HOME INDUSTRY LOCATION ON *DISTRIBUTOR LOYALTY* IN KEFIR MILK SALES AT AZET KEFIR TASIKMALAYA

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ABSTRACT

This study aims to determine the effect of home industry location on distributor loyalty in selling kefir milk at Azet Kefir Tasikmalaya. The independent variable in this study is location, while the dependent variable is distributor loyalty. The research method used is a quantitative method with a descriptive approach. Data were collected through questionnaires distributed to 30 distributor respondents and analyzed using a simple linear regression test through the SPSS version 26 program. The results showed that location has a positive and significant effect on distributor loyalty, with a regression coefficient value of 0.299 and a significance value of 0.005 (p <0.05). The determination coefficient value of 0.245 indicates that 24.5% of the variation in distributor loyalty can be explained by the location variable, while the rest is influenced by other factors not examined in this study. Thus, it can be concluded that the more strategic and accessible the location of the home industry, the higher the distributor loyalty in selling Azet Kefir Tasikmalaya kefir milk products.

Keywords: location, home industry, distributor loyalty, kefir milk, Azet Kefir Tasikmalaya

INTRODUCTION

An unbalanced modern lifestyle, including unhealthy diets and lack of physical activity, has led to an increase in various health problems. The complaints that arise are diverse, from minor illnesses such as coughs and flu to serious disorders such as diabetes and digestive disorders. One way that can help maintain body health, especially in strengthening the immune system, is by consuming milk that is rich in nutrients. In this case, fermented milk such as kefir is an alternative choice that is increasingly in demand by the public because of its beneficial probiotic content.

Seeing this potential, many business actors are competing to market fermented milk products. This condition creates quite tight competition in the market, so companies need to develop the right marketing strategy, one of which is by strengthening distribution channels so that products reach consumers optimally. The success of distribution is very important in determining the smoothness of sales because the role of distributors is key in bridging producers and end consumers.

Distributors are not just intermediaries, but strategic partners who can determine the high and low sales figures. Therefore, distributor loyalty is a crucial thing that producers need to maintain. Loyal distributors will always support the product distribution process sustainably. Loyalty itself can be interpreted as a form of loyalty, dedication, and trust given by distributors

to producers, which is reflected in supportive and consistent behavior in carrying out distribution cooperation.

In the context of small and medium enterprises, especially home industries, good relationships with distributors are very important. Azet Kefir is one of the home industries engaged in the production and sale of kefir milk in the Tasikmalaya area. This business is not only oriented towards profit, but also has a social mission, such as community empowerment and health education through counseling and promotion of halal-thayyib food and drinks.

Azet Kefir was established in February 2013 and is managed by a husband and wife, Wawan Widarmanto, S.Ag and Siti Rohmah Maulida, S.Pd.I. Initially, this business was established to meet the consumption needs of their own families, but it has developed into a business unit that reaches a wider market through a network of distributors. The role of distributors is vital in the distribution of Azet Kefir products to various regions, such as Tasikmalaya, Ciamis, and Malangbong.

The following is sales data for kefir milk products from several home industries in Tasikmalaya in 2022:

**Table Data sale milk kefir in Tasikmalaya year 2022**

NO.	Home Industry	Sale (in bottle)
1.	Fawa Kefir	18,350
2.	Bio Java Kefir	13.235
3.	Azet Kefir	26,344

Source processed data (2023)

From the data above, it is obtained that the largest sales of kefir milk products in Tasikmalaya are obtained by the Azet kefir *home industry* which has the largest number compared to other similar *home industries* . However, based on the results of interviews with the owner of Azet kefir, it was obtained that the phenomenon of Azet kefir milk sales from the last 3 years has decreased quite significantly.

