

THE EFFECT OF ONLINE PROMOTION, PRICE. AND PACKAGING ON SALES COMPETITIVENESS OF CULINARY PRODUCTS IN AMBON CITY AGAINST THE COVID-19 PANDEMIC

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ABSTRACT

Study aims to determine effect Dividend Policy, Total Assets Turnover, and Earning per Share on Stock Price. Research data obtained from annual financial reports. Quantitative research methods with path analysis. Withdrawal of samples using pooled data. The results of hypothesis can be obtained Total Assets Turnover hasn't significant affect on Dividend Policy, Total Asset Turnover hasn't significant affect on Earning per Share, Earning per Share has no significant on Dividend Policy. Dividend Policy, Total Asset Turnover and Earning Per Share partially and simultant has an affect on Stock Price. The research aims to analyze the effect of online promotion, price, and packaging on sales competitiveness. The number of respondents are 100 peoples and the sampling method is purposive sampling in which the sampling are businessmen who live in Batu Gajah, Waihaong, Benteng, and Batu merah Village, Ambon City. The research instrument uses Likert Scale to measure the response of respondents. The analysis tool used is multiple regression. The results show that online promotion, price, and packaging have a posititif effect on sales competitiveness.

Keywords: : Online promotion, price, packaging, and sales competitiveness

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1. INTRODUCTION

The emergence of the corona virus pandemic has an impact on the growth of the food and beverage business in the first quarter of 2020. The Indonesian Food and Beverage Entrepreneurs Association (Gapmmi) says that sales in the first three months of 2020 were only 2% compared to the same period of last year. This figure misses the target they set at the beginning of the year, that is 2.5%. Gapmmi's vice chairman for Public Policy, Rachmat Hidayat said that the decline occurred in bottled drinking water and snacks along with the crowd restriction policy. (Tri Kurnia Yuniato, 2020). The outbreak of the Corona virus (COVID-19) has affected several business sectors, but there are also business sectors that have benefited from this pandemic, such as pharmaceuticals and telecommunications. But how about the culinary business? the culinary business in the food services sector is greatly affected, and even experienced a decline in turnover of up to 75%. Food service has decreased to 75%. It is estimated that the impact of Corona has affected around 20% on the decline in sales of the culinary business.

This research is focused more on culinary businessmen with the category of small and medium enterprises (MSMEs) in which during this pandemic, they are the parties who are believed to have a difficulty in dealing with the declining sales problem. Consumers are now very sensitive to the price of a product and the goods they want. They will compare the price of one product with another product which is considered in terms of affordability and benefits they gain from the product. The areas in Ambon used as the object of the research are Waihaong, Batu Gajah, Nusaniwe, and Batu Merah Village in which these locations have a significant number of culinary businessmen, either be foods, drinks, cakes or various other snacks. Based on the complaints from these businessmen, then it is obvious that there is a need for marketing strategies for reaching consumers that do not have to leave their homes and interact with sellers. This competitiveness is created through continuous development within all lines of the organization, especially in the production sector. Culinary sales in the city certainly have products that are competitive, as can be seen that there were many of them before the COVID-19 pandemic. Based on the description above, this research proposed a title: The Effect of Online Promotion, Price, and Packaging on the Sales Competitiveness of Culinary Products in Ambon City Against the Covid-19 Pandemic.

2. LITERATURE REVIEW

Online Promotion

Promotion aims to inform, persuade, and remind customers. This promotion is done by using the internet. According to Park and Lennon (2009), promotion is a hint used for cognitive evaluation of a product and purchasing decisions. E-marketing is the use of electronic media sources as the main media in marketing, for instance, the use of internet. Novita. (2013), defines online promotion as a promotional activity which is carried out by utilizing the internet media. According to Rangkuti (2009), online promotion can also be interpreted as promotional activities using the internet such as social media (twitter, instagram, blackberry messenger, facebook).

Price

Price according to Kotler and Armstrong (2008) is the amount of money charged for a product or service. Price is one of the elements in the marketing mix that generates revenue, while the other element represents cost. Price is flexible, which means that it can change quickly. Tjiptono (2008) states that it is a monetary unit or other measurement that is exchanged to obtain ownership rights or the rights to use of an item or service. Price is the only element of the marketing mix that provides revenue or income for the company, while the other three elements (product/quality, distribution, and promotion) cause incurred costs or expenses.

Packaging

In general, product packaging defines a container or wrapper that has a function to prevent or mitigate damage to the packaged products. While there are also those who say that the definition of product packaging is a product wrapping material that has the function to accommodate, protect, identify, and promote the products. In this case, the function of packaging is not only useful for protecting the product, but also serves as a marketing tool as well as builds brand identity and

increases sales (Philip Kotler and Gary Armstrong 2008). Kotler and Armstrong argue that the definition of product packaging is an activity that includes design and product, so that the packaging on the product can function properly and the product inside can be protected.

