The Effect of Distribution Channels and Prices on Buying Interest

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ABSTRACT

This research was conducted to determine the influence of Distribution Channels and Prices on Gorontalo Typical Yellow Rice Buying Interest. The sampling technique used was Accidental Sampling by determining 62 respondents. The research method uses quantitative descriptive with the Statistical program for social science (SPSS). The results of this study showed that Distribution Channel and Price did not significantly affect the Buying Interest of Gorontalo typical yellow rice with a calculated F value of 2.915 and Sig of 0.062, with an influence of 0.090 or 9.0%. The distribution channel does not have a significant effect on the Buying Interest of Gorontalo yellow rice with a calculated value of 1.102 and Sig of 0.275, the price has a significant effect on the Buying Interest of Gorontalo yellow rice with a calculated value of 2.167 and Sig of 0.034.

Keywords: Distribution Channels, Price, Buying Interest

1. INTRODUCTION

In the era of globalization and increasingly fierce business competition, marketing strategies become critical elements for the success of a product or service. Marketing strategy is not just an element, but a critical element that determines the direction and success of a product or service. Technological transformation and changing consumer behavior have drastically changed the business landscape, forcing companies to be more innovative and adaptive in structuring their marketing approaches. Marketing strategy is no longer just about making a product or service look attractive, but also involves a deep understanding of global market dynamics, evolving consumer trends, and the integration of technology in creating unique and unforgettable customer experiences. In this context, marketing is not only a tool to increase sales, but also as a means to build and maintain strong relationships with consumers.

The success of a product or service depends not only on its quality, but also on the extent to which marketing strategies can bridge the gap between promised value and consumer perception. Therefore, companies need to carefully consider how they position their products or services in this complex global market, given the constant changes in consumer needs and preferences. Thus, marketing strategy becomes an art that requires a deep understanding of the market, sensitivity to change, and creativity in adapting to a dynamic business environment. Only with a holistic and targeted marketing approach can companies build a strong brand image, win over consumers, and ultimately
achieve success on this challenging global stage.

One aspect that plays a crucial role in designing a marketing strategy for a product or service is the distribution channel. In a dynamic business environment, distribution channels are not only a channel of product delivery from producer to consumer, but also a strategic foundation that can stretch their influence to two key areas: profitability and consumer buying interest. Distribution channels have a significant impact on cost and efficiency. The choice of the right distribution channel can streamline the distribution process, reduce logistics costs, and ultimately increase the profitability of the company. Conversely, improper decisions in distribution channel management can be potentially detrimental and hinder product access to markets.

In addition, distribution channels also play an important role in shaping consumer buying interest. In an era where consumers have a wide range of options and wide availability of information, distribution channels can be a determining factor in building a product image. A smooth buying experience, optimal product availability, and easy accessibility through the right distribution channels can increase consumer buying interest. Changes in consumption patterns and intensive market competition add complexity to the role of distribution channels. Therefore, companies are required to be more careful and innovative in designing their marketing strategies, including the selection of distribution channels that suit market dynamics. Thus, distribution channel management is not just a logistical tool, but also a strategic element that forms the foundation of successful marketing of a product in a competitive market.

In addition, pricing is a strategic decision that has a significant impact on the perception of product value and can ultimately affect the level of consumer buying interest. Price is not just a number, but an important element that spans the entire consumer experience, shapes the image of the product, and describes the quality and value provided. The effect of price on consumer buying interest cannot be ignored. Rational prices and in accordance with the value presented by the product can be the main factor that encourages consumers to make purchasing decisions. Conversely, a mismatch between price and perceived value can result in a decrease in buying interest or even cast doubt on the credibility of the product.

A consumer’s decision to buy a product is often influenced by the perception of value relative to a set price. Prices that are considered reasonable and in line with the benefits provided by the product will stimulate buying interest, while prices that are considered not proportional to the value of the product can hinder consumer decisions to make purchases. Therefore, in designing a pricing strategy, companies need to carefully consider how prices will be received by their target market. Thoughtful pricing not only involves understanding the cost structure, but also involves an in-depth analysis of the value expected by consumers. Thus, the right pricing strategy can be the key to building a positive perception of the product and increasing consumer buying interest.

Through this research, it is hoped that a clearer picture of how distribution channels and pricing can affect consumer buying interest. The results of this study are expected to provide insight to business people on how they can optimize distribution channel and pricing strategies to increase consumer buying interest, so as to achieve success in an increasingly dynamic and competitive market.

