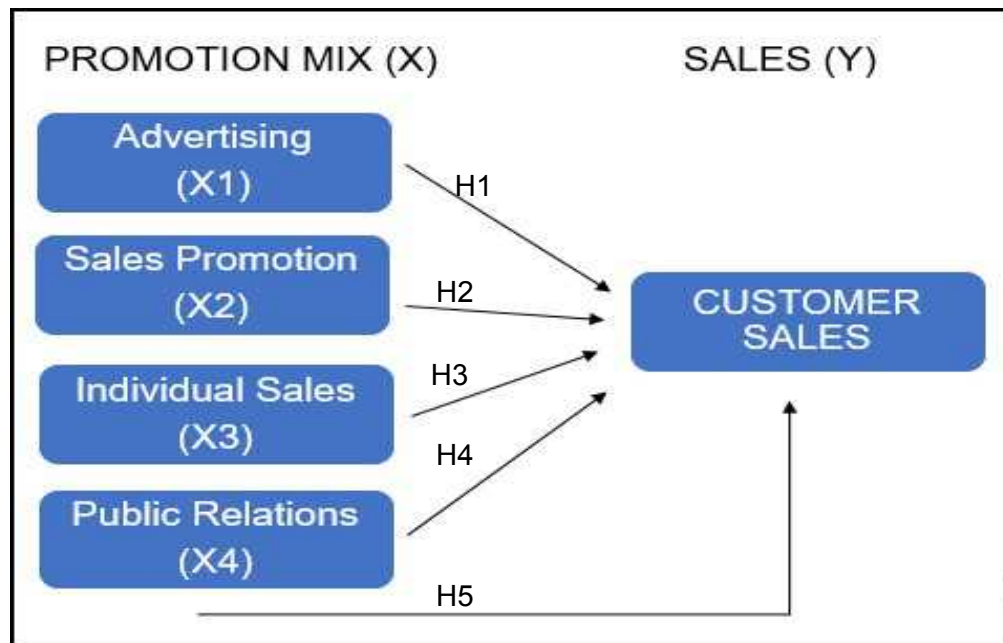


Image 2.1

2.5 Hipotesis

Based on the basis of thinking that has been discussed above, the following research hypothesis is proposed:

H1 : It is suspected that advertising has a positive and significant effect on sales.

H2 : It is suspected that sales promotion has a positive and significant effect on sales.

H3 : It is suspected that individual sales have a positive and significant effect on sales.

H4 : It is suspected that public relations have a positive and significant effect on sales.



It is suspected that promotion mix have a positive and significant effect on sales.