Competitiveness

Companies that do not have competitiveness will be left by the market. Because uncompetitiveness means disadvantage, and inferior means there is no reason for a company to survive in such a competitive market for the long term. Competitiveness relates to how effective an organization is in a competitive market, compared to other organizations that offer the same or similar products or services. Companies that are able to produce good quality products or services are effective companies in the sense that they will be able to compete. Porter (1995) says that competition is the core of a company's success or failure. There are two sides caused by competition, that are the success side which encourages companies to be more dynamic and competitive in producing products and providing the best service for the market, even considering competition as a motivating opportunity. While the other failure side which is the weakened companies that are static, afraid of competition, and unable to produce quality products, even think that competition is a threat to them. According to Christanto, J., (2011), Operational competitiveness is an operation function that is not only oriented internally, but also externally, in which responding proactively to its target market.

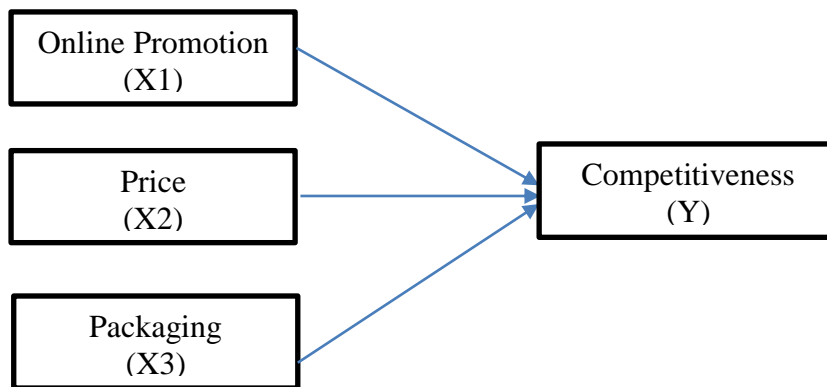


Figure 1. Theoretical Framework

3. RESEARCH METHOD

Research Location

The research location is in Ambon City

Population

The population in this research are culinary businessmen in Ambon City.

Samples

The samples in this research are the culinary businessmen in Waihaong, Batu Gajah, Nusaniwe, and Batu Merah Village, Ambon City..

Operational Definition And Variable Measurement.

Table 1. Research Indicators

Variables	Operational Definitions	Indicators
Online Promotion	A promotional activity with the aim of introducing and offering an online product or service using the internet and digital technology to potential consumers. Aldi Fajar (2019)	1. Giving discount coupon 2. Special offer Rangkuti(2009)
		1. Reachable

Price	The amount of money charged for a good or service	2. Benefits in place 3. Compete
Packaging	An extra effort by someone to maintain brand equity so that it can boost sales	Kotler (2012) 1. Packaging material 2. Characteristics 3. Practicality
Competitiveness	According to Porter (2008), competitiveness is defined as "the ability or advantage used to compete in a particular market."	Kotler and Keller (2012) 1. Innovation 2. Creativity 3. Advantage

Research Instrument Testing

Validity Test

Validity test is used to measure the validity or invalidity of a questionnaire. A questionnaire is considered valid if the questions and questionnaires are able to reveal something that will be measured by the questionnaires (Ghozali, 2006). Validity test uses Pearson correlation analysis to find out whether the instrument item is valid or not. In which if in a significant level of 5%, the value of r count $>$ r table, thus it can be concluded that the item of the instrument is valid.

Reliability Test

Reliability test is used to determine whether the used indicators can be trusted as data collectors. A questionnaire is considered reliable if a person's answer is consistent or stable from time to time (Ghozali 2006). In this case, the measurement is only done once and then the results are compared with the other questions or measured the reliability with the Cronbach Alpha (α) statistical test. A variable is assumed reliable if the value of Cronbach Alpha (α) $>$ 0.6

Analysis Technique

Multiple Linear Regression Analysis

Multiple Linear Regression Analysis is used to measure the effect of more than one predictor variable (independent variable) on the dependent variable. Multiple Linear Regression Analysis aims to determine the effect of work discipline, organizational climate on employees productivity. The regression equation in this research is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

4. RESULTS AND DISCUSSION

Data Validity Test

Ghozali (2006) defines the validity test as a tool to measure the validity or invalidity of a questionnaire. A questionnaire is considered valid if the questions on the questionnaires are able to reveal the questionnaires instrument which is valid if it has a KMO MSA value of 0.5 and a loading factor of 0.7, however, the loading factor value of 0.5-0.6 is still acceptable (Hair et al. al. 2010) in (Ghozali, 2006). The following are the results of the validity of each variable:

Table 2. Data Validity Test Results

No	Variable/Indicator	Correlation	Information
1	Online Promotion		
	Online Promotion 1	0.765	Valid
	Online Promotion 2	0.722	Valid
	Online Promotion 3	0.743	Valid
2	Price		

