

Analysis of Distribution Channels and Promotion Mix at Pt Varia Usaha Fabrikasi

Raisa Adila Putri, Moh. Agung Surlianto
Faculty of Management
University of Muhammadiyah Gresik
sukeraisa@gmail.com, cakagung@umg.ac.id

Received: November 08, 2024

Accepted: December 09, 2024

Published: December 22, 2024

Abstract

Distribution channels are all marketing channels or intermediaries through which goods and services (including transportation and storage) go from producers to industrial users and consumers. Companies must be good at selling products. Companies must be able to see market opportunities to sell their products not only in domestic or local markets, but also internationally. Promotion Mix is a tool formed from a combination of advertising tools used by a company. In general, these promotional tools are related to each other, not separated, because they complement each other. Promotional mix or also called marketing mix is a plan for carrying out promotional activities. The aim of this research is to analyze the implementation of distribution channels and sales promotions at PT Varia, a fabrication business. The research method used is a qualitative method. The research results show that the distribution and promotion mix strategy taken by PT Varia, a fabrication business, is the right strategy for a company in carrying out the distribution and promotion mix process.

Keywords: distribution channels, promotional mix

1. Introduction

In an increasingly competitive business world, distribution channels and sales promotions play an important role in the success of a product in the market. Distribution channels provide time and place utilities to customers. (Spillan & Ramsey, 2019). Distribution channels are policies that ensure products are available when needed by consumers, not only in terms of the number of goods but also in terms of place and time. Distribution channels are divided into direct distribution channels and indirect distribution channels. (Syafira et al., 2024) Distribution strategy is related to the determination and management of distribution channels used by companies in marketing their products until they reach the end consumer. (Strategy et al., 2023). Promotion Mix is a method of mixing advertising activities that are very efficient in increasing marketing. (Dzulkarnaen & Kusuma Wardhani, 2022). The promotional mix is the specific blend of personal advertising, sales promotion and public relations that a company uses to achieve its advertising and marketing objectives. (Ardian & Sudrartono, 2021). Promotional Mix is a tool formed from a combination of advertising tools used by a company. In general, these promotional tools are related to each other, not separated, because they complement each other. Promotional mix or also called marketing mix is a plan to carry out promotional activities. (Nurfitri et al., 2023). PT Varia Usaha Fabrikasi has a business of distributing packaged drinking water with the Santri brand, this new packaged drinking water distributor has successfully entered the market with the right distribution strategy. Reaching various consumer segments from households, offices, to small and medium enterprises. Thanks to the emphasis on product quality, responsive customer service, and efficient distribution channels, the Company is able to overcome market challenges and provide solutions to consumer needs. Along with this development, the distributor of packaged drinking water with the Santri brand which has just started operating in June has made very drastic sales in a relatively short time.

Distribution means a process that shows the distribution of goods from producers to the hands of consumers. Producers mean people or organizations that carry out production activities. Consumers mean people or organizations that use or consume goods/services and people or organizations that carry out distribution activities are called distributors. Distribution is an economic activity that bridges production activities with consumption. Thanks to the distribution of goods and services can reach the hands of consumers. Thus the

usefulness of goods and services will increase after they can be consumed. From what has just been described, it appears that distribution also increases usefulness according to its place (place utility) and according to time (time utility). Some definitions of Distribution Channels quoted from several sources are as follows: A distribution channel is a series of interdependent organizations involved in the process of making a product (goods and services) ready for use or consumption. Distribution is the channel used by producers to get the product out to consumers.

Companies have the freedom to choose the distribution system of the goods they produce. This selection is of course based on various considerations, both regarding consumer characteristics and the characteristics of the goods or services themselves. Based on the method of delivery of goods (who deals with the end consumer) then the distribution system can be grouped into direct distribution systems (direct marketing) and indirect distribution systems (indirect marketing).

1. Direct Distribution (Direct Marketing)

Direct marketing is a marketing method where companies want to establish direct communication with consumers. Direct communication strategies are considered more effective because they can interact, obtain databases that can trigger marketing communications using various media to encourage direct consumer responses.

2. Indirect distribution

Indirect distribution is the distribution or sale of goods from producers to consumers through intermediaries. Several intermediaries are involved in buying and selling activities, such as traders, agents, brokers, and commissioners. Distribution activities are carried out by marketing institutions outside the producer company, meaning that the distributor's ownership has nothing to do with the producer company. External distributors (independent) distribute products from producers to consumers. For example, beauty producers sell their products through agents or retailers. If a company forms or appoints a special distributor to handle the distribution of its products, it is called a semi-indirect distributor (Spillan & Ramsey, 2019).

