The Effect of Sales Distribution Channels and Promotion Policies on Consumer Buying Behavior and Its Impact on Sales Volume

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Abstract. Distribution is an important part of the sales business which influences the customer's decision to buy a product which in turn increases sales volume. The purpose of study to determine and analyze the effect of sales distribution channels and promotional policies on consumer buying behavior and its impact on sales volume. Data were analyzed using descriptive analysis and SEM (Structural Equation Modeling) SPSS 25 and AMOS 24 programs. The results showed that distribution channel has a positive and significant effect on sales volume with p-value = 0.002 with a coefficient of 0.559. Sales force has a positive and significant effect on sales volume with p-value = 0.48 and a coefficient of 0.268. Promotion policy has no effect on sales volume p-value = 0.652 (>0.05) and the coefficient is 0.112. Consumer behavior has a positive and significant effect on sales volume with p-value = 0.001 with a coefficient of 0.691. Promotion policy is the weakest part in an effort to increase sales so that serious efforts are needed to fix: it is necessary to increase above the line and below the line promotional activities so that the word of mouth effect is quickly achieved; making material design changes regarding citrex products to make it easier to understand and understand; and conduct diverting advertisements by an increase in the promotional budget.

INTRODUCTION

The population growth of Indonesia continues to increase, and public awareness of health is getting higher. This has an impact on the increasingly tighter competition in the pharmaceutical industry where product differentiation is increasing. The increasingly fierce competition in fighting for and maintaining the pharmaceutical market share in Indonesia cannot only rely on quality products, competitive prices and a large number of outlets but is also supported by efforts to promote the products or services produced.

The history of marketing starts with distribution problems. Even though a product has high quality, competitive price and well promoted, if consumers have difficult to find the product, marketing activities will not be successful. The main strength of distributors is the reach of the market so that their products reach the end consumers. The company's accuracy in determining the distribution channel of the products the company produces can affect the sales performance of these products, and that the sales volume of a product will increase if the distribution channel chosen by the company is right. The wider distribution channel chain will cause greater costs, but the wider the distribution channel, the more the company's products will be known by the wider community and encourage an increase in sales figures which ultimately have an impact on increasing sales volume.

Jainuddin & Ernawati (2020) examine distribution channels and their impact on sales volume. The conclusion from the results of the discussion in this study is that promotion has no effect on sales volume and distribution channels have an effect on sales volume. Several things are suggested to increase sales volume such as: expanding the distribution network to the surrounding area; increase promotion on social media and sponsor events related to

children, because sausages are very popular with children. Meanwhile, research by Nangoy et al. (2017) said that each consumer has a varied style, and this is an interesting thing to learn. In developing competition in the business world, a strategy is needed that is able to influence consumers to buy the products offered.

According to Bronnenberg & Ellickson (2015), distribution channel practices are generally applied to facilitate the movement of products from producers to consumers. This activity is also considered to constitute a large part of all economic activities, namely business practices around the world. Changes in the business environment are reshaping and redefining channel marketing strategies where there is a shift to a service-based economy, adopting multi-channel practices, developing new channel formats, increasing online applications due to globalization (Palmatier et al., 2014). However, the level of contribution to the global economy by the distribution channel system can be attributed to the adaptation of channel practices to major changes in global business (Watson et.al, 2015). Deloitte's industry report (2017) defines this as a period of global transformation for retail, wholesale and distribution practices that require adaptation and changes in the company's distribution channel strategy to adapt to changes in the business environment.

The involvement of distributors, wholesalers and retailers, distribution channels helps provide product or service offerings from producers to customers and sales through these channels explain one-third of the global Gross Domestic Product (GDP) (Dasgupta & Mondria, 2012; Hyman, 2015; Palmatier et al., 2014). Poor distribution channel challenges and lagging transport and other infrastructure are reportedly affecting companies that serve the consumer market. Jurate et al. (2011) investigated changes in marketing channel formation; Karanja et al. (2014) focused on distribution strategies and performance of mobile service provider intermediary organizations in Kenya; Stojkivic et al. (2016) focused on multichannel strategy as the dominant approach in modern retail. Liwali (2013) identifies several factors that hinder the effectiveness of the implementation of the channel strategy in Nigeria which includes costs, culture and language, technology, infrastructure, interconnectivity, trade regulations and laws, tax and other monetary issues, lack of professional staff. In addition, Sule et al. (2013) note that the lack of adequate facilities and reliable market information on consumer tastes and demand patterns, trends in improvements in the quality and performance of the firm's operations in relation to other competitors and the inadequate infrastructure that should facilitate an efficient channel system is a challenge that faced by companies when implementing a channel strategy for consumer goods in the country.

