

### ANALYSIS OF PRICES, PROMOTIONS AND PRODUCT QUALITY IN INCREASING SALES IN COMPANIES CONVENIENCE GOODS

(Case Study at PT. Tahta Sukses Abadi)

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#### **ABSTRAK**

This research aims to determine the influence of price, promotion and product quality on sales at convenience goods companies. The sample used in this research was customers from convenience goods companies. The type of data used in this research is quantitative data. The nature of this research is descriptive explanatory. The value of the Adjusted R Square coefficient of determination is 0.512, this shows that the ability of the variables Price (X1), Promotion (X2), and Product Quality (X3) explains its influence on Sales (Y) by 51.2%. Meanwhile, the remaining 48.8% is the influence of other independent variables not examined in this research. It was found that the Ftable value was (2.69) and was significant  $\alpha = 5\%$  (0.05), namely Fcount (34.263) and sig.a (0.000a). This indicates that the research results accept H1 and reject H0, meaning that simultaneously Price, Promotion and Product Quality have a positive and significant effect on Sales. The value of tcount (2.449) > ttable (1.981) is significant 0.016 < 0.05, it is concluded that there is a partially significant negative influence between Price and Sales. The value of tcount (7.146) > ttable (1.981) is significant 0.000 < 0.05 so it can be concluded that there is a partially significant positive influence between Promotion on Sales. The value of tcount (4.665) > ttable (1.981) is significant 0.000 < 0.05, it can be concluded that there is a partially significant positive influence between Product Ouality and Sales.

Keyword: Analyis, Price, Promotion, Product Quality, Sales

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### **INTRODUCTION**

In the era of globalization, today's world of trade is experiencing competition in marketing products and services. Marketing activities have a very important role in the business world considering its orientation towards society. The state of the business world changes dynamically along with changes in consumer tastes and changes that occur in the surrounding environment. Consumer needs continue to increase, making it a business opportunity. This is the basis for business actors to fulfill the needs, desires and expectations of consumers so that they do not switch to other competitors.

Purchasing decisions are problem-solving activities carried out by individuals in selecting appropriate behavioral alternatives from two or more behavioral alternatives and are considered the most appropriate action in purchasing by first going through the stages of the decision-making process. Purchasing decisions are very important for the development of retail businesses so that without these decisions, retailers will certainly not be able to survive in their business for long because they will lose in the face of existing competition. Seeing the importance of purchasing decisions, every retail store should implement various Marketing Mix strategies in order to win the competition.

Based on initial observations made, the company's sales experience a decline every year, although it is not very significant and only decreases little by little, but if left to continue for a long period of time it can have an impact on the company's future growth and expansion.

Companies rarely carry out promotions to attract consumers' attention, so quite a few consumers start to turn to places that have lots of attractive offers such as year-end discounts and so on. The infrequent implementation of promotions also sometimes makes the company unknown to consumers.

The problem identification in this research is 1. The price set by the company is quite high when compared to other companies. Even though not all products are more expensive, some consumers feel that some products are more expensive because consumers often visit other companies and when making comparisons, consumers find out that up to now some of the products offered by companies have been more



expensive. 2. Companies rarely carry out promotions to attract consumers' attention, so quite a few consumers start to turn to places that have lots of attractive offers such as year-end discounts and so on. The infrequent implementation of promotions also sometimes makes the company unknown to consumers. 3. For some products offered by the company, there are still deficiencies, such as the mandatory grace period is approaching, packaging damage or the presence of some vegetables and fruit that are not fresh. Some consumers also find that not all fruit products offered by companies are sweet, where many products are written as guaranteed to be sweet but are actually very sour. 4. The company's sales experience a decline every year, although it is not very significant and only decreases little by little, but if left to continue for a long period of time it can have an impact on the company's future growth and expansion.

### LITERATURE REVIEW

According to Kurniawan (2018:22), "Price is an exchange value paid by buyers to obtain goods or services that have 4 use values and their services where the price of a product determines the level of profit that will be obtained by the company. According to Ramdhani, et al. (2020:36), "Price is a component that has a direct influence on company profits and is the value of a good or service that has a major role in the decision-making process of buyers.

According to Febriani and Dewi (2018: 81), "Promotion is a means used by companies in an effort to inform, persuade and remind consumers directly or indirectly about the products and brands they sell. According to Firmansyah (2020:2), "Promotion is a means by which companies try to inform, persuade and remind consumers directly or indirectly about the products and brands they sell.

According to Andriani (2017: 156), "Product quality is one of the factors that influences consumer perceptions. Consumers prefer products that are of good quality, so improving the quality of certain products is very important. According to Firmansyah (2019: 8), "Product quality is an understanding that the product offered by the seller has more selling value that competitors' products do not have. Therefore, companies try to focus on product quality and compare it with products offered by competing companies.