Sales promotion is an activity to stimulate short-term demand for a product. Because most brands are under short-term pressure to perform, sales promotion activities are a large part of many brands' integrated marketing plans. As a communication planner, faced with planning, developing, and analyzing sales promotion activities. Sales promotion is a direct inducement that offers extra incentives anywhere along the marketing route to speed up the movement of a product. There are two types of Sales promotion, namely trade and consumer. (Wibowo, 2022). According to Kotler and Keller, it is explained that the promotional mix has 5 elements, namely

1. Advertising activities

According to Kotler and Keller, Advertising is any form of presentation that is not done by people and is a promotion of ideas, goods, or services by a predetermined sponsor. In other words, Advertising is a form of communication to many people, the purpose of which is to provide information by influencing consumers to create the impression of wanting to buy and to satisfy the consumer's desire to convey communication to consumers.

2. Sales Promotion

According to Kotler and Keller, Sales Promotion is a variety of short-term incentives to encourage people to try or buy a product or service. The goal is to encourage the purchase of a product or service by increasing its value in the eyes of the buyer.

3. Personal Selling

According to Kotler and Keller, Personal Selling is a face-to-face interaction with one or more potential buyers with the intention of making presentations, answering questions, and obtaining orders. Personal selling is an advertising promotion activity that in its implementation uses human power. Face-to-face selling is a process where customers are given personal information to buy the products offered (face to face)

4. Direct Marketing

According to Kotler and Keller, Direct Marketing is the use of mail, telephone, fax, email, or the internet, to communicate directly or solicit responses or dialogue with specific customers and potential customers. In other words, direct selling is direct communication with customers either to obtain responses or to build long-term customer relationships. Direct marketing uses direct-to-consumer channels (Consumer direct) to reach and deliver goods and services to customers without using intermediaries. These channels include: direct mail, catalogs, telemarketing.

5. Public Relations

According to Kotler and Keller, Public Relations is a variety of programs designed to promote or protect the image of a company or its respective products. Publics can support or hinder a company's ability to achieve its goals. A wise company takes concrete steps to manage successful relationships with its key publics. Most companies operate a public relations department to plan these relationships. The public relations department monitors the attitudes of the organization's publics and distributes information and communications to build

good relationships. When negative publicity occurs, the public relations department acts as a problem solver. The best public relations departments spend time advising top management to use positive programs and eliminate questionable practices so that negative publicity does not occur (Uluwiyah, 2022).

2. Method

The research method used in the study to analyze the distribution channel at PT Varia Usaha Fabrikasi, using qualitative descriptive research because it utilizes data that has been explained descriptively by the informant. According to (Durianto & Sugiarto, 2001) The data used in qualitative research is descriptive data in the form of words, photos and memos. Data is collected through actual facts from the results of interviews with informants. This qualitative and descriptive research sample is not referred to as a respondent, but as a resource person or research participant. Qualitative descriptive research samples are also called theoretical samples rather than statistical samples because the purpose of qualitative descriptive research is to produce a theory. Qualitative descriptive research samples are also called constructive samples because sample data sources can be used first to build phenomena that are stated to be unclear (Lubis, 2019). The first informant was Mr. Bambang Suhermanto as the general and trading field of PT Varia Usaha Fabrikasi and the second informant was Mr. Nur Wachid as the AMDK Marketing of PT Varia Usaha Fabrikasi. The third informant was Mrs. Tis'a Waliyah as the owner of the Bu Titis shop.

3. Result and Discussion

Distribution channels are moving goods and services from producers to consumers. The transfer aims to overcome the gaps in time, place, and ownership that separate producers from their customers. (Spillan & Ramsey, 2019). PT Varia usaha fabrikasi is one of the Groups of PT. Semen Indonesia logistics, which has a MAS (Fresh Water Partner) shop business. Domiciled at JL. Brotonegoro Barat no.150 GKB Gresik. The gold shop is a distributor of santri drinking water, the gold shop has various customers from individuals, shops, retailers, and agents. Based on an interview with Mr. Bambang Suhermanto as the General Trading and Service Division at PT Varia usaha fabrikasi, it distributes products through various channels, including agents, shops, and consumers. Each channel has a different segment; for example, agents have shops or partners who sell to consumers. In a business context, this approach is more profitable for agents than direct sales to consumers, because they get support in the sales process. We utilize existing networks and provide special benefits to each level, both agents and shops. Products, such as bottled drinking water, are placed in warehouses to monitor stock. Distribution carried out by distribution channels at PT Varia fabrication business is:

1. Producer – Consumer

This is the shortest and simplest channel. Without using intermediaries. Producers can sell goods produced through the Post or directly to the consumer's home. Also called direct distribution channels.