2. LITERATURE REVIEW

2.1 Distribution Channel

Distribution is described by [1] refers to a series of marketing activities aimed at facilitating and facilitating the distribution of goods and services from producers to consumers. In this context, distribution aims to ensure that goods and services are delivered in accordance with consumer needs,
covering aspects such as type, quantity, price, place, and time needed.

Kotler &; Keller (2019) Distribution channels are defined as "interdependent organizations that engage in a series of processes aimed at making a product or service available for use or consumption by consumers." In this context, distribution channels include a network of organizations that work together to bring products or services from producers to consumers, covering various stages such as production, distribution, storage, and marketing. This concept emphasizes collaboration between organizations in order to provide efficient and effective access to products or services to end consumers.

Furthermore, distribution channels, as expressed by Endrawati and Widodo in [3], is a critical activity aimed at accelerating the flow of goods from producers to consumers efficiently. Distribution channels have a central role in achieving the marketing goals of a product. Failures or errors in distribution channels can cause significant losses, hinder sales flow, and even affect the company's image. Therefore, good planning and management in distribution channels are the key to success in marketing products. In this context, the efficiency and effectiveness of distribution channels are crucial factors to ensure products reach consumers on time, in good condition, and in accordance with their needs.

2.2 Price

Price, according to [4] is the amount of money that must be paid by a customer in return for acquiring a product or service. Price is not just nominal listed on the label, but also includes value and consumer perception of the product. In this context, price becomes a critical factor influencing consumer purchasing decisions. Proper pricing not only covers numerical aspects, but must also consider the perceived value by consumers, competitiveness in the market, and overall marketing strategy. In this view, price can be seen as a complex element involving market dynamics, value perception, and a company's business strategy. Therefore, in formulating a pricing policy, companies need to consider various factors that can affect customer perception of the value of the product or service offered. Thus, wise pricing can be an effective tool to achieve a company's marketing goals and meet consumer needs optimally.

According to [5] Price can be interpreted as "the value of an item expressed in money." This statement highlights the intrinsic and monetary value aspects contained in a product or service. Price not only reflects the absolute value of a good or service, but also involves the perception of value provided by consumers. In this context, prices are not merely monetary transactions, but also reflect the exchange of value between producers and consumers. This concept emphasizes that price not only serves as a measure of its monetary value, but also includes elements of added value perceived by consumers. Therefore, companies need to understand that successful pricing depends not only on the financial aspect, but also on how the value of the product or service is understood and valued by the market. By considering perceived value for money and value-added, companies can optimize their pricing strategies to achieve marketing goals and meet consumer needs and expectations more effectively.

According to Kotler & Armstrong (2016) The price that has been set by the marketer or seller can have a significant impact on consumer perception. Understanding price involves complex aspects that include economic, psychological, and social factors. Price is not just the monetary value of a product or service, but also reflects the consideration of additional values provided by consumers. Within this framework, consumer perception of prices can be subjective, creating positive or negative values. If consumers feel that the price set by the company is proportional to the benefits and quality of the product, it can generate a positive perception. Conversely, if the price is perceived as too high without appropriate benefits or quality, it can create a negative perception. Therefore, companies need to
understand that pricing is not just a matter of monetary value setting, but also involves marketing strategies that take into account consumer preferences and perceptions. In this context, creating a positive perception of price can be key to building strong relationships between companies and consumers, as well as increasing competitiveness in the market.

2.3 Buying Interest

Consumer buying interest, as described by Tjiptono (2015) reflects more than just a consumer’s desire to buy a product. It also includes aspects of desires and preferences that drive consumers to make purchases. Buying interest is the result of the process of consumer evaluation of product attributes, brand image, and benefits provided by the product. In this context, buying interest becomes an important indicator in the consumer purchase decision cycle. Consumers who have high buying interest tend to be more likely to take concrete steps in making a purchase, such as seeking more information, comparing products, and finally making transactions. It is important for companies to understand the factors that influence consumer buying interest, including product aspects, promotions, and previous consumer experiences. By understanding buying interest, companies can develop more effective marketing strategies, optimize product attributes, and create stronger relationships with consumers. Thus, buying interest becomes an integral concept in understanding consumer behavior and designing successful marketing strategies.