	Price 1	0.699	Valid
	Price 2	0.719	Valid
	Price 3	0.733	Valid
3	Packaging		
	Packaging 1	0.763	Valid
	Packaging 2	0.675	Valid
	Packaging 3	0.689	Valid
4	Competitiveness		
	Competitiveness 1	0.805	Valid
	Competitiveness 2	0.754	Valid
	Competitiveness 3	0.806	Valid

Source: data processing results 2020

Data Reliability Test

Reliability test is actually a tool to measure a questionnaire which is the indicator of a variable or construct. A questionnaire is assumed reliable or unreliable if a person's answer is consistent from time to time. (Ghozali, 2006). One Shot reliability measurement is used in this research. The measurement is only done once and then the results are compared with other questions or measured the correlation between the answers to the questions. SPSS provides facilities for measuring reliability with the Cronbach Alpha (α) statistical test. A construct or variable is assumed reliable if it gives a Cronbach Alpha value > 0.60 (Nunnally, 1967 in Ghozali, 2006). If the Alpha value $< 60\%$, thus it indicates that there are several respondents who answered inconsistently and it is necessary to see the inconsistent answers of respondents one by one and must be removed from the analysis so that alpha value could increase (Ghozali, 2006). Reliability test in this research uses the Alpha formula. The results of reliability test for each variable are summarized in Table 3 below:

Table 3. Reliability Test Results

Variable	Cronbach Alpha	Standard	Information
Promotion (X1)	0.671	0.60	Reliable
Price (X2)	0.734	0.60	Reliable
Packaging (X3)	0.695	0.60	Reliable
Competitiveness (Y)	0,648	0,60	Reliable

Source: data processing results 2020

The reliability test results indicate that all variables have a sufficiently large Alpha coefficient that is above 0.60, which means that all measuring concepts of each variable from the questionnaire are reliable..

Classic assumption test

Normality test

Ghozali (2006), states that one of the easiest ways to see normality is by using a graph. If the data spreads far from the diagonal, or does not follow the direction of the diagonal line, or the histogram graph does not show a normal distribution, then the regression model does not meet the assumption of normality. The image below is a Histogram image originating from SPSS data processing:

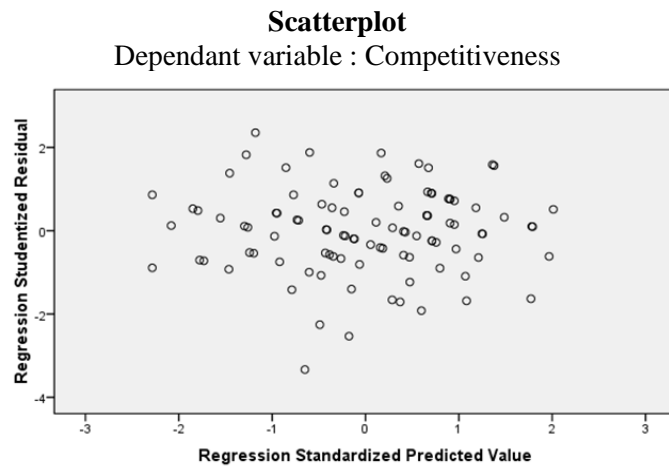


Figure 2. Normality Test

From the normal probability plot graph above, it shows that the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model meets the assumption of normality.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model reveal a correlation between the independent variables. A good regression model should not have a correlation between the independent variables. (Ghozali, 2006). Multicollinearity is seen from the tolerance value and the the variance inflation factor value (VIF). Tolerance measures the variability of the selected independent variable which is not explained by other independent variables. It means that a low tolerance value is equal to a high VIF value. The cutoff value which is commonly used to indicate the presence of multicollinearity is the tolerance value < 0.1 or equal to the VIF value > 10. (Ghozali, 2006).

Table 4. Multicollinearity Test Results

Variable	VIF Value	Tolerance Value
Promotion	0.967	1.034
Price	0.434	1.434
Packaging	0.698	1.698

Source: data processing results 2020

Based on Table 4, the tolerance value for each independent variable is less than 0.10 which means that there is no correlation between the independent variables. The VIF (Variance Inflation Factor) value also shows that Tolerance > 10, so it can be concluded that there is no multicollinearity between independent variables in the regression model.