Every company is required to be able to get the maximum profit that will support the company's survival. In 2017 PT. Millennium Pharmacon International Tbk, established a Marketing Division as an effort to promote children's vitamin products with the hope of generating greater profits than Citrex. The marketing division of PT. Millennium Pharmacon International Tbk, took the brand name of their sister company, namely from PT. Pharmaniaga (Malaysia) with the product brand name "CITREX". Citrex products began to be marketed in Indonesia with a focus on children's multivitamin products by collaborating with the LESQOPAQUE Brand Upin & Ipin company. The naming Upin & Ipin can be used by Citrex starting from logos, packaging, and events.

Citrex products have spread in several regions in Indonesia including in Java, Sumatera and Sulawesi. Promotional activities that have been carried out, such as Television Commercial or TVC, social media (Instagram, Facebook, Youtube) and radio, advertising/displays in newspapers, services direct marketing (direct communication with consumers), as well as providing incentives for outlets. This study aims to determine the

effect of distribution channels, sales person and promotional policies on customer buying behavior which has an impact on the sales volume of Citrex products.

METHOD

The channel strategy has been researched in several previous empirical studies with a focus on different industries. Kalubanga et al. (2012) studied a multi-channel strategy in the food and beverage industry in Uganda; Forbes & Kennedy (2016) focuses on direct channel strategy in the wine industry in New Zealand; Yeboah et al. (2013) studied distribution strategies for rapidly moving the consumer goods sector in Ghana. This study covers three main types of channel strategies in the literature (direct, indirect and hybrid channel strategies). The approach adopted by the authors for this study demonstrates consistency in the use of the case study research design; and primary data collection from the top management of the case study firms. The results of data analysis by Kalubanga et al. (2012) suggest that despite a number of challenges identified in the literature related to implementation of a multi-channel strategy, but provides the optimal solution for expanding sales volumes and demonstrating more linkages to different market segments, increasing market intelligence and customer base.

The research method used the explanatory survey method. which is used to explain the causal relationship between the independent variable and the dependent variable through hypothesis testing. The survey was conducted by taking a sample from a population using a questionnaire as a data collection tool. This research questionnaire was distributed to all pharmacies in Jakarta that provide Citrex products which are based on sales data of Citrex products from the sole distributor. He collected the data sample using the SEM (Structural Equation Modeling) statistical method.

RESULTS AND DISCUSSION

The validity test of the survey data shows that the respondent's answers to 5 variables are declared valid, as described in the table below.

Table 1. Validity test - distribution channel

No	Question Items	r-count	r-table	p-value	Remark
1	P1	,509**	0.361	0,000	Valid
2	P2	,633**	0.361	0,000	Valid
3	P3	,537**	0.361	0,000	Valid
4	P4	,549**	0.361	0,000	Valid
5	P5	,506**	0.361	0,000	Valid
6	P6	,595**	0.361	0,000	Valid
7	P7	,614**	0.361	0,000	Valid
8	P8	,631**	0.361	0,000	Valid
9	P9	,424**	0.361	0,000	Valid

Table 2. Validity test – Sales Person

No	Question Items	r-count	r-table	p-value	Remark
1	P10	,635**	0.361	0,000	Valid
2	P11	,641**	0.361	0,000	Valid
3	P12	,649**	0.361	0,000	Valid

4	P13	,498**	0.361	0,000	Valid
5	P14	,709**	0.361	0,000	Valid
6	P15	,752**	0.361	0,000	Valid
7	P16	,661**	0.361	0,000	Valid
8	P17	,541**	0.361	0,000	Valid
9	P18	,631**	0.361	0,000	Valid

