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# The analysis of sales and quality management methods in sales strategy and the impact on performance in CV. Tirta Sasmita

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#### ABSTRACT

CV. Tirta Sasmita is one of the companies engaged in drinking water in the city of South Tangerang. CV. Tirta Sasmita is a new company that is currently issuing the Tirta Sasmita trademark. It is not an easy thing for a new company to compete first in this industry, so that it will affect CV. Tirta Sasmita in determining competitive strategies to survive and develop its business in all respects, such as simplifying the payment system which will affect the power of the company. buy from the drinking water product itself. CV.Tirta Sasmita is not only limited to producing bottled drinking water products, but this company is also engaged in marketing its products. In marketing CV. Tirta Sasmita is one of the companies that sells on consignment. CV Tirta Sasmita can provide fresh air for the Foundation in particular and the community in general, by contributing to increasing the income of the surrounding community by becoming an agent for mineral water products using a consignment sales system. This study examines and analyzes the influence of sales methods and quality management on sales strategies and their impact on company performance. Data were obtained from customers and agents through questionnaires, the data were then analyzed using descriptive quantitative methods, with the help of SmartPLS 3.0 software. Based on the research results, the sales method variable has a positive and significant effect on sales strategy, while the sales strategy has no effect on organizational performance.

Keywords: Sales Method, Quality Management, Sales Strategy, Performance.

# **1. INTRODUCTION**

Water is an absolute source of life that is used and needed by all living things on earth. For humans, water is a primary need to meet drinking needs in order to maintain life. The importance of drinking water makes people aware of these basic needs wherever they are, both at home and outside the home. This is an opportunity for entrepreneurs who can manage drinking water that is easily available anywhere. Given the current natural conditions, which have mostly been polluted by industrial and household waste, the quality of ground water is getting worse. This is increasingly being realized by the majority of the community that they no longer manage their own groundwater. Now people are aware of health, especially in terms of sorting out healthy drinking water consumption to meet the needs of the body. Currently bottled drinking water has become the main choice that is considered appropriate for consumption.

Currently, the mineral water industry in Indonesia is still very promising in line with the shift in the habits of the Indonesian people who originally managed their own drinking water to consume bottled mineral water which is considered more practical and efficient. With a very large population in Indonesia and drinking water is a primary need, the mineral water treatment industry is very profitable in Indonesia. Along with the times, the level of competition in the business world is getting tougher. In facing the free market we are faced with intense market competition. This situation makes companies engaged in industry and trade want an increase in the sales activity of the business they run. CV. Tirta Sasmita is one of the companies engaged in drinking water in the city of South Tangerang. CV. Tirta Sasmita is a new company that is currently issuing the Tirta Sasmita trademark. it is not an easy thing for new companies to compete and seize the marketing area of companies that were first engaged in this industry, so that it will affect CV. Tirta Sasmita in determining competitive strategies to survive and develop its business in all respects, such as making it easier to payment system which will affect the purchasing power of the drinking water product itself. The Tirta Sasmita brand is marketed directly to consumers and agents.

According to Warren (2014: 2) sales are the amount charged to customers for merchandise sold, either in cash or on credit. The definition of sales emphasizes that selling is a process of charging a number of costs both in cash and credit to customers for the goods or services they get. According to Swastha (2005), the sale is an agreement between the seller and the buyer who transfers ownership rights with certain agreements and conditions.

The company was founded with the aim of increasing sales volume, enhancing competitiveness, and minimizing production costs to achieve maximum profit. The development of the company and the profits achieved by the company can be used as a measure of the company's success in carrying out activities related to its operations. If the company's goals are achieved, the company's survival can be maintained and able to compete with other companies (Rustami et al., 2014). Along with the era of globalization that makes the business world more competitive, making consumers have many choices, so that consumers will be more selective in determining the choice of products they want, so that it has an impact on product sales volume and ultimately affects the profits earned by the company concerned (Wisesa et al. ., 2014).

