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**THE INFLUENCE OF PRODUCT DEVELOPMENT AND PROMOTION TOWARD  
SALES VOLUME AT PT CIPTA LONA LESTARI MEDAN**

By

Ali Syah Putra<sup>1</sup>, Eddy<sup>2</sup>, Sri Aprianti Tarigan<sup>3</sup>, Elyzabeth Wijaya<sup>4</sup>, Agus Susanto<sup>5</sup>

<sup>1,2</sup>Universitas Pelita Harapan

<sup>3,4,5</sup>Institut Bisnis Informasi Teknologi dan Bisnis

Email: [1alisyahputrafu@gmail.com](mailto:1alisyahputrafu@gmail.com)

**Abstract**

The purpose of this study was to determine the effect of product development and promotion on sales volume at Cipta Lona Lestari Medan. This research is a type of quantitative research. The population in this study are all consumers who make purchases at the Cipta Lona Lestari Medan, the number of which is unknown. The sampling technique using the Lemeshow sampling technique obtained as many as 96 research samples. The method of collecting data in this research is literature study and questionnaires. Methods of data analysis using descriptive analysis and simple linear regression analysis. The results showed that the value tcount (2.909) > ttable (1.985) with a significance of  $0.005 < 0.05$  so it can be concluded that there is an influence between Product Development on the Sales Volume. The value of tcount (5.158) > tTable (1.985) with a significance of  $0.000 < 0.05$  so it can be concluded that there is an influence between Promotion on the Sales Volume. Simultaneous Testing Results (F-Test), the value of Fcount (62.621) > FTable (3.07) with a significant level of  $0.00 < 0.05$  so it can be concluded that H3 is accepted with the understanding that there is an influence between Product Development and Promotion on the Sales Volume.

**Keywords: Product Development, Promotion, Sales Volume**

**INTRODUCTION**

Now a days, business competition is getting tougher from time to time where this happens because of globalization and free trade. In addition, there are other things that make the competition even more intense, namely due to rapid changes in tastes, technology, and also the needs of customers. To face competition, companies need to carry out good marketing activities using various appropriate strategies in order to quickly achieve the desired goals. This competition also makes companies are required to win the competition by getting as many customers as possible and also retaining existing customers so that they continue to make purchases on a regular basis. This of course will have its own impact and is usually a good impact and is related to Sales Volume which is usually one of the main objectives of

carrying out the company's operational activities. According to Ngalimun, et al (2019:229), Sales Volume is the total sales assessed by units by the company in a certain period to achieve maximum profit so that it can support the company's growth. With a good Sales Volume, the company also gets a satisfactory profit. Basically Sales Volume can be a source of strength to advance, develop and win the competition. The current tight competition cannot be separated from all business fields, one of which is the parquet business. For now, there are many parquet entrepreneurs scattered around the city of Medan and one of them is Cipta Lona Lestari Medan.

Cipta Lona Lestari Medan distribute fine quality imported and local timber. The company identified a niche in the Indonesia



engineered wood flooring and set about developing innovative and original new hardwood floor products in many different finishes. CantiKayu have established as an emerging brand of engineered wood floor across Indonesia and have also completed various scale projects for large auditorium, bungalows, restaurants and etc. All of our products can be installed on floor, wall, and ceiling. Cipta Lona Lestari Medan specialize in Oaks wood flooring and other beautiful wood species such as American Walnut and African Wenge to name a few. Recently, Cipta Lona Lestari Medan are adding a new segment of highly exclusive and wide wood flooring including Chevron design. This collection is highly-prized for its characteristic and originality.

This decrease in sales volume did not occur without an unclear cause because based on the author's observations, the authors found that there were several problem phenomena related to product development and promotion within the company. The slow product development by the company causes the product to be of less quality and also the company becomes unable to compete with other companies whose product development is faster. In addition to the slow product development experienced by the company, the company is also experiencing problems regarding the lack of variety of products that can be offered to consumers, making consumers feel bored with products that are just like that every year, while for the development of the company continuously has new products that can be offered to consumers. Some of these things ultimately make consumers not make repeat purchases.