Multiple Linear Regression Analysis

This research uses linear regression analysis to prove the research hypothesis. This analysis will use input which is based on the data obtained from the questionnaires. Statistical calculations in multiple linear regression analysis used in this research is supported by the computer program SPSS for Windows version 16.0. The data processing results using the SPSS program are in full in the table below:

Table 5. Multiple Linear Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	4.359	1.630		2.674	.009		
Online Promotion	.343	.088	.341	3.897	.000	1.034	0.967
Price	.542	.115	.110	4.713	.000	1.434	0.684
Packaging	.384	.086	.436	1.465	.002	1.424	0,698

The writer regression equation model from these results in the form of a standard form regression equation is as follows:

$$Y = 4.359 + 0.313 + 0.343 + 0.542 + 0.384$$

Information :

Y : Competitiveness Variable

X1 : Online Promotion Variable

X2 : Price Variable

X3 : Packaging Variable

Determination Coefficient

The determination coefficient test is conducted to determine the ability of the independent variable in explaining the variation of the dependent variable. The value of the determination coefficient is between zero and one. A value close to one means that the independent variable provides almost all the information needed to predict the variation of the dependent variable (Ghozali, 2006).

Table 6. Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.599 ^a	.358	.338	1.771	1.951

From the results of the SPSS output above, can be seen that the determination coefficient (adjusted R²) obtained is 0.338. This means that 33.8% of purchasing decisions can be affected by promotion, perceived quality, and brand image, while the remaining 66.2% is affected by other variables outside of this research model.

Partial Test (t Test)

Partial test is used to determine the effect of each independent variable on the dependent variable. This t-test is used to see the significance between the effect of the independent variables individually on the dependent variable by assuming the other variables constantly, and is also used to find the most dominant effect between each independent variable to explain the variation of the dependent variable with a significance level of 5% (0.05). The test results of the t-count value for the promotion variable on the competitiveness shows that the t-count value is 3.897 with a significance of 0.000. Price on competitiveness has a t-count value of 4.713 with a significance value of 0.000, packaging with a t-count value of 1.465 with a significance value of 0.002. By using a significance limit of 0.05, which means that all significance values are less than 0.05, thus online promotion, price, and packaging have a positive effect on competitiveness.

Discussion

Based on the analysis that has been done and explained through the multiple linear regression equation model, it is found that the online promotion variable has a positive effect on the competitiveness of culinary products in Ambon City. The correlation level of the online promotion variable shows an R value of 0.599 which is in a strong interval coefficient. This shows that there is a strong relationship between the two variables

According to Fandy Tjipto (2002), online promotion is a form of marketing communication via internet to disseminate information for consumers, in order to influence or persuade and increase the target market of the company and its products, so that the consumers have a will to accept, buy and be loyal to the products offered by the company. Another opinion from Swastha B (2014), which states that online promotion is a business in the field of information, appeal, persuade and communication, and it can be said that promotion is a two-way exchange of information between the involved parties. For companies that produce products or services, the interactions that occur between companies and consumers could only realized through the communication process. According to Manap (2016), promotion is a component of marketing activities which informs consumers that the company is launching a new product to persuades consumers in making purchases. In accordance with the opinions above, then the research on culinary products in Ambon City shows that there is indeed a promotion either through Facebook, WhatsApp or Instagram. Information provided from the explanation is interesting, clear enough, and in accordance with realness, to attract consumers to buy culinary products. The opinion of Daryanto (2013) who argues that promotion is a one-way flow of information or persuasion that can direct an organization or a person to create transactions between buyers and sellers. The results of this research are in line with the research conducted by Yulismar (2013) which entitled the effect of online promotion on competitiveness in Indrako Taluk Kuanian, Singingi Regency which discovers that promotion has an effect on competitiveness. The culinary businessmen even realize that due to the covid-19 pandemic, consumers are very careful with health, so that in the sales process, traders must always follow the procedures for handling covid-19 by using gloves, masks and preparing soaps and containers for washing hands. Consumers trust in health is the main issue which is why the appearance of the foods must be neatly and cleanly packaged and product characteristics such as logos or brands must be displayed to convince consumers, as well as good packaging that can protect the product (Kotler 1999). The price offered must be in accordance with the quality of the product to avoid consumers disappointment. The products price offered by culinary businessmen in Ambon should be quite affordable by the consumers. As the offered price ranges from Rp. 2000 to Rp. 3,000. Innovation and creativity is needed to increase the competitiveness amongs culinary businessmen, for instance, all type of foods cakes that must be packaged in plastic, to avoid dust and vehicle fumes. Innovation and creativity carried out by these businessmen are by offering products through social media such as Facebook, Instagram, and Whatsapp in which these applications could easily reach many consumers, and enable an indirect communication in making offers or orders. To build good communication, businessmen should start with a polite conversation and capable to attract consumers to buy what they want to buy.

5. CONCLUSION

The results of this research find out that online promotion, price, and packaging variables do affect competitiveness.

Suggestion

Suggestions that can be given based on the results of the research are :

1. Culinary businessmen need to improve their ability to do online promotions
2. Online businessmen must always pay attention to the quality and cleanliness of the foods and drinks they sell.
3. For future research, it would be possible to add other variables to enrich the research results in the field of marketing.

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