Sales activity is an activity that must be carried out by the company by marketing its products in the form of goods or services. Sales activities carried out by the company aim to achieve the expected and profitable sales to achieve maximum profit for the company (Paranesa et al., 2016). Wisesa, et al (2014) argue that to get a bigger profit. One of them that can be used to obtain optimal profit is to pay attention to sales volume and reduce operational costs that will be incurred by the company. In this case the company is required to be selective in selling products to consumers, so that the sales volume target that has been planned by the company in a certain period can be achieved optimally with efficient operating costs. Optimal sales volume and efficient operating costs are the company's targets, therefore the company will take many ways to achieve the planned targets, because the determining factors for optimal profit gain are optimal sales volume and efficient operating costs.

In the increasingly fierce business competition requires business actors to continue to improve and develop the quality of the company, both in terms of service to consumers and in terms of human resources, especially in companies engaged in services, good employee performance is needed. seek and nurture employees with high morale, create and maintain superior human resources who are able to compete. Employees are one of the most important elements in a company or organization both in the government and private sectors engaged in services and non-services. Human Resources (HR) includes all individuals involved in organizational activities from the highest to the lowest levels involved in the company's operational activities. All of these human resources have the same role and function, namely to support the progress of the company and the organization that houses it in order to achieve the goals that have been set.

Demands for improving the quality of products and services continue to increase, when viewed from the demand side, while from the supply side there is also an increase in product and service offerings in a variety of quality and competitive prices. The quality of products and services is increasing at a cost that has a competitive advantage in the market, such as countries in the eastern region: China, Vietnam and India can control a larger market share. What is very meaningful in improving performance in facing the challenges of this competitive competition is through continuous improvement that is focused on consumers. Improvements made include all organizational activities that emphasize flexibility and quality. Therefore, its quality and management is associated with continuous improvement carried out by many companies in encouraging an increase in market share.

The performance of a company is a formal form of business carried out by the company to evaluate the efficiency and effectiveness of the company's activities that have been carried out in a certain time period. Performance appraisal according to Wahyuni (2010) is a periodical determination of operational effectiveness of an organization, part of the organization and employees based on predetermined targets, standards and criteria. The purpose of the performance appraisal is as a form of motivation in achieving the goals of an organization and in complying with predetermined standards so that they are fulfilled as desired.

Referring to the opinion of Christa (2013) that the performance of a company is divided into two, namely operational performance and financial performance.

- 1. Operational Performance shows the company's internal interests, for example branch performance as measured by speed and discipline.
- 2. The company's financial performance is measured using accounting information in the form of financial ratios.

According to Ula et al. (2018) the definition of financial performance is the determination of certain measures that can measure the success of an organization or company in generating profits. Meanwhile, according to the Indonesian Institute of Accountants (2015) financial performance is the company's

ability to manage and control its resources. In line with what was stated by Suryani & Sri Fajaryani (2018) the company's financial performance is the result of work that is influenced by the company's activities, which can be seen by evaluating and observing the financial statements so that they can find out the financial condition and development of the company. Likewise, according to Sutriani (2014) describes it as a company achievement in the form of the ability to manage its wealth from certain sources of funds to generate profits. The company's achievements can be assessed by the company's financial performance which is processed from the company's financial statements.

# **2. LITERATURE REVIEW**

#### A. Company Performance

Mangkunegara (2015) says that performance is the result of work in quality and quantity of a person in carrying out his functions in accordance with the responsibilities given to him. This is in line with the opinion of Prawirosentono (2013) which states that performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in an effort to achieve the goals of the organization concerned legally, not violating the law. and in accordance with morals and ethics.

Organizational performance or company performance is an indicator of the level of achievement that can be achieved and reflects the success of managers/entrepreneurs. Performance is the result achieved from the behavior of organizational members (Sinambela, 2016). So organizational performance is the desired result of the organization from the behavior of the people in it.

