

Distribution and promotion network as an effort to increase sales in the home industry of Fish Crackers in Pesawaran Lampung

Sunarmi¹, Andi Mulyono², Makhda Intan Sanusi³

^{1,2}Prodi Akuntansi, Universitas Aisyah Pringsewu Lampung

³Program Studi Ekonomi Syariah, Sekolah Tinggi Mulia Astuti Wonogiri

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ABSTRACT

Homes Industrial Company Fish Crackers Rafa's Cracker 002in Kahuripan Sidodadi Waylima village, Pesawaran Regency is one of the small industries engaged in the industry of making food ingredients in the form of Fish Crackers. In its activities so far, the industry has faced ups and downs in its marketing. This is due to various factors, especially competition from similar businesses that began to mold in some regions so that it affected the amount of production and sustainability of this business. Business competition is getting tighter, making business owners rack their brains harder so that the business continues to run and is still able to bind customers so as not to move to other competing products that offer more competitive prices. This study aims: 1). To find out the concept of distribution and promotion networks in an effort to increase sales at the Rafa's Fish Cracker Home Industry 002 Pesawaran, 2). To find out how the distribution and promotion network is ideal in increasing sales at the Rafa's Fish Cracker Home Industry 002 Pesawaran. This study uses a qualitative descriptive method, namely field research on research objects where data collection is carried out by conducting direct research by conducting direct interviews with business owners. Research Results: 1). The Rafa's Fish Cracker Home Industry 002 Pesawaran, applies indirect distribution, namely from producers to agents from agents to wholesalers from wholesalers to retailers then from retailers to consumers, where this indirect distribution is also used as a promotional medium to increase sales, 2). Increased sales will affect the amount of production, so that business owners place more emphasis on promotions carried out through the distribution network. However, this fish cracker product is well known and much in demand by the people in Lampung and its surroundings.

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Corresponding Author:

Sunarmi,
Department of Sosial Bisnis,
University Aisyah Pringsewu,
Jl. A Yani No.1 Tambah Rejo, Wonodadi, Kec. Pringsewu, Kab. Pringsewu, Lampung, 35372, Indonesia
Email: nikinarmi@aisyahuniversity.id

1. Introduction

Home industries have great potential in strengthening family resilience, both from economic, health, and education aspects, as well as more harmonious family member relationships. In addition, cottage industries are also able to encourage family economic independence which will certainly contribute to the welfare of the community.

The development of the economy in Indonesia today, influenced by various factors including technological developments that cause companies to be more creative and innovative, thus making competition tighter in business. The tighter the competition, it takes good and optimal product marketing methods and facilities so that the goals expected by the company will be achieved. The

marketing method chosen will be the main pillar that will determine how a company will be able to survive and ensure its business continuity.

Smart business is sensitive and dexterous in dealing with business changes so that it is able to take advantage of opportunities that arise and is able to provide satisfaction for its customers, one of which is through the ability to establish good communication for its customers, so that the relationship between producers or companies and their customers. The closer, the close relationship between producers and consumers for the long term will strengthen the sustainability of the company's business, so that the products produced by the company will be absorbed by the market.

One form of communication between producers and consumers is through promotions, promotions chosen by the company can vary according to the needs of the company. Media or promotional facilities that are often done by companies include in the form of advertising, sales poting, direct marketing, and sales promotion, these promotional facilities can be used according to the needs and abilities of the company alone.

Through the home industry distribution network, Rafa 002 fish crackers in Pesawaran have been able to introduce products to various regions in Lampung Province, this is a motivation for business owners to continue to develop their product variants so that increased production can continue to be achieved so that sales profits will be more optimal.

Homes Industrial Company Fish Crackers Rafa's Cracker 002 in Kahuripan Sidodadi Waylima village, Pesawaran Regency is one of the small industries engaged in the industry of making food ingredients in the form of Fish Crackers. In its activities so far, the industry has faced ups and downs in its marketing. This is due to various factors, especially competition from similar businesses that began to mold in some regions so that it affected the amount of production and sustainability of this business. Business competition is getting tighter, making business owners rack their brains harder so that the business continues to run and is still able to bind customers so as not to move to other competing products that offer more competitive prices.

The implication in this study is that marketing strategy can not be separated from activities that are interrelated to identify consumer needs and developing distribution and promotion for satisfy consumer needs.