According to Kotler & Keller (2016) consumer buying interest can be measured by how likely they are to buy a brand or service, as well as how much potential to switch from one brand to another. In this context, buying interest reflects the level of consumer desire and readiness to make purchase transactions. The urge to buy can be seen as the result of comparing the benefits received by consumers with the sacrifices required to obtain the product or service. If consumers believe that the benefits they derive outweigh the necessary sacrifices, then their likelihood of purchasing those products or services will increase. This concept demonstrates the importance of understanding consumer value perceptions and how factors such as product quality, price, promotion, and consumer experience affect buying interest. A successful marketing strategy must be able to increase the value of the product in the eyes of consumers and create a positive drive to make a purchase. By understanding the factors that influence buying interest, companies can design more effective marketing campaigns and build strong relationships with consumers.

Purchase intent reflects how much of a strong drive or desire an individual shows towards a product or service. This can include aspects such as attraction, desire, or motivation that drive the individual to take concrete steps in making a purchase. Purchase intent becomes an important indicator in measuring the extent to which individuals are willing and ready to make purchase transactions. Factors such as value perception, brand preferences, previous experience, and promotions can influence the formation of purchase intent, which can ultimately encourage individuals to take concrete steps in purchasing those products or services.

3. METHODS

This study used a quantitative method approach, involving 62 respondents as a research sample. The sampling technique applied is Accidental Sampling, where respondents are selected by chance or based on their availability at the time the research is carried out. The quantitative approach allows researchers to collect data in the form of numbers or statistics, while accidental sampling is used to select respondents in the absence of prior planning, emphasizing their availability at the time of the study.

4. RESULTS AND DISCUSSION

4.1 Validity Test

From the results of the distribution of questionnaires to 62 respondents, and declared valid or eligible to be involved in the validity test. At the validity test stage of this
study, using a significance level of 5%, an n = 62 value was obtained and a table of 0.250. The results of the analysis show that the calculated values on all instruments associated with this variable are greater than the critical values listed in the reference table (see Table 1). Therefore, it can be concluded that all instruments on this variable can be considered valid and feasible for use in the context of this study.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Points</th>
<th>Calculate Value</th>
<th>Critical Value</th>
<th>Sig Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Channel Variables</td>
<td>1</td>
<td>0.820</td>
<td>0.250</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0.818</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0.824</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>0.825</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>0.831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Variables</td>
<td>6</td>
<td>0.812</td>
<td>0.250</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>0.804</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>0.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>0.821</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>0.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Buying Interest</td>
<td>11</td>
<td>0.819</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0.81</td>
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<tr>
<td></td>
<td>5</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS, 2023

In accordance with the views expressed by Suardi in [9], an assessment of the validity of each question item in the research questionnaire can be determined through a comparison between the calculated and rtvel values. If the calculated value exceeds the rtvel value and at the same time the significance level is below 5%, then it can be considered that the questionnaire is declared valid and worthy of use. This approach allows researchers to measure the accuracy and accuracy of the questions in the questionnaire by considering the level of significance that has been set, in accordance with research standards and statistical analysis.

Reliability Test

The reliability test result is considered sufficient if the reliability coefficient (r11) has a value greater than 0.6. The reliability test in this study aims to evaluate the consistency of the question instrument as a measuring instrument, and ensure that the measurement results are reliable and consistent. Based on the results of reliability tests in this study, it can be revealed that all instruments proved valid, considering that Cronbach's Alpha value exceeds the value of the coefficient (r11) set at 0.6, as shown in Table 2.

<table>
<thead>
<tr>
<th>Research Variables</th>
<th>Cronbach’s Alpha</th>
<th>Nilia Coefficient (r11)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Channel (X1)</td>
<td>0.878</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Price (X2)</td>
<td>0.867</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying Interest (Y)</td>
<td>0.874</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS, 2023

Normality Test

To check whether the data is normally distributed or not, it can be seen from the Normal P-P Plot graph of regression standard residuals. If the data points are homogeneously scattered around a diagonal line and follow a diagonal line pattern, then it can be said that the regression model satisfies the assumption of normality. Conversely, if the data points are scattered away from the diagonal line or do not follow the diagonal line pattern, then it can be concluded that the regression model does not meet the assumption of normality. The normality test results can be found in Figure 1.
Based on Figure 1, it can be seen that the data points spread homogeneously around the diagonal line and follow the diagonal line pattern. Therefore, it can be concluded that the data are normally distributed and the regression model satisfies the normality assumption.