Kaplan and Norton in Soedjono (2005) developed a more comprehensive measure of company success, called the Balanced Scorecard (BS). According to the balanced scorecard concept, the company's performance to achieve competitive success can be seen from four areas, namely based on: (1) Financial perspective, where in this perspective the company is required to increase market share, increase revenue through the sale of company products. In addition, increasing cost effectiveness and asset utility can increase company productivity; (2) Customer perspective, where the company must identify customer needs and market segments. Correct identification of customer needs really helps companies how to provide services to customers. Applications at the general passenger terminal include: setting the passenger departure schedule in a timely and orderly manner, increasing customer confidence in security and order at the terminal; (3) Internal business process perspective, in which the company must identify the most critical processes to achieve the goal of increasing value for customers (customer perspective) and the goal of increasing financial value; (4) The growth and learning perspective, where goals set in the financial, customer and internal business process perspectives identify where the organization must excel to achieve breakthrough performance, while goals in the learning and growth perspective provide the

infrastructure that enables ambitious goals in all three perspectives are achieved. The goals in this perspective are the controllers for achieving the outcome excellence of the three previous perspectives.

Robertson in Karlina & Handayani (2017) states that performance measurement is a process of assessing work progress towards achieving predetermined goals and targets, including information on the efficiency of resource use in producing goods or services, quality of goods or services, comparison of work results with targets. and effectiveness of actions in achieving goals. In measuring performance, it is determined by the ideal goal to be achieved, so that in the measurement stage it must be actual/real by identifying it first into operational components.

Keban in Sukowati (2010) argues that measuring the performance of public organizations can be done through two approaches, namely: a managerial approach and a policy approach. Assuming that the effectiveness of the goals of public organizations depends on the two main activities, namely: public management and policy (public management and policy).

The scope and method of measuring performance indicators will determine whether a public organization can be said to be successful or not. Keban further explained that the accuracy of measurements such as the method or method of collecting data to measure performance also greatly determines the final assessment of performance.

Susanti & Dwiyanto (2016) stated that there are five indicators of organizational performance measurement, namely:

1. Productivity

The concept of productivity does not only measure the level of efficiency, but also the effectiveness of services. Productivity is generally understood as the ratio between input and output. Productivity is a level of organizational achievement in achieving goals, meaning the extent to which the goals that have been set can be achieved.

2. Quality of service:

The issue of service quality tends to become increasingly important in carrying out the performance of public organizations. Many negative views arise because of public dissatisfaction with the quality of services received by public organizations. Thus, community satisfaction with services can be used as an indicator of the performance of public organizations.

3. Responsiveness

Responsiveness is the ability of the organization to recognize the needs of the community, develop service agendas and priorities and develop public service programs in accordance with the needs and aspirations of the community. As one of the performance indicators, responsiveness directly describes the ability of public organizations to carry out their mission and goals, especially to meet the needs of the community. Low responsiveness is indicated by the misalignment between services and community needs. This clearly shows the failure of the organization in realizing the mission and goals of public organizations.

4. Responsibility

Explain/measure the suitability of the implementation of public organization activities carried out in accordance with correct administrativ e principles or in accordance with organizational policies.

5. Accountability

How much public policies and activities are subject to political officials elected by the people or a measure that shows the level of conformity of service delivery with external norms or values that exist in society or those of stakeholders.

Kumorotomo (2011) formulated 4 indicators of assessment of organizational performance, namely:

1. Efficiency

Efficiency concerns considerations about the success of public service organizations in obtaining profits, utilizing production factors and considerations derived from economic rationality. When applied objectively, criteria such as liquidity, solvency, and profitability are very relevant efficiency criteria.

2. Effectiveness.

Effectiveness concerns technical rationality, values, mission, organizational goals and functions of development agents.

3. Justice.

Justice concerns the distribution and allocation of services held by public service organizations. This criterion is closely related to the concept of adequacy or appropriateness. Both question whether certain effectiveness, needs and values in society can be met.

4. Responsiveness.

Responsiveness to the vital needs of society, and can be accounted for in a transparent manner.

# **B.** Sales

According to Fees in Andayani et al (2016) states that sales are the amount charged to customers for merchandise sold, either in cash or on credit. Andayani et al (2016: 2) stated that sales is one of the most important and decisive marketing functions for companies in achieving a company goal, namely to earn profits to maintain the survival of the company.

Rangkuti in Paranesa et al (2016: 2) states that sales are achievements expressed quantitatively in terms of physical or volume or units of a product. Sales is something that indicates the ups and downs of sales and can be expressed in units, kilos, tons or liters. Sales volume is the total amount generated from the sale of goods. The greater the number of sales the company generates, the more likely the profit will be generated by the company. Therefore, sales are one of the important things that must be evaluated to avoid losses. So profitable sales should be the main goal of the company and not for the sake of sales volume itself.