Matter This can seen from data sale product milk kefir from *home industry* Azet kefir from year 2020-2022 as following :

Chart Diagram Sale Kefir 2020- 2022
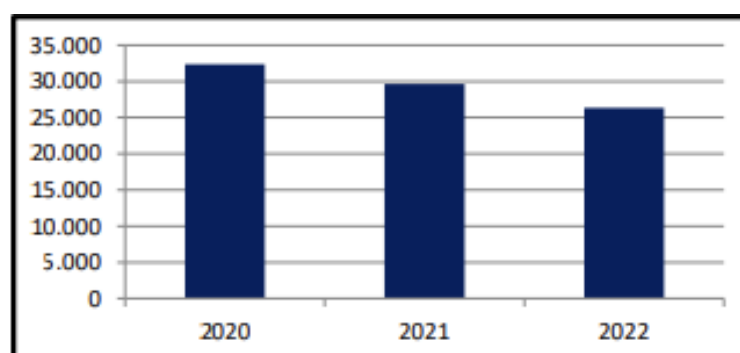
Sumber : laporan penjualan Azet Kefir Tasikmalaya (2023)

Based on data on can obtained information that *home Azet kefir industry* experienced a decline in sales in 2022 compared to year- year previously. Where on year 2020 as much as 32,450,

The owner indicated that this decline was due to declining distributor loyalty, one of the main causes of which was the location of the home industry which was considered too far and difficult to reach by some distributors. This is in accordance with the opinion of Kotler & Armstrong (2014) in Punuindoong (2023), that location is a strategic factor in distribution because it concerns ease of access for the target market.

LITERATURE REVIEW

A. Previous Research

Previous research is an important foundation in the preparation of the theoretical and methodological framework of a scientific research. The study of previous research provides an understanding of the direction and results that have been achieved by other researchers, while strengthening the relevance of the topic raised in this research.

Many studies have been conducted on the influence of location on consumer or distributor loyalty. Hermanto et al. (2019) found that location and service quality have a positive influence on consumer loyalty in a photocopying business. Similar results were also presented by Agustin et al. (2022), who stated that taste and location have a significant effect on customer loyalty at the Bebek HT restaurant in Surabaya.

Yulia et al. (2022) in their research on Nattuna Garage Ciamis revealed that both customer satisfaction and business location have a positive and significant influence on customer loyalty. Meanwhile, Nurul Aini et al. (2018) specifically examined the influence of factory location on distributor loyalty in the context of selling food and beverage products. The results of this study indicate that a strategic home industry location can increase distributor loyalty.

Another study by Ariandi (2018) also supports the finding that location and customer satisfaction simultaneously have a positive influence on customer loyalty at the Garuda Medan Restaurant. This is in line with the findings of Firdaus et al. (2020), who examined the dimensions of the marketing mix and found that product, price, and place (location) have a positive impact on customer loyalty in the home sauce industry in Lumajang.

Cahyo et al. (2022) developed further analysis by including intervening variables in the form of customer satisfaction in the relationship between service quality and location on customer loyalty. The results showed that location did not have a significant direct effect, but had an indirect effect through customer satisfaction. Similar findings were also found by Hariono et al. (2021), who stated that business location did not directly increase customer loyalty, but played a role through customer satisfaction as a mediator.

However, not all studies found a significant effect of location on loyalty. Syafiudin et al. (2022) noted that location did not have a direct effect on customer loyalty at the Pipir Lepen cafe, although simultaneously with other variables it still showed a significant relationship.

Finally, research by Wirawan et al. (2019) shows that product quality and location have a significant influence on customer loyalty, both directly and through customer satisfaction as an intervening variable.

Based on these findings, it can be concluded that business location, especially in the context of home industry, tends to have a positive influence on customer and distributor loyalty. However, in some cases, the influence is stronger when mediated by other factors such as customer satisfaction, service quality, or product taste.

B. Theoritical review

1. Marketing Management

a. Definition of Marketing Management

A market is a place where goods and services are traded, either traditionally or modernly. A market can also refer to an economic concept that describes the interaction between sellers and buyers to provide and obtain goods and services.

According to Kotler and Keller (2017:6), marketing management is the process of designing, implementing, and controlling marketing activities to attract, retain, and increase the number of customers by creating and providing good sales quality.