2. Manufacturer – Retailer – Consumer

Here large retailers make purchases directly from manufacturers. There are also some manufacturers who set up retail stores so they can directly serve consumers.

3. Manufacturers – Wholesalers – Retailers – Consumers

This kind of channel is widely used by manufacturers and is called a traditional distribution channel. Here, manufacturers only serve large sales to wholesalers, not to retailers. Purchases by retailers are served by wholesalers, and purchases by consumers are served by retailers only.

4. Manufacturer – Agent – Retailer – Consumer

Here the Manufacturer chooses an agent as its distributor. It carries out wholesale trading activities in existing distribution channels. Its sales targets are mainly aimed at large retailers.

5. Manufacturers – Agents – Wholesalers – Retailers – Consumers

In distribution channels, manufacturers often use agents as intermediaries to distribute their goods to wholesalers who then sell them to small shops. (Wiralaga, nd).

The following is the result of an interview with Mr. Nur Wachid as marketing amdk at PT Varia usaha fabrikasi: Direct distribution channels allow companies to directly connect with consumers, for example, Santri distributors who sell products directly to consumers. While indirect distribution channels involve intermediaries, where Santri distributors sell through agents or retail stores. The company emphasizes the importance of building good relationships and conducting regular monitoring of distribution partners. Santri distributors are also active in introducing Santri drinking water products as local products from the nation's children to retail stores that are already familiar with the product. Special moments, such as Santri Day, are used to offer discount promotions that can encourage consumer purchasing decisions. Placing promotional videos at the Yosowilangun traffic lights also supports consumer awareness. In addition, fast service, smooth communication, and shopping convenience are the company's top priorities so that consumers feel satisfied, both when shopping directly at retail stores or through intermediaries. Although several cooperation contracts are still in the process, the company maintains good relations with all distribution partners.

Promotion mix or what is usually called promotional mix is divided into 5 mixes including: Advertising,

Sales promotion, Personal selling, Direct marketing, and public relations.

1. Advertising

Advertising is mass communication and must be paid for to create awareness, instill information, develop attitudes, or cause an action that is beneficial to the advertiser. (Sitorus & Utami, 2017). At PT Varia Usaha Fabrikasi advertises santri products by renting video tron at the Yosowilangun intersection and at the Taqwa Muhammadiyah GKB mosque. Based on an interview with Bambang Suhermanto, this promotion can increase product appeal, the main focus is to build brand awareness at certain moments.

2. Sales promotion

Sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate immediate product purchases and increase the number of items purchased by customers. (Sitorus & Utami, 2017). The most effective sales promotion at PT Varia Usaha Fabrikasi is giving discounts on santri mineral water products. In order to commemorate the day of santri, PT Varia Usaha Fabrikasi gives price discounts that increase sales volume. The following are the results of an interview with Mrs. Tis'a Waliyah as a customer of santri mineral water who has a shop called Toko Bu Titis located on Jl. Sunan Giri Gang 13b is a promotion in the context of Santri Day is very interesting, because it provides price discounts on the purchase of santri drinking water. Mrs. Titik's shop received complete information about the product delivered through Mr. Wachid. This promotion has quite an influence on purchasing decisions, especially because the product will be resold, and lower prices can increase profit margins.

3. Direct Marketing

Direct selling is direct communication with carefully targeted individual customers to obtain an immediate response and to build long-term customer relationships. Direct marketing typically uses consumer direct channels to reach and deliver goods and services to customers without using marketing intermediaries. These channels include direct mail, catalogs, telemarketing, interactive TV, websites, and more. (Sitorus & Utami, 2017) PT Varia Usaha Fabrikasi conducts direct sales via WhatsApp to the numbers available on the targeted customer website, with the aim of introducing Santri mineral water products. In this approach, sending pamphlets and attractive offers to provide clear information about our products.

4. Personal Sales

This promotion involves direct personal interaction between a potential buyer and a salesperson. Personal selling can be a powerful promotional method. (Turap et al., nd) At PT Varia Usaha Fabrikasi, there are two salesmen, Nur Wakid and Alfarisi Hakiki, who work at Toko Mas. They visit potential customers who have been divided according to PIC, such as retail stores, schools, mosques, and coffee shops. Their performance in personal sales is quite satisfactory, with the achievement of targets set by the company. In addition, they also managed to establish good relationships with regular customers who make repeat orders.