Basu Swasta in Wisesa, et al (2014:3) states that sales volume is an indication of the extent of capacity or total sales obtained from the sale of an item either in cash or credit, the more goods sold, the greater the sales volume. Conversely, if the sales of goods are getting smaller, the volume of sales of these goods will be smaller. Alamiyah and Padji in Wisesa, et al (2014:4) provide an understanding of sales volume that sales volume is the total sales that a company has achieved or wants to achieve in a certain period. Based on the above definition, it can be concluded that the notion of sales volume is the result of sales activities carried out by the company in an effort to achieve the goal of maximizing profit.

According to Basu Swasta in Wisesa, et al (2014: 5) there are five types of sales that are commonly known in the community as follows:

- 1. Trade selling is a sale that occurs when manufacturers and wholesalers allow retailers to try to improve the distribution of their products.
- 2. Missionary Selling, in missionary selling, sales try to be increased by encouraging buyers to buy goods from company dealers.
- 3. Technical Selling is trying to increase sales by providing advice and advice to final buyers of goods and services being sold.
- 4. New Business Selling is trying to open new transactions by making potential buyers into buyers.
- 5. Responsive Selling is that every salesperson is expected to respond to buyer requests through Root driving and Retaining.

In addition, there are various kinds of sales transactions proposed by La Midjan in Wisesa, et al (2014: 5) which can be classified into:

- 1. Cash sales are sales that occur after a price agreement between the seller and the buyer, the buyer immediately submits payment in cash and the goods can be directly owned by the buyer.
- 2. Sales on credit are sales that are not paid directly or in cash but with a grace period.
- 3. Tender sales are sales made through a tender procedure to fulfill the request of the buyer who opened the tender. Tender is a selection process that involves several companies in which the winner will cooperate with the company.
- 4. Export sales are sales of goods abroad using the payment system, quality, quantity and other terms of sale that have been approved by the exporters and importers.
- 5. Consignment sale is the sale of goods in deposit to the buyer who is also the seller.
- 6. Wholesale sales are sales made indirectly to buyers, but through intermediary traders who become intermediaries between manufacturers or importers with retailers, in other words wholesale is defined as the sale of goods to retailers, industrial, commercial, institutional or professional business

users, or to other wholesalers and related services.

According to Basu Swasta in Wisesa, et al (2014: 5) the sales function includes activities carried out by sellers to realize sales such as creating demand, finding buyers, providing terms of sale, and transferring property rights. A seller must be able to convince potential buyers to want to buy the goods he offers. The higher the goods sold, the higher the profit for the company. Moekijat (2014: 288) states that selling is an activity aimed at finding buyers, influencing and giving advice.

juk so that buyers can adjust their needs to the production offered, as well as make offers on prices for the benefit of both parties. In line with this opinion, Tjiptono & Chandra (2016: 310) argue that sales are a source of income that is needed to cover costs in the hope of making a profit. Another definition also says that sales are income derived from the sale of company products, presented after deducting sales discounts and sales returns (Sulistyowati, 2010:270).

#### C. Quality Management

Quality (quality) is defined as "the overall characteristics and characteristics of a product or service that affect the ability of the product to satisfy certain needs". This means that we must be able to identify the characteristics and characteristics of products related to quality and then make a basis for benchmarks and how to control them. This definition clearly emphasizes customer satisfaction or product users. In a building project, the customer can mean the assignor, the building tenant or the user community. For example, in terms of design, satisfaction can be measured in terms of aesthetics, fulfillment of functions, durability of materials, safety, and timeliness. Meanwhile, in terms of implementation, the measurement is on the tidiness of completion, integrity (according to drawings and specifications) implementation, exact delivery time and cost, and free from defects.

Quality Management are aspects of the overall management function that establish and implement the quality policy of a company/organization. In order to meet customer requirements and on time with a cost-effective and economical budget, a project manager must include and conduct quality management training.