Table 3. able 1. Validity test - Promotion Policy

No	Question Items	r-count	r-table	p-value	Remark
1	P19	,857**	0.361	0,000	Valid
2	P20	,832**	0.361	0,000	Valid
3	P21	,690**	0.361	0,000	Valid
4	P22	,470**	0.361	0,000	Valid
5	P23	,633**	0.361	0,000	Valid
6	P24	,920**	0.361	0,000	Valid
7	P25	,954**	0.361	0,000	Valid
8	P26	,944**	0.361	0,000	Valid
9	P27	,701**	0.361	0,000	Valid

Table 4. Validity test - Consumer Behaviour

No	Question Items	r-count	r-table	p-value	Remark
1	P28	,912**	0.361	0,000	Valid
2	P29	,429**	0.361	0,000	Valid
3	P30	,905**	0.361	0,000	Valid
4	P31	,935**	0.361	0,000	Valid
5	P32	,526**	0.361	0,000	Valid

Table 5. Validity test - Sales Volume

No	Question Items	r-count	r-table	p-value	Remark
1	P33	,697**	0.361	0,000	Valid
2	P34	,596**	0.361	0,000	Valid
3	P35	,705**	0.361	0,000	Valid
4	P36	,497**	0.361	0,000	Valid
5	P37	,735**	0.361	0,000	Valid

The values for the reliability test are as in the following table. The highest score for the reliability test is on the variable promotion policy, followed by sales person, consumer behavior, distribution channel, and sales volume.

Table 6. Reliability Test

No	Variable	Value
1	Distribution channel	.695

2	Sales Person	.795
3	Promotion Policy	.917
4	Consumer Behavior	.781
5	Sales Volume	.651

SEM Test Results

The results of statistical analysis of the survey data were formulated using Structural Equation Modeling to state the causal or causal relationship between various constructs.
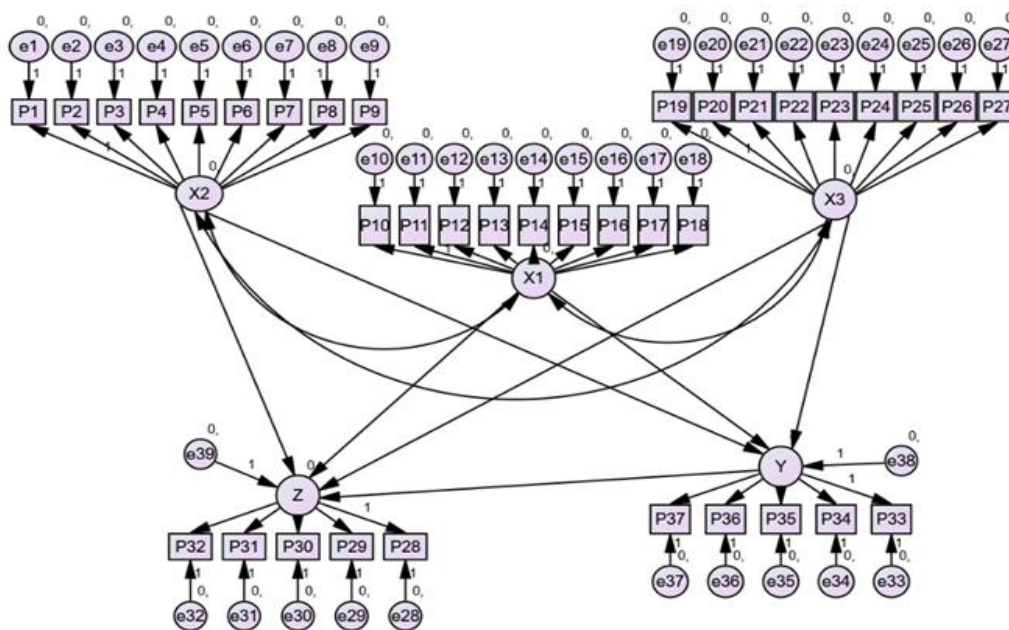

Figure 1. Structural Equation Modeling Test Result
(Source: The results of data processing using AMOS 24, 2021)

Based on the circuit model model, the following model fit test results were obtained.