Followed by the next problem related to Promotional activities where this problem is assessed because the company almost never carries out any promotional activities and only relies on personal sales activities carried out by employees in promoting their products to customers directly, whereas for now it can be

clearly seen that in promoting product, the use of social media is the most important media in attracting customer purchasing decisions.

## LITERATURE REVIEW

According to Sudarsono (2020:2), marketing management is an effort to plan, implement (which consists of organizing, directing, coordinating) and supervising or controlling marketing activities within an organization in order to achieve organizational goals efficiently and effectively. Marketing of an item or product in general has a goal. The marketing objective is to attract new customers by promising superior value, setting attractive prices, distributing products easily, promoting effectively and retaining existing customers while still adhering to the principle of customer satisfaction. So that a marketing management does not only deliver products or services to consumers. According to Hery (2019:2), "Marketing management is defined as the art and science of choosing target markets and getting, keeping, and growing customers by creating, delivering, and communicating superior customer value." According to Supriatna, et al. (2019:7), marketing is a social and managerial process so that consumers can obtain their needs/wants through demand, supply, and exchanging the value of a product between sellers and buyers.

According to Irtanto (2021:44), product development is an activity that must be carried out by the company. Innovative companies will usually be well known by their consumers. Product development efforts can be a means to keep consumers from switching to competing products. According to Kurniawan (2020:119), product development is a function to create an image or other graphic representation of a product/part that performs the required function based on technical specifications, which have been determined at the product planning stage. According to Hermawan (2022:18), product development is a strategy for company growth by offering modified products or new products



to existing market segments, developing product concepts into physical products in an effort to ensure that product ideas can be turned into products that can be realized effectively. Based on the opinions of the experts above, it can be concluded that product development is a strategy for company growth by offering new or modified products cepts into physical products in an effort to ensure that product ideas can be turned into products that can be realized effectively to keep consumers from switching to competing products.

According to Hasan (2018: 74), promotion is a company tool tasked with informing, reminding and persuading consumers consciously and unconsciously about the products being sold. According to Firmansyah (2020:12), promotion is an attempt to convey messages to the public, especially target consumers regarding the existence of products in the market. Furthermore, according to Febriani and Dewi (2018: 81), promotion is a tool used by companies in an effort to inform, persuade, and remind consumers directly or indirectly about the products and brands they sell. According to Fitriah (2018:5), promotion is the process of delivering messages by means of persuasion or invitation to offer a product, either goods or services, while according to Prasetyo, et al (2018:18), promotion is one of the activities carried out by organizations in influence, persuade and remind consumers directly or indirectly about the products made by the organization. Based on the opinions of the experts above, it can be concluded that promotion is an effort to inform, disseminate, influence, offer, and invite people to become customers of a product of a brand.

According to Hermawan (2022:18), product development is a strategy for company growth by offering modified products or new products to existing market segments, developing product concepts into physical products in an effort to ensure that product ideas can be turned into products that can be realized effectively. According to Febriani and Dewi

(2018: 81), promotion is a tool used by companies in an effort to inform, persuade, and remind consumers directly or indirectly about the products and brands they sell. According to Fitriah (2018:5), promotion is the process of delivering messages by means of persuasion or invitation to offer a product, either goods or services

### RESEARCH METHOD

This study uses a quantitative approach with the method of the analysis used is descriptive analysis and linear regression analysis simple. Quantitative research is research that obtains data in the form of descriptive or explanation of the phenomenon, problems or problems in the field. According to Resseffendi (2020:33), descriptive research is research that using observations, interviews or questionnaires about the situation right now, on the subject we are studying. Through a questionnaire and so on can collect data to test hypotheses or answer a question. Through this descriptive research, the researcher will describe what is really happening about the current situation being researched. According to Jordanto (2021:49), causal research can certainly be said as research that aims to investigate causal relationships. Therefore, it always involves one or more independent variables (or the cause of the research hypothesis) and their relationship to one or more dependent variables. Causal relationships can be tested by using statistical research methods.