The hypothesis of this research is: H1: Price has an influence on increasing sales at PT. Throne of Eternal Success. H2: Promotion has an effect on increasing sales at PT. Throne of Eternal Success. H3: Product quality has an influence on increasing sales at PT. Throne of Eternal Success. H4: Price, promotion and product quality have an influence on increasing sales at PT. Throne of Eternal Success.

#### **METHOD**

The research was conducted at PT. Throne of Eternal Success which is located at Jalan Cut Mutia No. 1, Medan. The research time is February 2023. This research approach is based on a quantitative approach because this research has a clear and orderly flow. The nature of this research is descriptive explanatory. The population used in this research was all consumers who made purchases from the company, so the sampling technique used was the Lemeshow formula with an error rate of i10% where 96 research samples were obtained.

The type of data used in this research is quantitative data. Data sources include movement, people, places, and so on:

### 1. Primary Data Source

Primary data in this research includes interviews with PT employees. Throne of Eternal Success and the results of filling out the questionnaire distributed to PT customers. Throne of Eternal Success.

### 2. Secondary Data Sources

Secondary data in this research includes documentation studies and literature studies.

According to Priyatno (2018:115), iAdjusted R Square is an R Square that has been adjusted. Adjusted R Square is usually used to measure the contribution of influence if the regression uses more than two independent variables.

According to Priyatno (2018:121), "The t test is used to find out whether partially the independent variable has a significant effect on the dependent variable or not." The test uses a significance level of 0.05 and a 2-sided test. The test form has an assessment criterion that is  $H\alpha$  accepted if: t count > t table



According to Priyatno (2018:119), "The F test is used to find out whether the independent variables simultaneously have a significant effect on the independent variables." The test uses a significance level of 5%. The test form has assessment criteria, namely  $H\alpha$  is accepted if: F count > F tabe

### RESULTS AND DISCUSSION

The results of the coefficient of determination test can be seen in the table below:

Table 1. Model Summary b

				Std. Error of the
Model	R	R Square	Adjusted R Square	Estimate
1	.726a	,528	,512	2,082

a. Predictors: (Constant), Product Quality, Price, Promotion

b. Dependent Variable: Sales

Source: Research Results, 2022 (Processed Data)

Based on the table above, the Adjusted R Square coefficient of determination value is 0.512. This shows that the ability of the variables Price (X1), Promotion (X2), and Product Quality (X3) explains its effect on Sales (Y) by 51.2%. Meanwhile, the remaining 48.8% is the influence of other independent variables not examined in this research.

The results of simultaneous hypothesis testing can be seen in the table below:

Table 2.ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	445,350	3	148,450	34,263	,000b
	Residual	398,608	92	4,333		
	Total	843,958	95			

a. Dependent Variable: Sales

b. Predictors: (Constant), Product Quality, Price, Promotion

Source: Research Results, 2022 (Data processed)

Based on the table above, it is found that the F valuetable (2.69) and significant  $\alpha$  = 5% (0.05), namely Fcount (34.263) and sig.a (0.000a). This indicates that the research



results accept H1 and reject H0. A comparison between F count and F table can prove that price, promotion and product quality simultaneously have a positive and significant effect on sales.

The results of partial hypothesis testing can be seen in the table below as follows:

Table 3. Partial Test Results

Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		В	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	6,552	2,351		2,787	,006		
	Price	154	,063	178	-2,449	.016	,968	1,033
	Promotion	,336	,047	,539	7,146	,000	,902	1,109
	Quality Pproduct	,293	,063	,349	4,665	,000	,916	1,092

a. Dependent Variable: Sales

Source: 2022 Research Results, (Processed Data)

Based on the table above, it can be seen that:

- 1. t value<sub>count</sub>for the Price variable  $(X_1)$  it can be seen that the t value<sub>count</sub>(2.449) >  $t_{table}(1,981)$ with a significant level of 0.016 <0.05 so it can be concluded that there is a partially significant negative influence between Price and Sales.
- 2. t value<sub>count</sub>for the Promotion variable  $(X_2)$  it can be seen that the t value<sub>count</sub> $(7.146) > t_{table}(1.981)$  with a significance level of 0.000 < 0.05 so it can be concluded that there is a partially significant positive influence between Promotion on Sales.
- 3. t value\_count for the Product Quality variable  $(X_3)$  it can be seen that the t value\_count  $(4.665) > t_{table}(1.981)$  with a significance level of 0.000 < 0.05 so it can be concluded that there is a partially significant positive influence between Product Quality and Sales.

### CONCLUSION



The conclusion that researchers can draw from the results of this research is that price has a negative and significant effect on sales at PT. Throne of Eternal Success, Promotion has a positive and significant effect on Sales at PT. Throne of Eternal Success, Product Quality has a positive and significant effect on Sales at PT. Throne of Eternal Success, and simultaneously Price, Promotion and Product Quality have a significant effect on Sales at PT. Throne of Eternal Success.

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