**Coefficient of Determination Test**

The analysis in Table 3 reveals the results of determination (R2) in this study, showing a coefficient of determination value of 0.090 or 9.0%. This figure indicates that together, the Distribution Channel and price variables have a 9.0% influence on Buying Interest. Meanwhile, about 91.0% of the variability in Purchase Interest can be attributed to other factors that are not included in this regression equation. These results provide a comprehensive picture of the extent to which the variables studied may explain variations in Buying Interest, and acknowledge the existence of other factors that may influence the observed results.

**Model Summary**

<table>
<thead>
<tr>
<th>Type</th>
<th>R</th>
<th>Adjusted R</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.300a</td>
<td>.090</td>
<td>.059</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Price, Distribution Channel  

b. Dependent Variable: Buying Interest

**Regression Analysis Test**

<table>
<thead>
<tr>
<th>Standardized Coefficient Beta</th>
<th>T</th>
<th>Sig</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.5</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>11,130</td>
<td>1.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Distribution Channel</td>
<td>0.137</td>
<td>02</td>
<td>75</td>
</tr>
<tr>
<td>Price</td>
<td>0.269</td>
<td>2.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

The Effect of Distribution Channels on Buying Interest

The results of the analysis showed that there was no significant relationship between Distribution Channel (X1) and Buying Interest (Y). This finding is not in accordance with the results of research conducted by [3], [10], [11], [12], (Munir &; Putri, 2022), [14], [15] and (Ramadayanti &; Kurriwati, 2022).

The results of this analysis show that there is no significant influence between the variables Distribution Channel (X1) and Buying Interest (Y). That is, from the data analyzed, it cannot be concluded that changes or variations in Distribution Channels are significantly associated with changes or variations in Buying Interest. In other words, the Distribution Channel factor does not have a significant influence on Buying Interest based on the results of the analysis conducted.

These results suggest that the Distribution Channel factor may not be the main driver of Gorontalo's distinctive yellow rice buying interest in the context of this study. Therefore, further attention may need to be focused on other variables that may have a stronger influence on Buying Interest, so that marketing strategies or performance improvement can be directed at aspects that are more relevant to consumer preferences.

The Effect of Price on Buying Interest

...
The results of the analysis show that there is a positive and significant relationship between Price (X2) and Buying Interest (Y). These findings confirm the results of [17], [18]; [19], (Initiative, 2021), (Good et al., 2021), [22], (Prasetyo & Hasyim, 2022), [24], [25], [26], [27], [28], (Japarianto & Adelia, 2020), [30], [31], [32] and [15]. But not in accordance with the results of research conducted by (Ramdhani & Widayasari, 2022), (Dyah Kusumawati & Saifudin, 2020), (Halim & Iskandar, 2019).

Price factors have a significant influence on the Buying Interest of Gorontalo yellow rice in the context of this study. Therefore, the right marketing strategy or pricing policy may be able to increase consumer Buying Interest in the product. The price factor is an important consideration for consumers, and wise adjustments in pricing can be the key to increasing a product's appeal in the market.

In developing consumer Buying Interest in products, a carefully crafted marketing strategy or pricing policy is essential. Recognizing that price factors play an important role in consumer purchasing decisions, companies need to consider wise price adjustments. Proper pricing can be the key to increasing a product’s appeal in the market.

Marketing strategies that focus on adding value emphasis, effective promotions, and competitive price offers can help attract consumer attention and stimulate buying interest. In addition, a price policy that is responsive to market dynamics and consumer needs can also provide a competitive advantage. Therefore, a deep understanding of market segments, consumer behavior, and price trends in the industry is the key to developing effective strategies in increasing consumer buying interest.

5. CONCLUSION

The distribution channel does not have a significant influence on Gorontalo’s Yellow Rice Buying Interest. This indicates that consumers are not too considerate or influenced by distribution channels in making Yellow Rice purchasing decisions.

On the other hand, Price has a significant influence on Gorontalo’s Yellow Rice Buying Interest. That is, the price factor plays an important role in determining consumer buying interest in the Yellow Rice. A price that is reasonable or in accordance with consumers' perceived value can be a powerful driver in increasing their buying interest. These results provide valuable information for marketers or producers of Gorontalo Yellow Rice to pay more attention and understand the role of price in influencing consumer preferences and buying interests. Efforts to manage and adjust pricing strategies can be one of the effective steps to increase consumer buying interest in the product.

REFERENCES


