



RESEARCH ARTICLE

The Influence of Channel Member Management Program on Sales Ability of Indosat Frontliners in Banda Aceh City

Lukman Ahmad ¹ | Mujiburahman ^{2*}

^{1,2*} STMIK Indonesia Banda Aceh, Indonesia.

Correspondence

^{2*} STMIK Indonesia Banda Aceh, Indonesia.
Email: mujiburrahman@stmikiba.ac.id

Funding information

STMIK Indonesia Banda Aceh.

Abstract

Intense cellular business competition forces cellular operators to implement strategies such as; price strategy (cheap starter page, small nomination voucher, low tariff, national free rooming), product strategy (product innovation/features in cellular cards), promotion strategy (incessant advertising, publicity, sponsored events), and distribution strategy. In the elements of the marketing mix, the third element is place or what is often referred to as a marketing channel or distribution channel, which is included in this distribution channel which simply includes wholesalers and retailers (frontliners). Indosat, in an effort to increase its market share, is now trying something new to increase sales in the cellular business, namely through a channel member management program. The management of channel members is expected to increase the positive sales ability of cellular members to sell their cellular card products. The purpose of this study was to determine the effect of managing channel members on the selling ability of frontliners. The surveys conducted use targeted sampling techniques for sampling and are descriptive and verifiable. The sample size for this study is 100 frontliners. Data collection techniques used include questionnaires, interviews and document research. The data analysis technique used is simple linear regression. According to this study, channel member management has a positive impact of 38.8% on sales capability.

Keywords

Channel Members; Frontliners; Sales Force.

1 | INTRODUCTION

The history of cellular operators in Indonesia began in mid-1993 marked by the presence of PT. Satelindo as a GSM cellular operator in Indonesia [1]. PT. Cellular telecommunications is Indonesia's second cellular operator which was established in May 1995 using the Telkomsel brand. PT. Excelcomindo Pratama in October 1996 followed by using the XL trademark. PT. Indosat, which will use the IM3 (Indosat Mobile Multi Media) trademark, enlivened the competition in this industry in 2001. In 2002 PT. Satelindo was officially taken over by PT. Indosat. CDMA-based cellular operators then followed, starting with the presence of TelkomFlexi in December as a trademark and CDMA cellular product of PT. Telekomunikasi Indonesia PT. Bakrie Telcom followed with the Esia trademark in 2003, which was then followed by the presence of Fren as the PT brand. Mobile-8 Telcom in December 2003. PT. Indosat followed with the trademark Star One in May 2004.

Intense cellular business competition forces cellular operators to have strategies such as; price strategy (cheap starter page, small vouchers, frugal tariffs, national free rooming), product strategy (innovation in cellular cards), promotion strategy (incessant advertising, publicity, sponsored), and distribution strategy [2,3]. Besides competition in the form of company product and service programs and innovations, competition in distribution channels is also very high, trying to win the hearts of dealers, outlets and so that frontliners are willing to persuade and sell their cellular company's products to potential customers.

2 | BACKGROUND THEORY

In distribution channels there are several divisions, according to Kotler (2007: 130) that levels and distribution channels are divided into 4 parts, namely: a zero level, a one level, a true level, and four levels. As well as types divided into two parts, namely: marketing channels for end consumers (Consumer Marketing Channels) and marketing channels for industrial/business consumers (Industrial Marketing Channels) [4].

1) Distribution Channels for Consumer Goods

Distribution channels for consumer goods consist of:

a. Level Zero Channel

It is also known as a direct (shortest) distribution channel, and the sales system carried out by producers can be done door to door, or orders by post (Mail Order System).

b. One Level Channel

In this case, the retailer functions as a channel for distributing products produced by producers to final consumers and also indirectly assists in the marketing process.

c. Two Level Channel

It is also said to be a traditional channel, this form of channel is widely used by small retailers and small industrial producers, they are considered the most important economically.

d. Three Level Channel

It is the longest form because in this form the producer wants to reach small retailers.

To be clearer about the types of distribution channels for consumer goods can be seen in Figure 1.