5. Public Relations

Companies try to develop good public relations through communication with the general public, including potential customers and by improving the image of a product or the company itself. The tasks of public relations above are chosen according to the needs of the company to be achieved. (Sitorus & Utami, 2017). Public relations programs according to Lupiyoadi include: Publication, Important events, Relations with investors, Trade exhibition and Sponsoring several events.

PT Varia Usaha Fabrikasi is committed to establishing good communication with the community, one of which is by sponsoring the Al Khidmah event. The company also holds open donation events at mosques that have collaborated with us, so that they are known to the community and create brand awareness.

The following is the result of an interview with Bambang Suhermanto as the general trading and service sector is The most attractive promotion for consumers is price discounts, which we offer while maintaining good quality. We also hold certain promotions periodically. Delivering information about promotions, Gresik people tend to choose quality drinking water. The price discount strategy has proven to be the most effective, and we also offer free shipping services. Toko Mas emphasizes quality and a strong network, while rewarding customers who meet certain criteria, which apply to agents, stores, and end consumers.

4. Conclusion

From the distribution channel aspect, santri distributor implements effective distribution channels to establish direct relationships with consumers, as well as through intermediaries such as agents and retail stores. Based on the research that has been conducted, it can be concluded that the distribution strategy taken by PT Varia Usaha Fabrikasi is the right strategy for a company in running the distribution process. The importance of building good relationships and conducting regular monitoring of distribution partners is the company's main focus. By introducing Santri drinking water products as local products, the Company also prioritizes fast service, efficient communication, and shopping convenience, so that consumers feel satisfied both when shopping directly and through intermediaries.

From the promotion mix aspect, the marketing strategy implemented by PT Varia Usaha Fabrikasi shows that the company actively uses various methods to promote santri products and increase its sales. Based

on the research that has been done, it can be concluded that the promotional mix carried out is appropriate, such as advertising media such as video tron, providing special discounts in sales promotions, and making direct sales via WhatsApp, the company has succeeded in attracting consumer attention and stimulating buying interest. Personal selling carried out by salesmen also provides positive results, where they are able to build good relationships with customers. Public relations activities, such as sponsoring events and holding open donations, contribute to the development of a positive image and increasing brand awareness among the public. Overall, the implementation of these strategies not only increases sales volume, but also strengthens the company's relationship with customers, which is very important for business sustainability in a competitive market.

Based on the research results and conclusions above, the following suggestions can be given. PT Varia Usaha Fabrikasi must Conduct regular analysis of the performance of each distribution channel is very important to improve the efficiency and effectiveness of the company's distribution strategy. By collecting and analyzing sales data regularly, PT Varia Usaha Fabrikasi can identify areas that need improvement and understand evolving market trends and preferences. PT Varia Usaha Fabrikasi must further optimize digital marketing such as social media and websites to reach wider customers. Create more interesting and educational promotional content, such as customer testimonials. Quality content can increase consumer buying interes.