Tjiptono (2016:63) states that marketing management includes a series of company activities in determining, preparing, and distributing products or services that meet the needs of the target market.

Assauri (2018:12) stated that marketing management is a series of activities to create, prepare, and implement plans to generate profits.

Overall, it can be concluded that marketing management is a science applied to a business to survive and grow through planning, implementing, and controlling programs that create effective marketing concepts.

b. Marketing Management Concept

Kotler and Keller (2 According to Kotler (1999) in his book Marketing Management, there are six core concepts in marketing management, namely:

1) Needs, Wants, and Demands

Need is a condition that arises when someone feels a lack of fulfillment of basic needs. Desire is the desire to obtain satisfaction from those needs, while demand is a desire accompanied by purchasing power.

2) Product

A product is anything that can be offered to satisfy the needs and wants of consumers. The importance of a product lies in the functions and services it can provide, not just in its ownership.

3) Value, Cost, and Satisfaction

Value is a consumer's assessment of a product's ability to satisfy their needs. Consumers will choose the product with the best value that is comparable to the price paid.

4) Exchanges, Transactions, and Relationships

Marketing occurs when two parties exchange to satisfy their needs and wants. Exchange occurs when two parties have something of value to the other and can communicate to reach a mutually beneficial agreement.

5) **Market**

Market refers to a place where buyers and sellers transact. Market can also be seen as a group of buyers and sellers who transact with each other for a particular product or class of products.

6) **Marketing and Marketers**

Marketing is an activity to realize transactions between parties offering products and parties who need the products. Marketers are individuals who manage resources to market products.

c. **Marketing Management Functions**

According to Satriadi et.al. (2021), marketing management has several important functions, such as market analysis to identify existing opportunities and threats. The main functions of marketing management include:

1) **Exchange Function**

Consists of two main activities: purchasing and selling. Purchasing is the process of obtaining a product, while selling is the activity of bringing together sellers and buyers.

2) **Physical Function**

Related to product management in terms of time, place, and form to facilitate product distribution to consumers.

3) **Facility Provision Function**

Marketing management also functions to provide facilities that support smooth marketing operations, such as distribution and promotion facilities.

2. **Marketing strategy**

a. **Understanding Marketing Strategy**

According to Haque & Fawzi (2021), a marketing strategy is a series of efforts made by a company to market products, both goods and services, using certain plans and tactics to increase sales. This strategy also aims to achieve company goals by optimizing existing market potential.

b. **Marketing Strategy Function**

According to Haque & Fawzi (2021), there are four main functions of marketing strategy:

1) **Increase Motivation**

Marketing strategy encourages business leaders to see the future in a different way, which is essential for maintaining business sustainability.

2) **More Effective Marketing Coordination**

Marketing strategy helps companies align the direction of the marketing team, making it more focused and effective.

3) **Formulating Company Objectives**

Marketing strategies help companies to set clear goals, both short-term and long-term.

4) **Supervision of Company Activities**

Marketing strategy provides standards for measuring and monitoring the performance of company members in achieving marketing goals.

c. **Marketing Strategy Objectives**

According to Haque & Fawzi (2021), there are four main objectives of marketing strategy, namely:

1) Improve coordination between individuals in the marketing team.
2) As a measuring tool to evaluate marketing results.
3) As a basis for making marketing decisions.
4) Improve the company's ability to adapt to market changes.

d. **Marketing Strategy Concept**

Some basic concepts that need to be considered in a marketing strategy are:

1) **Market Segmentation**

Marketing is done by dividing the market into more homogeneous groups, with similar needs and wants.

2) **Market Positioning**

Companies need to determine a strong position in the market to win the most profitable market segments.

3) **Market Entry Strategy**

Strategies for entering the market can include acquiring other companies, internal development, or collaborating with other companies.

4) **Marketing Mix**

A combination of various variables such as product, price, place, promotion, and others to influence consumers.

5) **Strategy Timing**

Determining the right time to market a product, both in terms of production and distribution.