The indirect distribution network run by this home industry is Producers – Agents – Retailers – Consumers. Here, retailers directly make purchases to producers and sell their products directly to consumers. In the Rafa's Cracker 002 Fish Cracker Home Industry This offer uses agents or distributors in several areas and sub-districts outside Pesawaran Regency, then wholesalers take the products to agents to sell to retailers, or small traders, then these retailers sell their products directly to consumers, the goal is to expand the market so sales will increase.

With a network like this, the Pesawaran Fish Cracker Home Industry is more assisted in terms of marketing and sales and product recognition, because with agents and retailers, the producers of the Rafa 002 Pesawaran Fish Cracker Industry can get a market. Because a broad market facilitates an increase in sales due to an increase in the number of consumers. Indirect distribution also means an activity of distributing goods from producers to consumers using intermediaries or third parties, in this case what is meant by third parties is distributors or agents which can be individuals or distribution companies.

From a market perspective, this indirect distribution benefits producers, because the company will get a wider market reach with the help of agents who help market the product. The large number of production and the large number of competitors are the basis for the Rafa Fish Cracker Home Industry. 002 Fish Crackers This offer implements this system. With this indirect distribution, this home industry can produce products stably because goods are always distributed through agents, so that the production process is maintained and sales run smoothly, there is no stockpiling of products in warehouses and sales certainly increase due to the breadth of the market.

2. Research Method

This study uses a qualitative descriptive method, namely field research on research objects where data collection is carried out by conducting direct research by conducting direct interviews with business owners.

The data collection method needed in the research is as follows: a) Primary Data, namely data obtained from the object of research in this case is the Rafa's Cracker 002 Fish Cracker Home Industry in Kahuripan Sidodadi Waylima village, Pesawaran Regency, b) Secondary Data is data obtained from various sources and relevant documents and supports the validity of the data to be analyzed in the research.

The methods used in the data control process include: a) Library Research. The method of collecting data through literature review, namely by studying books and study materials and literature that has a relationship with the research material so that a theoretical basis can be compiled as material for further analysis, b) Field Research. Data collection is carried out through several ways, namely: a). Observation is a direct observation made on the object of research in this case on the Home Industry of Fish Crackers Rafa's Cracker 002 in Kahuripan Sidodai village, Pesawaran Regency, b). Interview is by conducting interviews or questions and answers with company leaders and employees in the company under study.

3. Results And Discussions

The results of research on the Home Industry of Fish Crackers Rafa's Cracker 002 Pesawaran were found that the Home Industry Company of Rafa's Cracker 002 Pesawaran, in its marketing activities only focused on direct distribution, namely from producers to agents and from agents to consumers.

The results of the study also explain that the physical distribution network is used as well as the most effective means of promotion, is through indirect distribution where fish cracker products produced by producers before reaching the hands of consumers first through agents or Intermediary traders as distributors, in large size product preparations, then medium traders who buy product in large sizes will repackage cracker products in medium and small sizes to be further marketed to retailers. The chart of indirect distribution networks run by the company is depicted as follows:

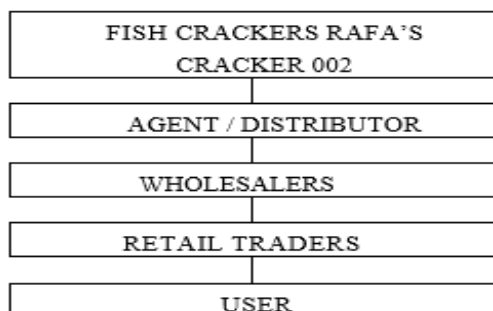


Figure 1. Distribution network chart

Source: Data processed, 2022

Belonging to the Home Industry of Rafa's Cracker 002 Pesawaran, should start considering an indirect distribution network by utilizing digital technology so that the products sold can spread widely, not only in Lampung and surrounding areas but can reach a wider market. Indirect distribution networks that utilize digital technology in the form of social media that can be accessed through applications embedded in smart phones will save costs so that they can provide benefits for the company, namely in the form of efficiency in terms of transportation costs. Direct distribution networks are still built to keep customers engaged in traditional markets, while starting to develop indirect marketing networks that utilize digital technology. The right product distribution facilitates the fulfillment of requests from customers and sales so as to achieve an increase in sales that will affect the increase in production or profits for the company itself.