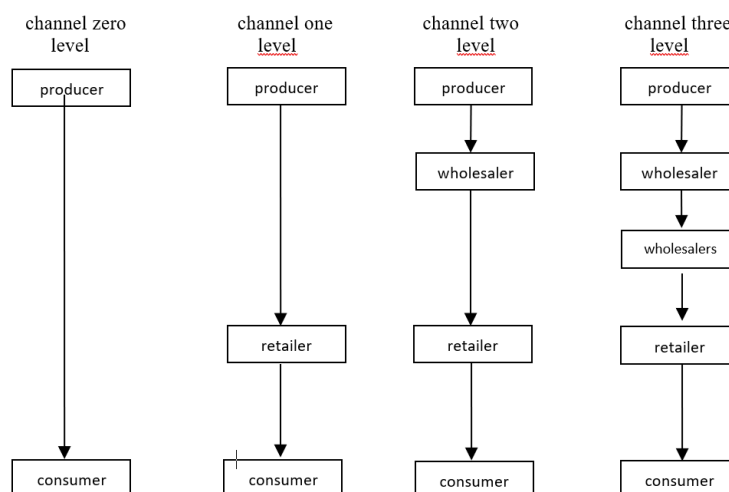


Figure 1. Distribution Channels for End Consumers

Source: Kotler 2007

The purpose of managing channel members is to help companies penetrate deeper into the market, reach more customers, thereby increasing sales and market share by accessing a strong customer base (Lawrence G. Friediklan and Timorty R. Furey, 2003: 134). According to Lawrence G. Friediklan and Timorthy R. Furey (2003: 136) there are seven best practices for building a partnership channel, most of which are by every major partnership-oriented company. The seven forms can be seen in Figure 2

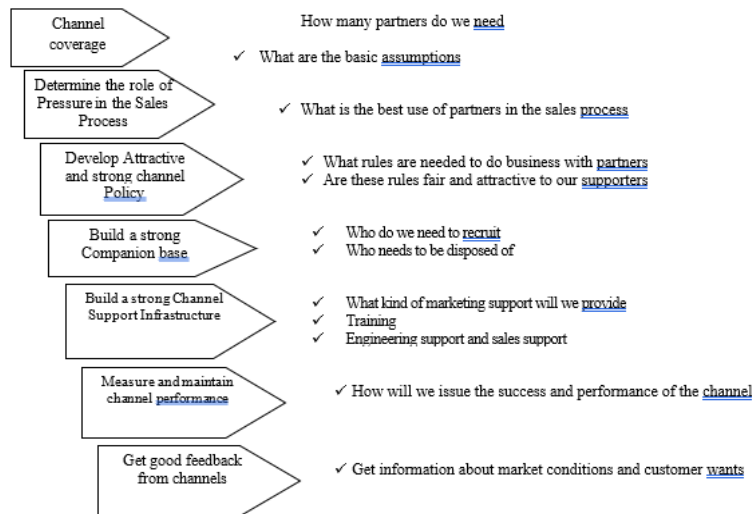


Figure 2. Seven effective collaboration channel designs
Source: Lawrence G. Friediklan and Timorthy R. Furey (2003: 137)

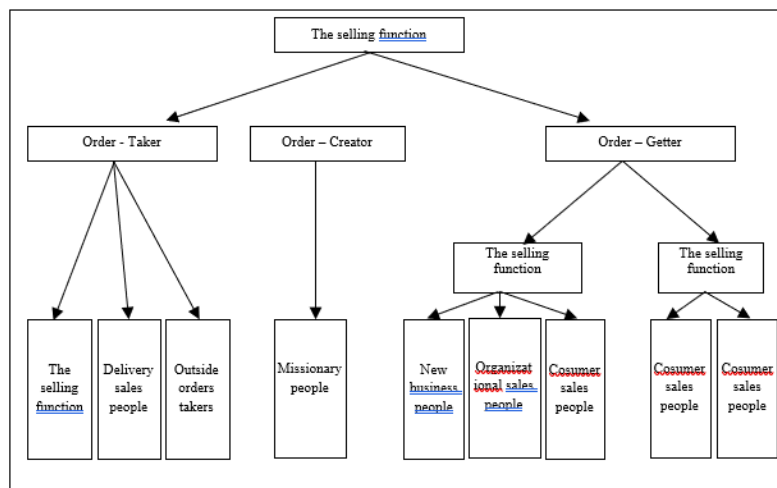


Figure 3. Categories of sales
Source: based on Jobber (2003).