#### **D.** Sales Strategy

According to Swastha (2014) marketing is an overall system and business activity aimed at planning products, determining prices, promoting and distributing goods and services that can satisfy existing and potential buyers. Kotler (2015) explains that the marketing concept emphasizes that the key to achieving organizational goals is that companies must be more effective than competitors in creating, delivering and communicating customer value to selected targets.

There are five marketing processes (Kotler, 2015)) including:

1. Understand the market and customer needs and wants. Human needs are a state of feeling lacking, desires are human needs that are formed by one's culture and personality, while demand is a human desire that is supported by purchasing power.

- 2. Design a customer-driven marketing strategy. To design a good marketing strategy the marketing manager must be able to answer what customers to serve and how best to serve these customers according to our value proposition.
- 3. Build an integrated marketing program that delivers superior value. Marketing programs build customer relationships by transforming marketing strategies into action.
- 4. Build profitable relationships and create customer satisfaction. Customer relationship management is the entire process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.
- 5. Capture value from customers to create profit and customer equity. Customer perceived value is the customer's evaluation of the difference between all the benefits and costs of a market offer compared to competitors' offerings.

The marketing mix is the core of the company's marketing system. According to Hurrivati & Sofyani (2010) the marketing mix is marketing elements that are interrelated, blended, organized, and used appropriately, so that companies can achieve marketing goals effectively, while satisfying consumer needs. Marketing mix is a combination of four variables or activities that are the core of the marketing system, namely: product, price structure, promotional activities, and distribution system. So, marketing mix activities consist of four elements, where these elements are interconnected and influence each other (Swastha, 2005). According to Phillip Kotler (2015) Marketing Mix is a set of marketing tools that companies use to continuously achieve their marketing goals in the target market. McCarty in P. and K. L. K. Kotler (2016) classifies the Marketing Mix into four major groups called the 4Ps of marketing, namely Product (product), Price (price), Place (place) and Promation (promotion).

- 1. Advertising is all forms of non-personal presentation and promotion of a product that is paid for and sponsored by a clear sponsor.
- 2. Personal selling is a persuasive communication of an individual person to one or more prospective buyers with the intention of causing a request or sale.
- 3. Publicity is a number of information about a product that is disseminated to the public by means of making news that has commercial meaning or in the form of a general presentation.
- 4. Sales promotion is a promotional process that can be carried out by means of demonstrations, exhibition shows and demonstrators aimed at providing product samples, prizes, showing props and raffle rebates.

According to Phillip Kotler (2015) the role of network marketing strategy is to implement the marketing strategy itself. The decision about marketing channels is one of the most critical decisions facing management. The channel chosen influences all other marketing decisions and involves commitment to other companies. So there is a strong internal company tendency in determining distribution channels. Management must choose marketing channels by taking into account current and future sales conditions.

Kotler and Keller (2015) stated that the channel for consumer goods consists of:

- 1. Direct distribution channels (zero level), namely marketing channels where a producer directly sells to end users. Ways to do this include door-to-door sales, ordering by telephone, email or online, selling via television, and through shops owned by the producers themselves.
- 2. One-level distribution channel, there is only one marketing intermediary between producers and consumers. There are two alternatives in a single-level channel, namely: producer retailer consumer and producer wholesaler consumer.
- 3. Two-level distribution channel, ie there are two marketing intermediaries between producers and consumers. So manufacturers sell their products to wholesalers, who in turn sell them to various retailers, before reaching the final consumer. The illustrations are: producers wholesalers retailers consumers.

Philip Kotler & Keller (2012) states that each company must decide the number of intermediaries needed for each channel level consisting of:

- 1. Intensive distribution is used to distribute products to almost all channels so as to achieve a level of market coverage for all types of consumers. This intensive distribution is effectively used for convenient goods or daily necessities that do not take up space and do not require the expertise of a salesperson, such as cigarettes, bath soap, and basic necessities.
- 2. Selective distribution is used to distribute products selectively, namely for a certain marketing area only a few retailers or a few stores are selected. This selective distribution is suitable for new and shopping products such as computers, electronic goods and textbooks
- 3. Exclusive distribution is used to market special products through an exclusive distribution system. The company only uses one or a few stores for a certain marketing area. This exclusive distribution is suitable for distributing luxury goods or special items of high value such as watches, cars, perfumes and art objects. Only certain consumers need it so they are willing to sacrifice to get it. In this exclusive distribution the producers want to maintain their control over the level of service and the service output offered by the resellers. Often this involves an exclusive agreement whereby the reseller may not market and sell competing brands. This requires a greater partnership between manufacturers and resellers. By granting exclusive distribution rights, producers expect to obtain more aggressive and more knowledgeable sales activities. Exclusive distribution tends to enhance the product's image and allow for higher markups. This is found in the distribution of new cars, essential goods, and some brands of women's clothing.

Müller-Lankenau et al. (2006) said marketing channels provide access to markets and customers and ensure the physical and communicative presence of the company's superior values in the market. Thus they can be considered as a core element of the business strategy. While customers are often not aware of the complexity of marketing channels. Managing a marketing channel is challenging because of the many functions, roles and players involved. Location or place is one aspect of the process of delivering products from producers to consumers, either directly from producers/principals to customers or through intermediaries in the form of agents/distributors/dealers. The place aspect includes distribution coverage, sales locations, transportation needs, or warehousing.

#### **3. METHOD**

This research is to analyze and find out and evaluate the influence of sales methods, quality management and sales strategies whether they affect the company's performance. The approach of business management is expected to measure the level of success of the company in achieving the specified target. The urgency of this research if the sales method approach is not effective on company performance and has not had a positive impact, it is hoped that the approach with other factors can affect the company's performance, including quality management factors and sales strategies. The research method is descriptive quantitative because the data presented are in the form of numbers, using descriptive quantitative methods and interpreting and explaining the results of the research carried out and limited to revealing a problem and situation as it is (factual). Descriptive research intends to make a description of the situation and events so that it can be concluded that this research can describe the ongoing situation at that time based on facts obtained from direct respondents. The implementation time of this research is March 2021 by distributing research questionnaires to respondents.

The population in this study were customers/consumers and sellers/agents of drinking water products CV. Tirta Sasmita, because of the wide population coverage, the exact number of the population in this study is not known, thus in this study the author uses an infinite population, because the total population is unknown.

Sample measurement is a step to determine the size of the sample taken in carrying out research on an object. According to Sugiyono (2016) the sample is part of the number and characteristics possessed by the population. To determine the size of the sample can be done with statistics or based on research estimates. This sampling must be carried out in such a way that a sample can truly function or can describe the actual state of the population, in other terms it must be representative (represent). Samples are needed to prove the correctness of the answers that are still temporary (hypotheses), so the researcher collects data on certain objects.

Samples are needed to prove the correctness of the answers that are still temporary (hypotheses), so the researcher collects data on certain objects. Because the object in the population is too broad, the researcher uses the unknown population formula.

$$n = \left(\frac{Z_{\alpha/2}}{e}\right)^2$$

Information:

n = Number of samples

 $Z\alpha/2 = \text{confidence level measure a} = 0.05 (95\% \text{ confidence level})$ means Z0.05 = 1.96e = The level of determination used by stating the maximumerror of 20% or 0.20 (error of estimation)

Calculation.

$$n = \left(\frac{1.96}{0,20}\right)^2 = 96,04$$

Based on the sample calculation, the researcher believes with a 95% confidence level that the random sample size is 96.04. Seeing these results, to facilitate the calculation of the data, the researcher rounded the number of samples to 100 people by giving an estimated difference of less than 0.05.

Based on the calculation of the sample, the researcher believes with an alpha or an error rate of 10% that the random sample is 99.86. Seeing these results, to facilitate the calculation of the data, the researcher rounded the number of samples to 100 people.

In this study, the data analysis used was partial least square analysis, the data used was obtained by distributing questionnaires to respondents. Quantitative data is data in the form of numbers that can be calculated, which is obtained from the calculation of the questionnaire that will be carried out related to the problem under study. Data analysis was carried out using the component-based SEM method using PLS was chosen as an analytical tool in this study. The Partial Least Square (PLS) technique was chosen because this tool is widely used for complex causal - predictive analysis and is an appropriate technique for use in prediction applications and theory development as in this study.