According to Wahyudi (2017:14), population is a generalization area in the form of subjects or objects being studied to be studied and conclusions drawn or in other words, population is the totality of all research objects. The sample is the object of observation selected from the population, so that the sample is part of the population and reflects the characteristics of the population. Therefore, although the study uses sample data rather than

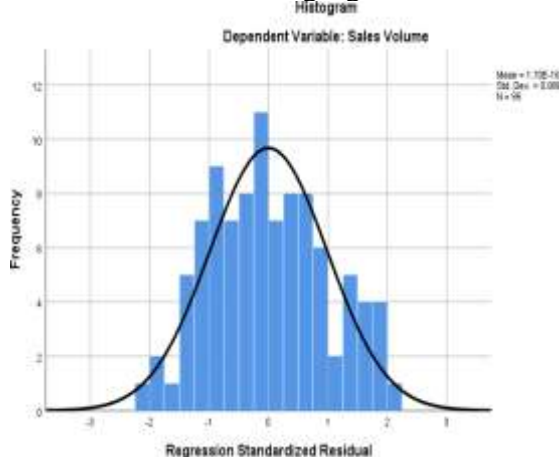


population data, the results can be generalized to the population.

Based on the results of the calculations by using Lemeshow formulation above, the number of samples obtained, to facilitate the research, was fulfilled to be 96 respondents. Thus, the sampling technique used is accidental sampling where consumers who are met at random will be used as research samples.

According to Supriadi (2020:127), The operational definition of a variable is a definition that explains how a variable is measured or calculated. The variable measurement scale is an important part to pay attention to. According to Mukhtazar (2020:54), The operational definition of a variable is an aspect of research that provides information about how to measure variables. An operational definition is a definition whose formulation uses operational words, so that variables can be measured.

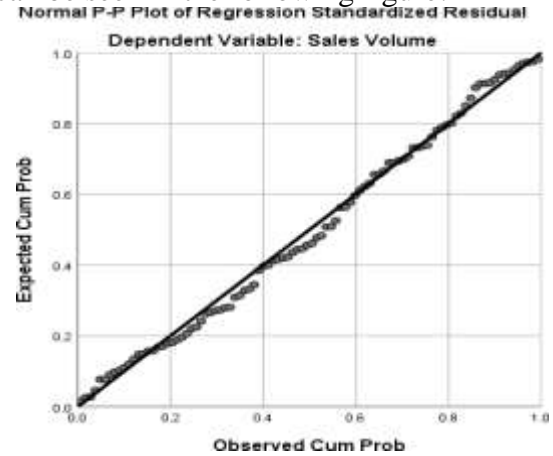
The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. The results of normality testing using a histogram graph can be seen in the following figure:



Source: Research Results, 2024 (Processed Data)

Based on figure 1.1 above, it can be seen that the data spreads around the

diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, so regression is considered to fulfill the assumption of normality. The results of normality testing using a normal probability plot of regression can be seen in the following figure:



Source: Research Results, 2024 (Processed Data)

The results of normality testing using the One Sample Kolmogorov- Smirnov statistics can be seen in the table below:

N		96
Normal Parameters <sup>a,b</sup>		.0000000 2.97709775
Most Extreme Differences	Absolute	.055
	Positive	.055
	Negative	-.050
Test Statistic		.055
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

Based on table above, it can be seen that the results of the Kolmogorov- Smirnov normality test prove that the resulting significant level value is greater than 0.05, namely 0.200, it can be concluded that the



normality statistical test is classified as normally distributed.