3. **Location**

a. **Definition of Location**

According to Heizer and Render (2015), location is a factor that affects costs and revenues, which can determine a company's business strategy. Location selection aims to maximize profits and facilitate consumer access to products.

b. **Factors Affecting Location**

According to Kotler & Armstrong (2013), factors that influence business location decisions include:

1) **Accessibility**

A location that is easily accessible to consumers or distributors using either private vehicles or public transportation.

2) **Visibility**

A location that is clearly visible from a normal viewing distance attracts the attention of consumers.

3) **Traffic**

Traffic conditions that indicate smoothness or density, affect ease of access to the location.

4) **Expansion**

There is room for future business expansion.

5) **Environment**

A supportive, safe and comfortable environment for establishing a business.

6) **Competition**

The presence of competitors around a location can affect the level of competition in the market.

7) **Parking Lot**

A location that has adequate parking facilities will increase consumer comfort.

4. **Distribution**

a. **Definition of Distribution**

Distribution is part of marketing management that regulates the distribution of products from producers to consumers. Good distribution channels will ensure that products reach consumers efficiently and effectively. Aswan et al. (2023) stated that distribution channels are companies or individuals responsible for transferring products from producers to consumers.

METHOD

A. Types and Approaches of Research

This study uses a quantitative approach with a descriptive research type. The main objective of this study is to determine the effect of home industry location on distributor loyalty at Azet Kefir Tasikmalaya. Sampling was carried out using the total sampling technique, where the entire population consisting of 30 distributors were used as respondents. The data analysis technique used was simple linear regression with the help of **SPSS software version 26 for Windows** .

B. Data collection technique

Data collection was carried out using the following methods:

1. **Questionnaire**

The main instrument in data collection is a questionnaire containing a number of closed statements using a rating scale. Respondents are asked to provide responses based on their level of agreement with the statements that have been compiled according to the research variable indicators. The questionnaire was distributed to all Azet Kefir distributors as research respondents.

2. **Documentation**

This technique is used to obtain secondary data related to the company profile, organizational structure, number of employees, and other relevant documents to support the company's background information.

3. Observation

Direct observation is conducted on activities related to the research object in the field. This observation aims to strengthen the data obtained through questionnaires and documentation.

C. Data Analysis Techniques

Data analysis was carried out quantitatively with several stages as follows:

1. Simple Linear Regression Analysis:

Used to determine the effect of independent variables (home industry location) on dependent variables (distributor loyalty). A simple linear regression model is used because there is only one independent variable. The regression equation used is:

$$Y = a + bX$$

Where:

- Y = distributor loyalty (dependent variable)

- X = location of home industry (independent variable)

- a = constant

- b = regression coefficient

Testing the feasibility of the regression model includes assumptions of residual normality, linearity of the relationship between variables, and no symptoms of heteroscedasticity.

2. Correlation Coefficient (r):

This analysis is used to measure the strength and direction of the relationship between variables X and Y. Interpretation of the correlation coefficient refers to the following criteria:

Coefficient Interval	Relationship Level
0.000 – 0.199	Very low
0.200 – 0.399	Low
0.400 – 0.599	Enough
0.600 – 0.799	Strong
0,800 – 1,000	Very strong

3. Coefficient of Determination (R²):

To find out how much the independent variable contributes to explaining the dependent variable. The R^2 value shows the percentage of influence of variable X on Y simultaneously.

4. **t-Test (Partial):**
   Used to test the significance of the influence of independent variables on dependent variables partially. Decision making is based on the significance value (Sig).

   - If Sig < 0.05 then H$_0$ is rejected (there is a significant influence).

   - If Sig > 0.05 then H$_0$ is accepted (there is no significant effect).