PLS is a more appropriate approach for prediction purposes, especially in conditions where indicators are formative. With the latent variable in the form of a linear combination of the indicators, the prediction of the value of the latent variable can be easily obtained, so that the prediction of the value of the latent variable that it affects can also be easily obtained, so that the prediction of the latent variable that is affected can also be easily made.

# **4. RESULTS AND DISCUSSION**

#### A. Descriptive statistics

Descriptive statistics are a way to describe and present information from large amounts of data. With descriptive statistics, raw data is converted into information that can describe phenomena or characteristics of the data.



Figure 1. Percentage of Respondents by Gender

Based on Figure 1, it can be seen that the number of respondents is 100 respondents, of which the female gender is 57 percent, more than the male gender which is 43 percent.



1.1

Figure 2. Percentage of Respondents by Age

Based on Figure 2, it can be seen that the largest number of respondents aged > 40 years, namely 42 percent of respondents, then the age range of 31 years - 40 years by 34 percent.



Figure 3. Percentage of Respondents Based on Duration of Product Consumption

Based on Figure 3, respondents are new to the product of drinking water, tirta sasmita, where most of the respondents, namely 68 percent, were new to the product less than 6 months ago.

# B. Test Assumptions and Quality of Research Instruments

#### 1. Validity Test

An individual reflexive measure is said to be valid if it has a loading value ( $\alpha$ ) with a latent variable that you want to measure 0.7, if one of the indicators has a loading value ( $\alpha$ ) < 0.7 then the question item must be discarded or dropped because it indicates that the indicator not good enough to measure the latent variable precisely. The following is the output factor loading of research variables on Smart PLS:



Figure 5. Path & Loading Factor Diagram of Final Research Variables

Figure 5 shows that all the loading factor values of the research variables are above 0.7, so they are all valid. In the following, the loading factor data of the final research variable is presented to clarify the numbers contained in Figure 5.

	Table	1.	Validity	Test
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Indikator		Information			
	Company performance	Quality management	Sales Method	Sales Strategy	
KP1	0,810				Valid
KP10	0,881				Valid
KP11	0,772				Valid
KP13	0,841				Valid
KP14	0,842				Valid
KP15	0,812				Valid
KP2	0,847				Valid
KP3	0,758				Valid
KP4	0,757				Valid
KP5	0,818				Valid
KP6	0,826				Valid

KP7	0,838				Valid
KP8	0,817				Valid
KP9	0,820				Valid
MM1		0,793			Valid
MM10		0,892			Valid
MM11		0,889			Valid
MM12		0,819			Valid
MM13		0,729			Valid
MM14		0,794			Valid
MM15		0,754			Valid
MM2		0,728			Valid
MM3		0,787			Valid
MM5		0,751			Valid
MM6		0,869			Valid
MM7		0,882			Valid
MM8		0,852			Valid
MM9		0,883			Valid
MP1			0,724		Valid
MP10			0,859		Valid
M911			0,866		Valid
MP12			0,811		Valid
MP13			0,781		Valid
MP14			0,798		Valid
MP2			0,876		Valid
MP3			0,799		Valid
MP5			0,760		Valid
MP6			0,732		Valid
MP7			0,802		Valid
MP8			0,847		Valid
MP9			0,860		Valid
SP1				0,753	Valid
SP10				0,897	Valid
SP11				0,885	Valid
SP12				0,835	Valid

SP13		0,889	Valid
SP14		0,843	Valid
SP15		0,767	Valid
SP2		0,746	Valid
SP3		0,718	Valid
SP4		0,842	Valid
SP5		0,854	Valid
SP6		0,821	Valid
SP7		0,878	Valid
SP8		0,886	Valid
SP9		0,891	Valid

source : data processed, 2021

#### 2. Reliability Test

In research, a variable is said to be quite reliable if the variable has a construct reliability value greater than 0.6. The following is a table of the results of reliability testing on each research variable.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Company performance	0,966	0,966	0,966	0,668
Quality management	0,961	0,962	0,966	0,669
Sales Method	0,956	0,958	0,961	0,657
Sales Strategy	0,969	0,971	0,972	0,698

 Table 2. Reliability Test

 Construct Reliability and Validity

source : data processed, 2021

Based on the reliability output results above, it can be concluded that for all variables the Composite Realibility is above 0.9 and Croncbachs Alpha is above 0.7 and the rho-A value is above 0.7, so it can be concluded that the indicators used in each variable has good reliability or is able to measure its construct.