5. References

- Alfatih, A. (2019). *Easy Guidebook for Conducting Qualitative Research*. 48–61.
- Aradian, R., & Sudrartono, T. (2021). The Effect of Promotion Mix on Dulux Paint Repurchase Interest at Katapang Ceramic Depot, Bandung. *JMBI UNSRAT (Scientific Journal of Business Management and Innovation, Sam Ratulangi University)*., 8(3), 704–714. <https://doi.org/10.35794/jmbi.v8i3.35854>
- Ayu Muchlisa, N., & Surianto, MA (2021). Analysis of Distribution Channels at PT. Panahmas Dwitama Distrindo Jember. *Indonesian Journal of Social Science*, 2(12), 2059–2068. <https://doi.org/10.36418/jiss.v2i12.480>
- Durianto, D., & Sugiarto, TS (2001). *Strategy to Conquer the Market Through Equity Research and Brand Behavior*. Jakarta: Gramedia Pustaka Utama.
- Dzulkarnaen, AR, & Kusuma Wardhani, NI (2022). Promotion Mix Analysis on Purchasing Decisions at Pizza Hut Surabaya. *Economos: Journal of Economics and Business*, 5(1), 1–7. <https://doi.org/10.31850/economos.v5i1.1612>
- Hamid, RS, Ariasih, MP, Suarniki, NN, Purwoko, Nurchayati, Tarmizi, A., Efdison, Z., Pasaribu, AW, Fitriya, S., Solihin, A., Budaya, I., & Vitaloka, D. (2023). *Modern Marketing Management (Strategies and Tactics for Business Success)*. In PT Sonpedia Publishing Indonesia. <https://books.google.co.id/books?id=ngDGEAAAQBAJ&printsec=frontcover#v=onepage&q&f=false>
- Haryoko, S., Bahartiar, & Arwadi, F. (2020). *Qualitative Research Data Analysis (Concepts, Techniques, & Analysis Procedures)*.
- Jaya, EP (2024). Analysis of CV Adila Snack Jambi Product Distribution Channels. 2(2), 13. <http://repository.wiraraja.ac.id/id/eprint/305%0Ahttp://repository.wiraraja.ac.id/305/1/SUHENDRI.pdf>
- Lubis, IT (2019). The Influence of Audit Committee Characteristics, Ownership Structure and Return on Investment on Bankruptcy Prediction in Trading Companies Listed on the Indonesia Stock Exchange. *Ready Star*, 2(1), 292–299.
- Nurfitri, R., Sudartono, T., Ganesha, PP, & Barat, J. (2023). The Impact Of The Promotion Mix On Purchase Decisions By Consumers On Tiktok Social Media @ Anaira.Official The Impact Of The Promotion Mix On Purchase Decisions By Consumers On Tiktok Social Media @ Anaira.Official. *Management Studies and Entrepreneurship Journal*, 4(3), 2417–2425. <http://journal.yrpiiku.com/index.php/msej>

- Spillan, J.E., & Ramsey, J.R. (2019). The Marketing Process. In Navigating Commerce in Latin America. <https://doi.org/10.4324/9780203729885-9>
- Sugiyono. (2020). Qualitative Research Methodology. In Qualitative Research Methodology. In Rake Sarasin (Issue March). <https://scholar.google.com/citations?user=O-B3eJYAAAAJ&hl=en>
- Ardian, R., & Sudrartono, T. (2021). The Effect of Promotion Mix on Dulux Paint Repurchase Interest at Katapang Ceramic Depot, Bandung. *JMBI UNSRAT (Scientific Journal of Business Management and Innovation, Sam Ratulangi University)*., 8(3), 704–714. <https://doi.org/10.35794/jmbi.v8i3.35854>
- Sitorus, OF, & Utami, N. (2017). Sales promotion strategy textbook. Fkip Uhamka, 309. <https://book.asia/book/5686392/1c6357>
- Strategy, A., Distribution, S., Promotion, AND, & Enhance, D. (2023). Fredella , Siti , Ratna – Analysis of Channel Strategy ... | 22. 12(1), 21–26.
- Syafira, T., Ruqoyah, SN, Pazrin, D., & Ifran, MZ (2024). Analysis of the Influence of Distribution Channels on Increasing Sheep Sales Volume at Taznika Farm. 1(2).
- Syahir, Syafrida Hafni. (2022). This book was written by a Lecturer at Medan Area University. Copyright is Protected by Law. It has been Deposited to the UMA Repository on January 27, 2022.
- Turap, T., Adalah, TB, Lebih, TB, & Turap, TD (nd). Marketing communications.
- Uluwiyah, AN (2022). PROMOTIONAL MIX STRATEGY in Increasing Public Trust. In Multi Pustaka Utama.
- Umar Sidiq, Moh. Miftachul Choiri, M. (2019). Qualitative Research Methods in Education. In *Journal of Chemical Information and Modeling* (Vol. 53, Issue 9). [http://repository.iainponorogo.ac.id/484/1/METODE PENELITIAN QUALITATIF DI BIDANG PENDIDIKAN.pdf](http://repository.iainponorogo.ac.id/484/1/METODE%20PENELITIAN%20QUALITATIF%20DI%20BIDANG%20PENDIDIKAN.pdf)
- Wiralaga, HR (nd). Marketing Management.
- Zahra, N., Marliyah, L., & Satyarini, MD (2022). Increasing Entrance Ticket Sales Through Promotional Mixes at Sanggaluri Park During the Covid-19 Pandemic. *Journal of Economic ...*, 3(1), 1–10. <https://www.e-journal.ivet.ac.id/index.php/jeee/article/view/2203%0Ahttps://www.e-journal.ivet.ac.id/index.php/jeee/article/download/2203/1621>