### Multicollinearity Test

The results of the multicollinearity test can be seen in Table below as follow:

Table 1.2 Multicollinearity Test Results

Model		Coefficients <sup>a</sup>		t	Sig.	Collinearity Statistics	
		Unstandardized Coefficients B	Standardized Coefficients Beta			Tolerance	VIF
1	(Constant)	9.874	1.695	5.826	.000		
	Product Development	.247	.085	.291	2.909	.005	.457 2.190
	Promotion	.433	.084	.517	5.158	.000	.457 2.190

a. Dependent Variable: Sales Volume  
Source: 2024 Research Results (Data processed)

Based on Table, it can be seen that the correlation value for the Work Discipline and Compensation variables has a tolerance value > 0.1 and a VIF value < 10 so it can be concluded that the independent variable does not have multicollinearity symptoms.

### Heteroscedasticity Test

For Heteroscedasticity testing, it is divided into two test methods, namely: with Glejser statistical testing and Graph Scatterplot testing:

#### 1. Glejser Test

The results of the research for the Glejser test can be seen in Table below as follow:

Table 1.3 Coefficients<sup>a</sup>

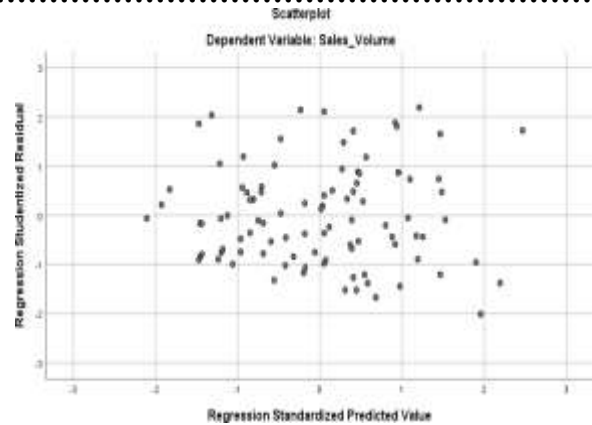
Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	.740	.920	.804	.423
	Product Development	.122	.046	.389	1.646
	Promotion	-.056	.046	-.182	-1.238

a. Dependent Variable: Sales Volume  
Source: 2024 Research Results (Data processed)

From Table 1.3 above, it can be seen that the significance level for the Work Discipline variable is 0.110 > 0.05 and 0.219 > 0.05 for the Compensation variable. From the calculation results and the significant level above, it is not found that there is heteroscedasticity.

#### 2. Graph Scatterplot

The test results for the scatterplot graph can be seen in the figure below:



Based on the figure above, it can be seen that the points in the Graph Scatterplot spread randomly and are not patterned and are spread above and below the number 0 on the Y axis. It can be concluded that there was no heteroscedasticity between variables.

### Correlation Test

In this research, the writer uses Pearson Product Moment of Correlation to test hypothesis relation between independent and dependent variable where the result of correlation test can be seen below:

Table 1.4 Correlation Test Correlations

		Product Development	Sales Volume
Product Development	Pearson Correlation	1	.672**
	Sig. (2-tailed)		.000
	N	96	96
Sales Volume	Pearson Correlation	.672**	1
	Sig. (2-tailed)	.000	
	N	96	96

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Research Results, 2024 (Processed Data)

Based on the Table above, the coefficient of correlation in amount of 0.672 shows that there is a strong relationship between product development as independent variable and sales volume as dependent variable in Cipta Lona Lestari Medan.

Table 1.5 Correlation Test Correlations

		Promotion	Sales Volume
Promotion	Pearson Correlation	1	.731**
	Sig. (2-tailed)		.000
	N	96	96
Sales Volume	Pearson Correlation	.731**	1
	Sig. (2-tailed)	.000	
	N	96	96

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Research Results, 2024 (Processed Data)

Based on the Table above, the coefficient of correlation in amount of 0.731 shows that there is strong relationship between promotion as independent variable and sales volume as dependent variable in Cipta Lona Lestari Medan.