Product promotion activities, which are carried out by the Home Industry Rafa's Crackers 002 Offering so far is still in the form of word-of-mouth promotional activities carried out through agents

or distributors and customers who are satisfied with product quality, this is certainly a range limited to utilizing the productivity of agents who have been accommodating products from Home Industries Rafa's Cracker 002 This offer. Thus, it can be said that the company does not carry out promotional activities optimally, because they assume that the product is already known by the community and they assess the relatively expensive promotional costs, While the company does not budget special costs for product promotion.

The Indirect Distribution Network run by this cottage industry is Producer – Agent – Retailer – Consumer. Including on the direct distribution network (Producer – Consumer). Here, retailers directly make purchases to manufacturers and sell their products directly to consumers. In the Home Industry of Fish Crackers Rafa's Cracker 002 This offer uses agents or distributors in several regions and districts outside Pesawaran Regency, then wholesalers take products to agents to be sold to retailers, or small traders, then these retailers who sell their products directly to consumers, the aim is to expand the market so that sales will increase.

With a network like this, the Home Industry of Pesawaran Fish Crackers is more helped in terms of marketing and sales and introducing products, because with the presence of agents and retailers, the producers of the Rafa's Cracker 002 Pesawaran Fish Cracker Home Industry get a wide market. Because the vast market facilitates the increase for sales due to the increasing number of consumers. Indirect distribution also means an activity of distributing goods from producers to consumers who use intermediaries or third parties, in this case what is meant by third parties is a distributor or agent can be an individual or company distribution.

Terms of the market, this indirect distribution benefits producers, because the company will get a wider market reach with the help of agents who help market the product. The number of productions and the number of competitors are the basis for the Rafa's Cracker 002 Fish Cracker Home Industry This offer applies this system. With this indirect distribution, this cottage industry can produce products stably because goods are always distributed through agents, thus the production process will be maintained and sales will be smooth, there is no accumulation of products in the warehouse and sales will certainly increase because of the broad market.

Distribution networks from manufacturer to agent, agent to retailer and retailer to consumer have enormous potential to increase sales because each retailer has its own consumer so this has the potential to increase sales. Therefore, the role of the distribution network is very large because it will help companies in marketing activities for products offered to consumers. To maintain the smooth distribution of products from producers to consumers, good coordination and communication from each distribution network is needed, so that product distribution activities are smooth until at the consumer level.

Therefore, the distribution network determined in each region flow is adjusted to the characteristics of the company both the type of product, quality, price and marketing model. Inaccuracy in the determination of distribution networks means failure in the field of marketing and this has an impact on the level of product sales and production activities.

Promotion planning by the company needs to consider various factors, especially those related to the product, such as packaging, brand, and price and after-sales service. Promotion policy is the selection of methods and media that will be used as dissemination of information about products offered and developed by a company which in this case is a Home Industry Company n Crackers Rafa's Cracker 002 Pesawaran.

Home Industry Company Rafa's Crackers 002 Pesawaran should reactivate promotional activities so that sales volume can be increased and supported by the distribution network as intended above. More focused promotion is for areas outside Lampung with the use of digital technology, this can be done through: Utilization of sales promotion by introducing product results to the wider community by utilizing social media, this aims to expand marketing reach and minimize distribution costs. A good promotional activity that can be done is the Rafa's Cracker 002 Home Industry Company Pesawaran becomes a sponsor of special food providers, namely snacks in the form of fish crackers for activities or official events from the local government or for entertainment events that carried out in an area, or in other activities participated in by the wider community.

4. Conclusion

During the product promotion activity, so far the Home Industry Company Rafa's Cracker 002 Pesawaran only through word of mouth, because they consider their products to be known by the public, promotional costs are expensive, and the company does not allocate a promotional budget. Home Industry Fish Crackers CapRafa 002 Pesawaran is advised to maximize the distribution network to the retailer level to expand the market so that sales increase. Promotion should be activated both through social media and at community activities such as sponsoring food in the form of fish crackers for major regional events.

The contribution in this study was to determine the concept of distribution and promotion networks in an effort to increase sales at the Rafa 002 Pesawaran Fish Cracker Home Industry, as well as to find out how the ideal distribution and promotion network is to increase sales at the Rafa 002 Pesawaran Fish Cracker Home Industry.

For future research designed to identify consumer needs and developing distribution, promotion as well as pricing and services for satisfying consumer needs. Marketing itself cannot be separated from the influence of products, prices, promotion and distribution.

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