Thinking Framework Currently frontliners

Currently, frontliners in the Indosat industry are still exhibiting lower sales proficiency than expected, so this requires attention from Indosat. Under these circumstances, it is necessary to delve deeper into the factors that impact the sales performance of frontliners. and one of the factors that have an influence on the sales proficiency of frontliners is the member management program implemented by the company for channel members. So, from this study, it can be observed whether inadequate sales proficiency is caused by ineffective management. In fact, there is a possibility that the management carried out by Indosat has been effective but will not have a positive impact on the sales ability of frontliners to promote Indosat cellular card products. Based on the description above, the authors observe a strong correlation between the channel member management program conducted by Indosat for its channel members and the sales proficiency of the front liners. Here is presented the research paradigm.

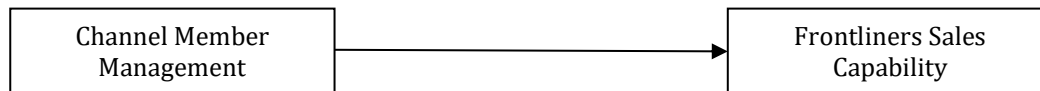


Figure 4. Research Structure
Source: Original data analysed in 2023

Hypothesis

Based on the structure outlined above, the conjecture put forth in this investigation is:

Ho : The administration of channel associates has no notable impact on the sales capability of Indosat frontliners in the urban centre of Banda Aceh.

Ha : The administration of channel associates has a significant impact on the sales capability of Indosat frontliners in the urban centre of Banda Aceh.

3 | METHOD

Reliability Test

The reliability test was carried out with the aim of knowing how far the measurement results are consistent, if the measurement is carried out twice or more for the same symptoms using the same measuring device. The examiner performs a reliability test by calculating the Cronbach's Alpha of each item in a variable. A construct or variable is said to be reliable if it gives a Cronbach alpha value > 0.6 (Nunnally, 1967 in Imam Ghozali 2006: 42). Reliability measurement indicators according to Sekaran (2000: 312) which divides the level of reliability with the following criteria: If alpha or r count:

1. 0.8-1.0 = Good reliability
2. 0.6-0.799 = Reliability accepted
3. less than 0.6 = Reliability is not good

Validity test

The validity test was carried out with the aim of assessing the validation of the question items. The validity test in this study was carried out by unidimensional analysis (one-dimensionality analysis) to ensure that each question would be clarified on the variables that had been determined (construct validity).

Data analysis method

Processing of the data collected from the results of the questionnaire can be grouped into three steps, namely preparation, tabulation and application of data to the research approach. Preparation is collecting data, checking the correctness of the filling method, tabulating the results of the questionnaire and giving scores according to a predetermined scoring system. Tabulated data are applied to the research approach used in accordance with the research objectives.

In analyzing the data, the authors used a simple regression analysis method with the help of SPSS 19 software. Simple linear regression was used to determine the effect of variable X (Management of channel members) on variable Y (Sales ability). The regression equation is calculated using the formula Sugiyono (2008:270):

$$Y' = \alpha + \beta X$$

Where:

Y' = subject in the predicted dependent variable

α = regression coefficient which shows a constant number

β = the number of the direction of the regression coefficient which indicates the direction of linear regression

X = subject to an independent variable that has a certain value

Hypothesis test

To test the effect hypothesis, you must first find the value of t count and compare it with the value of t table, according to Trihendradi (2006: 158) Oway states that based on data processing with SPSS, if the value is significant in the output coefficient with an error level of 5%, it is obtained:

-t count > t table then Ho is rejected and Ha is accepted

-t count < t table then Ho is accepted and Ha is rejected by the hypothesis that:

- a. Ho : $\beta = 0$, zero means that there is no strong influence between the management of channel members and the selling ability of Indosat's frontliner in the city of Banda Aceh.
- b. Ha : $\beta \neq 0$, not equal to zero means greater or less than zero means that there is a strong influence between the

management of channel members and the sales ability of Indosat's frontliner in the city of Banda Aceh.