Table 7. Model Fit Test Result

Goodness of Fit (GOF) Index	Cut- off Value (Value Limit)	Value on Model (Result)	Remark
Chi Square (x^2)	Small Expected	90,203	Goof Fit
CMIN/DF	≤ 2	1,003	Good Fit
Probability	$> 0,05$	0,423	Good Fit
GFI	≥ 0.90	0,915	Good Fit
AGFI	≥ 0.90	0,825	Good Fit
TLI	$\geq 0,90$	0,975	Good Fit
CFI	$\geq 0,90$	0,954	Good Fit
RMSEA	≤ 0.08	0,04	Good Fit

From the results of the table above, it is known that the model has met the GOF criteria that have been determined by the GOF test value with Chi Square (x2). Shows equal to the probability which shows there is no difference between the predicted model and the observer. The other measures of the feasibility of the model are in the good category. According to Arbuckle and Wothke, in Solimun (2011), the best criteria used as an indication of the goodness of the model are CMIN / DF values that are less than 2 or less than 3 and RMSEA values less than 0.08. In this study, all criteria have met the cut off value. Thus, the predicted model fit with the observed values, the proposed model can be accepted as a model in this study.

Table 8. Path Regression Test Results

			Estimate	S.E.	C.R.	P
Y	<---	X2	.188	.087	2.160	.031
Y	<---	X1	.649	.158	4.111	***
Y	<---	X3	-.441	.213	-2.074	.038
Z	<---	X2	.268	.135	1.980	.048
Z	<---	X1	.559	.191	3.129	.002
Z	<---	X3	.112	.194	.581	.562
Z	<---	Y	.691	.216	3.203	.001

Based on Figure IV.12 that there are 5 dimensions of indicators for the formation of latent variables, which show results that meet the value criteria, namely the value of C.R above> + 1,967 with P less than 0.05. These results can be said that the dimensions of the latent variable formation are significantly the dimensions of the latent factors formed. Based on research conducted 7 hypotheses met the criteria at the P value, the latent variable can be said to be significant. Thus the model used in the study can be accepted.

1. H-1. Distribution channels affect consumer behavior in buying citrex products. The results of this study indicate a significant positive effect. With good service quality from distribution channels, it will have an impact on the high consumer behavior in buying. The availability of stock that is always available and the ordering of citrex products that can be done at any time makes consumers comfortable in providing citrex stock. Estimated delivery of citrex products according to the specified time. So it can be said that the higher the values in the distribution channel, the more consumer behavior will be in buying citrex products.

The results of this study are consistent with and are supported by the results of previous research by Giarti S (2013). Purchasing decisions are the final steps taken for a consumer because they feel attracted to the goods / services needed. This is also influenced by distribution channels that can influence purchasing decisions. A consumer before making a decision in a purchase can provide an assessment of the product to be purchased by considering the benefits and capabilities it has. A good distribution channel has a significant effect on consumer satisfaction.

If the consumer gets the product according to the estimate given, the service is pleasant and the benefits of the product can be felt, this will make the consumer always repurchase, and in the end will be loyal to the product used. The results of this study agree with Nitisusastro's theory (2013: 201) that the implications of distribution channels on consumer behavior for consumers, the most ideal condition is when a product is needed, information about the product needed can be obtained easily, cheaply and pleasantly.

2. H-2. Salespeople have a positive effect on consumer behavior in buying citrex products. The quality of detailing citrex products from the sales force is proven to be acceptable to consumers in providing citrex products. Not only interesting detailing, the frequency of regular visits will also create a sense of trust for each consumer. This is evident from the results of the questionnaire where consumers feel quite satisfied and agree with every statement related to Citrex product salespeople.

The results of this study are consistent with and supported by the results of previous research by Abed and Haghighi (2009) explaining that in order to be successful in implementing customer-oriented sales, a salesperson must have the knowledge and skills in gathering information about customers, analyzing and understanding customer problems, and adjusting offers. them to customer needs. Thus customer-oriented sales behavior will encourage salespeople to also carry out adaptive sales behavior in order to adjust to different customer needs in order to increase customer satisfaction. Arma, et al. (2017) explain that the better the quality of a salesperson's relationship with consumers, the higher the salesperson's performance.