### Multiple Regression Analysis

The results for testing multiple linear regression analysis can be seen below:



**Table 1.6**  
Multiple Regression Linear Analysis

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	9.874	1.695		5.826	.000		
	Product Development	.247	.085	.291	2.909	.005	.457	2.190
	Promotion	.433	.084	.517	5.158	.000	.457	2.190

a. Dependent Variable: Sales Volume  
Dependent Variable: Sales Volume  
Source: Research Results, 2024 (Processed Data)

Based on Table 1.6 above, it is known that in the Unstandardized Coefficients section B, a multiple linear regression equation is obtained, namely the following formula:

$$\text{Sales Volume} = 9.874 + 0.247 \text{ Product Development} + 0.433 \text{ Promotion}$$

Based on the above equation, it can be described some explanation as follows:

1. Constant (a) = 9.874 indicates a constant value, if the value of the Product Development and Promotion variable is 0, then Sales Volume is still at 9.874.
2. The coefficient X1 (bX1) = 0.247 shows that the Product Development variable has a positive effect on Sales Volume by 0.247. This means that for every increase in Product Development by 1 unit, Sales Volume will increase by 24.7%.
3. The coefficient X2 (bX2) = 0.433 shows that the Product Development and Promotion variable has a positive effect on Sales Volume by 0.433. This means that for every increase in Product Development by 1 unit, Sales Volume will increase by 43.3%.

### Determination Coefficient

The results of testing the coefficient of determination can be seen in the table below as follows:

**Table 1.7**  
Determination Coefficient Test  
Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 <sup>a</sup>	.574	.565	3.009

a. Predictors: (Constant), Promotion, Product Development  
b. Dependent Variable: Sales Volume  
Source: Research Results, 2024 (Processed Data)

Based on Table above, it can be seen that the value of R Square (R<sup>2</sup>) or the coefficient of determination obtained is 0.565, meaning that the Sales Volume variable can be explained by the Product Development and Promotion variable by 56.5% while the remaining 43.5% is influenced by other factors originating from from outside this research model.

### Partial Hypothesis Test (T-Test)

Regression coefficient is used to determine the effect of the independent variable (variable X) partially on the dependent variable (variable Y). Testing of the regression results was carried out using a ttest with a 95% confidence level or = 5%.

By knowing df and the tTable value is obtained, while the tcount value will be obtained using SPSS assistance, then it will be compared with the tTable value at the level of = 5%. The results of the partial test can be seen in table below as follow:

**Table 1.8**  
Partial Test Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	9.874	1.695		5.826	.000		
	Product Development	.247	.085	.291	2.909	.005	.457	2.190
	Promotion	.433	.084	.517	5.158	.000	.457	2.190

a. Dependent Variable: Sales Volume  
Source: 2024 Research Results (Data processed)

- Based on Table above, it can be seen that:
1. In the Product Development variable (X1), it can be seen that the value tcount (2.909) > ttable (1.985) with a significance of 0.005 < 0.05 so it can be concluded that there is an influence between Product Development on the Sales Volume.
  2. In the Promotion variable (X2), it can be seen that the value of tcount (5.158) > tTable (1.985) with a significance of 0.000 < 0.05 so it can be concluded that there is an influence between Promotion on the Sales Volume.

### Simultaneous Hypothesis Testing (F-Test)

Simultaneous test (F-Test) is used to test the regression model on the influence of all independent variables, namely: Product Development (X1) and Promotion (X2) simultaneously on the dependent variable, namely: Sales Volume

(Y). By knowing that df as the numerator is: 2 and df as the denominator is: 96, it can be obtained that the FTable value is: 3.07, while the Fcount value will be obtained using SPSS. The results of the Fcount test can be seen in Table below:

**Table 1.9**  
Simultaneous Testing Results (F-Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1133.911	2	566.955	62.621	.000 <sup>b</sup>
	Residual	841.996	93	9.054		
	Total	1975.906	95			

a. Dependent Variable: Sales Volume  
b. Predictors: (Constant), Promotion, Product Development  
Source: 2024 Research Results (Data processed)

Based on the table above about Simultaneous Testing Results (F-Test), the value of Fcount (62.621) > FTable (3.07) with a significant level of 0.00 < 0.05 so it can be concluded that H3 is accepted with the



understanding that there is an influence between Product Development and Promotion on the Sales Volume.