4 | RESULT

In accordance with the questionnaire used in the study, the channel member management program variables at Indosat in Banda Aceh city were described in 7 questions, which consisted of channel coverage indicators, partner roles, channel policies, strong partner base, strong channel support infrastructure, measuring and maintaining channel performance and getting good feedback from channels. The results of the respondents' responses in this case are the frontlines of Indosat are as follows:

Table 1. Results of Respondents' Responses to Management Program Variables
Channel Member (X)

No	Assessment Aspects	EVALUATION							Average
		Very bad	Bad	Kida Bad	Just normal	Good	Better	very well	
1	How coverage distribution of Indosat products in the city of Banda Aceh	1	-	3	3	26	41	26	5.80
2	What is the level of Indosat's role in supporting your role in sales, both through the provision of advertising and other means service support	1	1	3	8	22	41	24	5.68
3	How completeness, accuracy and flexibility as well The degree of interest of the policy	2	1	2	4	28	52	11	5.55
4	Determined by Indosat How about that evaluation conducted by Indosat on quality control of channel members	-	-	6	7	30	25	32	5.70
5	How is the device Marketing support, training as well as technical and sales support provided by Indosat	1	1	3	31	37	15	5.33	5,33
6	How Compensation and That punishment linked to Indosat above sales achieved by outliners	1	-	4	8	15	36	36	5.88
7	How responsive Inside Indosat respond to expectations and your dissatisfaction with Indosat's management	1	-	3	7	23	38	28	5.77
Average									5.673

Source: Primary Data (processed), 2023

Table 2. Results of Respondents' Responses to Sales Ability Variable (Y)

No	Assessment Aspects	EVALUATION							Average
		Very Bad	Bad	Kida Bad	Just Normal	Good	Better	Very Well	
1	Sales volume after the management program support carried out by Indosat	1	1	1	6	24	54	13	5.65
2	Sales growth rate per month	-	-	3	9	22	52	14	5.65
3	Profit from business operating margin	-	1	3	12	35	25	24	5.52
4	Market share of sales	-	5	3	8	14	45	25	5.66
5	Percentage of revenue from Indosat cellular card products	-	1	2	10	19	44	24	5.75
6	Actual sales / achievement of sales targets	-	1	8	8	23	38	22	5.55
7	Deep ability sales ratio will be closed	1	1	1	9	23	36	29	5.76
8	Sales achievement per month	1	-	2	8	30	27	32	5.75
9	Inventory stored to meet fluctuating sales requests	1	1	2	17	22	45	12	5.41
10	satisfaction level Old customers for consistency in delivering Service and support	-	1	1	10	20	46	22	5.75
11	Number of complaints customers so far	1	1	1	4	20	43	30	5.90
Average									5.668

Source: Primary Data (processed), 2023

Reliability Test Results

The reliability test was carried out with the aim of knowing how far the measurement results are consistent if the measurement is carried out twice or more for the same symptoms using the same measuring device. The examiner performs a reliability test by calculating the Cronbach's Alpha of each item in a variable. A construct or variable is said to be reliable if it gives a Cronbach alpha value > 0.6 (Nunnally, 1967 in Imam Ghozali 2006: 42).

Reliability measurement indicators according to Sekaran (2000: 312) which divides the level of reliability with the following criteria: If alpha or r count:

1. 0.8-1.0 = Good reliability
2. 0.6-0.799 = Reliability accepted
3. Less than 0.6 = Reliability is not good

The following are the results of reliability testing which can be seen in the form of table 4.9 below:

Table 3. Reliability Test Results

Variable	Cronbach alpha	Status
Channel Member Management Program (XI)	0.765	Reliable
Sales Ability (Y)	0.727	Reliable

Source: Processed primary data, 2023

The value for each of these variables indicates that all variables have a large Cronbach Alpha, which is above 0.60. These values identify that all the measuring concepts for each variable from the questionnaire are reliable so that it can be concluded that the items on each of these variable concepts are suitable for use as a measuring tool in this study.

Validity Test Results

The validity test will test each variable used in this study, where all the research variables contain 18 statements that must be answered by respondents. Validity testing was carried out by correlating the item scores for each question using the Pearson Product-Moment Coefficient of Correlation test. The correlation value of the calculation results is then compared with the critical value of the Product Moment correlation at a significant level of 5%. The product's moment value at df 100 and an error rate of 5% is 0.195. If the r count (for each item can be seen in the Corrected Item -Total Correlation column) is greater and the r table and r value are positive, then the statement item is said to be valid (Ghozali, 2005). Based on the analysis that has been carried out, the results of the validity test can be shown in Table 4.10 as follows:

Table 4. Validity Test Results

No.	Variable	Indicator	Coefficient Correlation	Mark critical r N=100	Information
1		Y1	0,604	0.195	Valid
2		Y2	0,407	0.195	Valid
3		Y3	0,505	0.195	Valid
4	Sales Capability of Indosat frontliners in Banda Aceh city (Y)	Y4	0,671	0.195	Valid
5		Y5	0,555	0.195	Valid
6		Y6	0,623	0.195	Valid
7		Y7	0,608	0.195	Valid
8		Y8	0,529	0.195	Valid
9		Y9	0,439	0.195	Valid
10		Y10	0,479	0.195	Valid
11		Y11	0,240	0.195	Valid
12		X1	0,678	0.195	Valid
13		X2	0,590	0.195	Valid
14	Indosat channel Member Management Program (X)	X3	0,764	0.195	Valid
15		X4	0,644	0.195	Valid
16		X5	0,609	0.195	Valid
17		X6	0,587	0.195	Valid
18		X7	0,657	0.195	Valid

Source: Primary Data (processed) 2023.

To determine the effect of the channel member management program (X) on selling ability (Y), a simple linear regression analysis is used, by taking standardized coefficients, namely $Y = a + \beta Y$ using SPSS 19 software for windows. The full results of data processing using the SPSS program are in the appendix and are then summarized as follows:

Table 5. Simple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,952	,348		8,493	,000
Channel member management program (X)	,479	,061	,623	7,883	,000

Source: Processed primary data, 2023

Hypothesis test

T test (Partial test)

The t test (partial test) in this study was conducted to determine whether there is a significant effect of the channel member management program variable (X) on the selling ability of frontliners (Y). The t test (partial test) is carried out with the following hypothesis:

- $H_0 : b_1 = 0$ means that there is no significant influence between the channel member management variable (X) on selling ability (Y).
- $H_a : b_1 \neq 0$ means that there is a significant effect between. channel member management program variable (X) on sales ability (Y).
- The t_{table} test is a one-way test with $\alpha = 0.05$ So the t_{table} used is $t_{0.05} t_{table}$. The value (0.05:98) is 1.9845.
- H_0 is accepted if $t_{count} < t_{table}$ and H_a is accepted if $t_{count} > t_{table}$. t_{test} output (partial test)

5 | CONCLUSIONS AND FUTURE WORK

- Based on the descriptive results of research on consumer responses regarding channel member management and sales ability to get good results that are felt by Indosat frontliners in the city of Banda Aceh, where the average index of each variable is in the high category, namely channel member management programs 5.673 and sales ability 5.668.
- From the results of simple linear regression, it can be concluded that the hypothesis proposed in this study is proven to be accepted, which means that it is true that there is a significant influence between the channel member management program variables and the selling ability of Indosat frontliners in the city of Banda Aceh.
- From the results of the correlation coefficient and the coefficient of determination of the regression model of this study, the relationship is quite close and positive, meaning that the greater the level of the channel member management program, the greater the sales ability of the liners.

The coefficient of determination which is only 38.8% indicates that sales ability can only be explained by 38.8% by the channel member management program, the remaining 61.2% can be explained by other factors that are outside the regression model, meaning that there are many other factors apart from the channel member management program that can encourage increased sales ability from frontliners.

REFERENCES

- Wahyudi, A. (2011). *PENGARUH PERKEMBANGAN JUMLAH PELANGGAN KARTU HALO MELALUI PROGRAM HALO BEBAS TERHADAP TINGKAT PEMAKAIAN PULSA RATA-RATA PELANGGAN KARTU HALO (Studi Kasus: Telkomsel Grapari Taluk Kuantan)* (Doctoral dissertation, Universitas Islam Negeri Sultan Syarif Kasim Riau).
- Widia, I. D. M. (2014). Strategi Memenangkan Kompetisi Bisnis Telekomunikasi Seluler Ditinjau Dari Sisi Pemasaran dan Jaringan. *Jurnal Cendekia Vol, 12*(1).
- Hanifah, N. (2016). Analisis Strategi Bisnis Telkomsel Dalam Menghadapi Persaingan.
- Hasanuddin, A., Said, M., & Ruslan, M. (2020). Pengaruh saluran distribusi, biaya pemasaran dan volume penjualan terhadap pendapatan petani kentang di Kabupaten Gowa Sulawesi Selatan.

How to cite this article: Ahmad, L., & Mujiburahman. (2023). The Influence of Channel Member Management Program on Sales Ability of Indosat Frontliners in Banda Aceh City. *Indonesian Journal Economic Review (IJER)*, 3(1), 1–8. <https://doi.org/10.59431/ijer.v3i1.168>.