3. H-3. Promotion policy affects consumer behavior in buying citrex products. The results of this study indicate a negative influence, which means that the higher the minus value of the promotional policy, the lower the level of consumer behavior in buying.

The results of this study are in accordance with and supported by previous research conducted by Made M (2015). The results of this study prove that promotion has a significant effect on purchasing decisions, giving the understanding that the higher and more attractive the promotion carried out by the company, the higher the consumer's decision. make purchases and subscribe to these products / services. The results of this study support Daryani's (2006) study which states that promotion has an effect on purchasing decisions.

4. H-4. Distribution channels affect the sales volume of Citrex products. The results of this study indicate a significant positive effect. With good service quality from the distribution channel, it will have an impact on the high sales volume of Citrex products. Distribution channel is one of the determining factors in increasing sales volume, because the distribution channel in sales functions to distribute, distribute, deliver and deliver goods / services marketed to consumers. Thus, the greater the number of distribution channels, it is expected that a company's product sales will increase. Besides that, the more precise and broader the distribution channels will increase sales volume.

The results of this study are in accordance with and supported by the results of research by Dartu (2006) that distribution channels play a very important role in helping to increase the volume of product sales for a company.

5. H-5. Salespeople have an effect on the sales volume of citrex products. The results of this study indicate a positive influence which implies that the higher the value of the sales force, the higher the level of sales volume.

The results of this study are in accordance with the opinion of Crosby, et al. (1990) stated that the aspect of salesperson's expertise in sales activities as an attribute of the sales force, is hypothesized in this study, the salesperson's expertise has a positive influence on the effectiveness of increasing the performance of the sales force sales. Another opinion came from Sujan, et al. (1994) which supported that the orientation of the salesperson's expertise in sales activities would cause the salesperson's performance to be expected to develop rapidly, in accordance with the expectations to be achieved. The salesperson's performance is indicated by the effectiveness of the sales activities carried out by the salesperson.

6. H-6. Promotion policy has no effect on the sales volume of Citrex products. The results of this study indicate that there is no significant influence between the promotional policies that have been carried out on sales volume. This proves that PT. Millennials are not precise in determining the promotional policies that have been carried out so far. The results of the questionnaire show a total mean of 2.86 (high enough), which means that the respondents do not agree with the promotional policies that have been implemented so far. With the right promotion policy will have an impact on increasing sales volume. Elisa F (2017) (43) Based on the results of the research carried out, it was found that promotional strategies had a significant effect on sales volume.

7. H-7. Consumer behavior affects the sales volume of Citrex products. The results of this study indicate a significant positive effect. The higher the value of consumer behavior, the more it will affect the sales volume. The results of this study are in accordance with the opinion of Agus H (2005) (44) Marketing mix as a manifestation of the implementation of the marketing strategy (STP) is built based on consumer behavior. The successful performance of the marketing mix in meeting buyers' expectations will create consumer loyalty, especially for shopping and special products. Loyalty is shown through repurchasing, buying other products from the same brand or company, ignoring competitors' products, and positive word of mouth, which in turn will increase sales volume and increase company margins by itself. There are limitations in this study, namely the global covid-19 pandemic which reduces activities outside the home, so that in the distribution of the questionnaire, no interviews were conducted.

CONCLUSION

The results of research on the effect of distribution channels, sales force and promotional policies on consumer buying behavior and their impact on the sales volume of citrex products at pharmacies in Jakarta, can be concluded as follows (1) Distribution channels have a significant positive effect on consumer behavior in buying citrex products; (2) Sales force has a significant positive effect on consumer behavior in buying citrex products (3); Promotion policy has a significant negative effect on consumer behavior in buying Citrex products; (3) Distribution channels have a positive and significant effect on sales volume; (4) Sales force has a significant positive effect on sales volume ; (5) Promotion policy has no effect on sales volume; (6) The consumer behavior variable in buying has a significant positive effect on sales volume.

Promotion policy is the weakest part in an effort to increase sales so that serious efforts are needed to fix: it is necessary to increase above the line and below the line promotional activities so that the word of mouth effect is quickly achieved; making material design changes regarding citrex products to make it easier to understand and understand; and conduct diverting advertisements (talk shows) from local TV to national/private TVs which are followed by an increase in the promotional budget.

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