Likewise with the value of Average Variance Extracted (AVE), all variables have values above 0.5 and can be said to be sub marginal, so it can be said that all variables in this study have high Discriminant Validity.

#### 3. Hypothesis test

To test the hypothesis in this study, the t-statistic value in each path of direct influence is partially used. The following is an image that explains the path diagram for hypothesis testing:



Figure 6. Hypothesis Testing Path Diagram

Based on the path diagram for testing the hypothesis above, all indicators in each variable have tstatistics values greater than 1.96 (ttable). To test the relationship between variables (hypothesis testing), the tstatistic value of the SmartPLS output is compared with the ttable value. The following is a table that gives the results of relationships between constructs (Variables):

#### Table 3. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Quality Management -> Sales Strategy	0,449	0,443	0,082	5,448	0,000
Sales Method -> Sales Strategy	0,544	0,549	0,082	6,647	0,000
Sales Strategy -> Company Performance	0,129	0,092	0,239	0,542	0,588

Path Coefficients Mean, STDEV, <u>T</u>-Values, P-Values

source : data processed, 2021

With regard to hypothesis testing, the influence of the relationship between variables in detail can be explained as follows:

1) Effect of sales method on sales strategy

The path parameter coefficient obtained from the influence of the sales method variable on the sales strategy is 0.544 with a tstatistic value of 6.647 > 1.96, the p value of 0.000 is smaller than the real level = 0.05 (0.000 < 0.005) so that it can be concluded that there is a positive and significant influence on the sales method variable. to sales strategy. The value of 0.544 in the parameter coefficient means that if the sales method increases by 1 unit, the sales strategy will increase by 0.544 units.

2) The influence of management quality on sales strategy

The path parameter coefficient obtained from the influence of the quality management variable on the sales strategy is 0.449 with a tstatistic value of 5.448 > 1.96, the p value of 0.000 is smaller than the real level = 0.05 (0.000 < 0.005) so that it can be concluded that there is a positive and significant influence on the management quality variable. to sales strategy. The value of 0.449 in the parameter coefficient means that if the quality of management increases by 1 unit, the sales strategy will increase by 0.449 units.

3) The influence of sales strategy on organizational performance

The path parameter coefficient obtained from the influence of the sales strategy variable on organizational performance is 0.129 with a tstatistic value of 0.542 < 1.96, a p value of 0.588 is greater than the real level = 0.05 (0.588 > 0.005) so it can be concluded that there is no influence of sales strategy on organizational performance.

# **5. CONCLUSION AND SUGGESTIONS**

#### A. CONCLUSION

Based on the results of the study, the conclusions that can be drawn in this study are:

1. There is a positive and significant effect of the sales method variable on the sales strategy. The value of 0.544 in the parameter coefficient means that if the sales method increases by 1 unit, the sales strategy will increase by 0.544 units.

- 2. There is a positive and significant influence of the management quality variable on the sales strategy. The value of 0.449 in the parameter coefficient means that if the quality of management increases by 1 unit, the sales strategy will increase by 0.449 units.
- 3. There is no influence of sales strategy on organizational performance.

#### **B. SUGGESTIONS**

Based on the results of the study, the suggestions that can be given in this study are:

- 1. Management of CV Tirta Sasmita should optimize the current sales method, namely the consignment system because it has been proven to have a significant effect on sales strategy.
- 2. Quality management on CV. Tirta Sasmita has been running well, so it needs to be maintained further, it is proven that quality management has a significant effect on sales strategy.
- 3. Management of CV Tirta Sasmita needs to dig deeper and in detail about a more optimal sales strategy, because based on research results, the current sales strategy has not had a significant impact on the company's performance.
- 4. Further research, it is better to add research variables related to the factors that affect the business performance of CV. Tirta Sasmita.

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