Based on the results of the research that has been done, in this discussion the researcher will discuss the effect of Product Development and Promotion on Sales Volume at Cipta Lona Lestari Medan such as:

1. The data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a normal distribution pattern, so regression is considered to fulfill the assumption of normality.
2. The points are approaching the diagonal line. This shows that the data is normally distributed and meets the assumptions of normality testing.
3. The results of the kolmogorov-smirnov normality test prove that the resulting significant level value is greater than 0.05, namely 0.200, it can be concluded that the normality statistical test is classified as normally distributed.
4. The correlation value for the work discipline and compensation variables has a tolerance value  $> 0.1$  and a vif value  $< 10$  so it can be concluded that the independent variable does not have multicollinearity symptoms.
5. The significance level for the work discipline variable is  $0.110 > 0.05$  and  $0.219 > 0.05$  for the compensation variable. From the calculation results and the significant level above, it is not found that there is heteroscedasticity.
6. The points in the graph scatterplot spread randomly and are not patterned and are spread above and below the number 0 on the y axis. It can be concluded that there was no heteroscedasticity between variables.
7. The coefficient of correlation in amount of 0.672 shows that there is strong relationship between product development as independent variable and

sales volume as dependent variable in cantikayu. The coefficient of correlation in amount of 0.731 shows that there is strong relationship between promotion as independent variable and sales volume as dependent variable in Cipta Lona Lestari Medan.

8. The value  $t_{count} (2.909) > t_{table} (1.985)$  with a significance of  $0.005 < 0.05$  so it can be concluded that there is an influence between Product Development on the Sales Volume.
9. The value of  $t_{count} (5.158) > t_{Table} (1.985)$  with a significance of  $0.000 < 0.05$  so it can be concluded that there is an influence between Promotion on the Sales Volume.
10. The value of  $F_{count} (62.621) > F_{Table} (3.07)$  with a significant level of  $0.00 < 0.05$  so it can be concluded that H3 is accepted with the understanding that there is an influence between Product Development and Promotion on the Sales Volume.
11. The value of R Square ( $R^2$ ) or the coefficient of determination obtained is 0.565, meaning that the Sales Volume variable can be explained by the Product Development and Promotion variable by 56.5% while the remaining 43.5% is influenced by other factors originating from from outside this research model.

## CONCLUSION

Product development has a positive and significant effect toward sales volume at Cipta Lona Lestari Medan. Promotion has a positive and significant effect toward sales volume at Cantikayu Medan. Product development and promotion have a positive and significant effect toward sales volume at Cipta Lona Lestari Medan

## REKOMENDATION

Product development is a process and strategy that needs to be carried out by a



company in developing a product. Things that need to be done in developing a product are repairing old products or adding the use of these products to the target market. This means, company need to present new elements that can captivate customers. In addition, product development is included in the process of making changes to existing products. At the same time as a process of looking for innovation to add value to old products and convert them into the form of these products. By doing product development, it means that the company understands and knows the needs and wants of the market. Business is increasingly competitive, the company hopes that with promotional programs and other offers it can generate higher demand. Promotional programs have been proven to be a powerful strategy to increase sales, but for most companies, implementing effective promotional programs is still a big challenge. In an effort to increase sales, the first thing a company can do is increase the number of potential customers, improve the products sold, improve marketing, or all at the same time. With a few improvements in the following aspects, the possibility to increase sales volume is much more open

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HALAMAN INI SENGAJA DIKOSONGKAN