RESEARCH RESULT

A. Simple Linear Regression Test

This study uses simple linear regression to determine the effect of location variables (X) on distributor loyalty (Y). Based on the results of data processing using SPSS V.26, the following results were obtained:

Table 1. Simple Linear Regression Test Results

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	17,644	4,751	-	3.713	0.001
Location (X)	0.299	0.099	0.495	3.017	0.005

Source: SPSS V.26 for Windows

From the table, the following regression equation is obtained:

Y = 17.644 + 0.299X

B. Correlation Coefficient Test

Correlation test is used to determine the closeness of the relationship between location and distributor loyalty. The results of data processing are presented in the following table:

Table 2. Pearson Correlation Test Results

	Location	Distributor Loyalty
Location	1	0.495
Distributor Loyalty	0.495	1

Significance (2-tailed): 0.005
N: 30
Interpretation: Correlation is significant at the 0.01 level (2-tailed)

The correlation coefficient of 0.495 indicates a **fairly strong relationship** between the location variable and distributor loyalty, because it is in the interval 0.400 – 0.599.

C. Coefficient of Determination

To find out how much influence the independent variable has on the dependent variable, the coefficient of determination test is used. The results are presented in the following table:

Table 3. Results of Determination Coefficient

Model R		R Square	Adjusted R Square	Std. Error of the Estimate
1	0.495	0.245	0.218	2.02324

Source: SPSS V.26 for Windows

The R Square value of **0.245** shows that the location variable is able to explain the variation in distributor loyalty by **24.5%** , while the remaining **75.5%** is influenced by other factors outside the variables studied.

D. Hypothesis Test (t-Test)

To test the effect of location variables on distributor loyalty, the t-test is used. The test results are shown in Table 1 above. The calculated t value = **3.017** and **Sig. = 0.005** . Compared to **the t table = 2.0484** , the **calculated t> t table** so that **H_a is accepted** and **H_0 is rejected** . This shows that location has a significant effect on distributor loyalty.

DISCUSSION

Based on the results of a simple linear regression test, it was found that the location variable has a positive and significant effect on distributor loyalty. This is indicated by the regression coefficient of 0.299 and a significance value of 0.005 which is smaller than 0.05. This means that any increase in the quality or ease of access to the home industry location can increase distributor loyalty.

The correlation coefficient value of 0.495 indicates a fairly strong relationship between location and distributor loyalty. This indicates that the location factor is indeed one of the determinants in establishing long-term relationships with distributors. A strategic location, easy to access, and supporting the convenience of business interactions provide added value that increases the likelihood of distributors remaining loyal.

The determination coefficient of 24.5% indicates that although location has a contribution to distributor loyalty, there are still other variables that are more dominant in influencing this loyalty, such as product quality, price, service, and personal relationship factors.

Overall, the results of the hypothesis test strengthen the initial assumption that location is an important factor in forming distributor loyalty. Therefore, home industry business owners should consider the location aspect as part of a business strategy to maintain and improve a loyal distribution network.

CONCLUSION

Based on the results of the research that has been conducted on the influence of home

industry location on distributor loyalty in selling kefir milk at Azet Kefir Tasikmalaya, it can be concluded that the location variable has a significant influence on distributor loyalty. A strategic location, easy to reach, and provides a sense of comfort and security for distributors, can increase their level of loyalty in selling kefir milk products.

The results of simple linear regression analysis show that every one unit increase in the location variable will increase distributor loyalty by 0.299, assuming other variables remain constant. Thus, the location of the home industry is an important factor that needs to be considered in maintaining long-term relationships with distributors.

SUGGESTION

Based on the results of this study, Azet Kefir Tasikmalaya is advised to pay more attention to the selection and arrangement of home industry locations to be more strategic and easily accessible by distributors. Choosing a location that is close to the center of community activities or an easily accessible area can be one strategy to increase distributor loyalty.

In addition, to further strengthen distributor loyalty, it is recommended that Azet Kefir take the following steps:

- Improve the quality of products and services, so that distributors feel confident in marketing products.
- Building good and sustainable relationships with distributors, through effective and transparent communication.
- Providing incentives or awards to high-achieving distributors, as a form of appreciation for their contribution.
- Conducting promotions and marketing effectively, to support distribution activities and expand the market.

The implementation of these suggestions is expected to strengthen distributor loyalty while improving the sales performance of Azet Kefir Tasikmalaya sustainably.

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