

Analysis of Marketing Communication Strategies in Increasing Sales and Brand Awareness in Cigarette Companies

Marketing
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ABSTRACT

A cigarette company in Indonesia, referred to as XYZ in this article, is facing declining sales. This study examines the impact of marketing strategies such as advertising, promotions, social media, and sales staff on customer purchasing behavior, specifically sales volume and brand awareness. The study involved a survey of 205 cigarette consumers aged 17 years and above who had previously purchased the XYZ brand. The results of the analysis showed that all marketing strategies used had a positive effect on sales volume and brand awareness. Effective advertising can increase brand awareness among consumers. Sales promotions provide incentives that encourage short-term purchases. Social media is used to interact with consumers and strengthen brand loyalty. Sales staffs play an important role in providing information and building relationships with customers. These findings suggest that XYZ Company can increase sales by implementing a comprehensive marketing approach. By maximizing advertising, promotions, social media, and the role of sales staff, XYZ can strengthen its position in the market. This study provides valuable insights for XYZ management team to develop more effective marketing strategies to overcome declining sales and increase brand awareness among consumers.

Keywords: Advertising, Sales Promotion, Social Media Marketing, Personal Selling, Sales Volume, Brand Awareness

ABSTRAK

Sebuah perusahaan rokok di Indonesia, yang disebut XYZ dalam artikel ini, menghadapi penurunan penjualan. Penelitian ini meneliti dampak strategi pemasaran seperti periklanan, promosi, media sosial, dan staf penjualan terhadap perilaku pembelian pelanggan, khususnya volume penjualan dan kesadaran merek. Penelitian ini melibatkan survei terhadap 205 konsumen rokok berusia di atas 17 tahun yang pernah membeli merek XYZ sebelumnya. Hasil analisis menunjukkan bahwa semua strategi pemasaran yang digunakan memiliki efek positif pada volume penjualan dan kesadaran merek. Periklanan yang efektif dapat meningkatkan kesadaran merek di kalangan konsumen. Promosi penjualan memberikan insentif yang mendorong pembelian dalam jangka pendek. Media sosial dimanfaatkan untuk berinteraksi dengan konsumen dan memperkuat loyalitas merek. Staf penjualan berperan penting dalam memberikan informasi dan membangun

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hubungan dengan pelanggan. Temuan ini menunjukkan bahwa perusahaan XYZ dapat meningkatkan penjualan dengan menerapkan pendekatan pemasaran yang menyeluruh. Dengan memaksimalkan periklanan, promosi, media sosial, dan peran staf penjualan, XYZ dapat memperkuat posisinya di pasar. Studi ini memberikan wawasan berharga bagi tim manajemen XYZ untuk menyusun strategi pemasaran yang lebih efektif guna mengatasi penurunan penjualan dan meningkatkan kesadaran merek di kalangan konsumen.

Kata kunci: Periklanan, Promosi Penjualan, Pemasaran Media Sosial, Penjualan Pribadi, Volume Penjualan, Kesadaran Merek

INTRODUCTION

The competition in the cigarette industry in the digital era is currently getting tighter where cigarette and e-cigarette companies are starting to utilize social media algorithms as their widely used marketing strategy and targeting the younger generation where it is recorded in the Tobacco Enforcement and Reporting Movement (TERM) data for the May–August 2023 edition that more than two-thirds of tobacco product marketing activities are uploaded on Instagram (68%), Facebook (16%) and X (14%) (Arif, 2024; Galuh, 2024). Even so, based on a databooks survey Kusnandar (2024), the overall cigarette production volume at the national level continues to fluctuate in Indonesia and has decreased from 2020 to 2023 amidst the increasing number of smokers. The impact of the increase in import duties was felt by XYZ in Sidoarjo which produces Hand-Rolled Kretek Cigarettes (SKT) and Machine-Rolled Kretek Cigarettes (SKM) based on internal company data.

In addition to competition with top brand cigarettes, XYZ brands in the Sidoarjo city market as the company's main market was known to compete with the proliferation of illegal or excise-free cigarette brands that are more widely circulated and have the potential to harm the state (Taufik, 2022; Astuti, 2021). The phenomenon of illegal cigarettes in Sidoarjo which are more in demand, their rapid digital expansion, and competition with top brands indicate a Brand Awareness problem for XYZ products as a senior player to be known more deeply, especially in their geographic target market in the context of digital marketing. The declining sales volume and weak brand awareness in the minds of consumers must be increased by the company's management, especially for the Best Seller product, namely *Biru* cigarettes.

Studies on online brand awareness in previous scientific works have shown a lot of relationships between promotional activities and positive impacts on sales. Common factors carried out in brand awareness campaigns, such as the use of digital advertising (Sumarwan & Saptono, 2017; Daosue & Wanarat, 2019; Alberta & Wijaya, 2021). Social Media Marketing (Cheung et al., 2019; Fauziah et al., 2019; Setianingtyas & Nurlaili, 2020;), to direct / personal sales are known to have a positive influence on sales (Adhisti et al., 2020; TNK et al., 2021). Based on previous studies, there has not been a more holistic research approach that combines all factors in forming brand awareness online (advertising, social media marketing, and direct sales) and sales volume. Therefore, the following study was designed to answer this gap based on a case study of the problem of online marketing strategy constraints owned by XYZ using the *Biru* brand sample.

LITERATURE REVIEW

Sales volume is a measure that shows the number or magnitude of goods or services sold and is the net sales of the company's profit report (Swastha & Irawan, 2017). The condition and ability of the seller greatly determine a person's confidence in buying the marketed product, so it can be said that sales volume is a sales achievement expressed in quantitative form in physical terms (Ambolau et al., 2015). In addition, market conditions must be considered, namely the type of market, buyer groups or market segments, purchasing power, buyer frequency, and buyer desires and needs (Tambunan, 2023). Several other factors influence sales (Swastha & Irawan, 2017), as follows. Conditions and abilities of the seller, market conditions, capital, Conditions of the company

organization, and other factors such as advertising, demonstrations, campaigns, giving gifts, discounts and others. In addition, indicators of a sales volume are basically price, promotion, product quality, and distribution channels (Kotler et al., 2014).

Brand awareness is something that can make people interested in a product (Suyanto, 2021). Brand awareness itself is the ability of a buyer to recognize or remember that a brand is part of a certain product category (Aaker, 1994). The better the brand awareness remembered by the user, the better the opportunity for the user to make a repeat usage decision. Brand awareness itself can be categorized into 4 levels (Kertajaya, 2016). Namely, top-of-mind awareness, brand recall, brand recognition, and unawareness of brand persuasion remind consumers both directly and indirectly of the products or brands sold (Kotler et al., 2014). Marketing communication has marketing activities that seek to disseminate information, influence/persuade, and increase the target market for the company and its products so that they are willing to accept, buy, and be loyal to the products offered by the company concerned (Tjiptono & Chandra, 2016). Marketing communication has several important characteristics that provide a philosophical basis for strategy in a business (Shimp, 2014). First, all forms of marketing communication must be based on consumer behavior. Second, the communication tools and channels used must be relevant and contextual. Third, marketing communication programs must be more oriented towards building good relationships between brands and their consumers. Fourth, the ultimate goal of marketing communication is to influence the behaviour of the target market. In addition, there is also a marketing communication mix (Kotler et al., 2014) consisting of eight main communication models: advertising, sales promotion, event sponsorship, public relations, direct marketing, interactive marketing, word-of-mouth marketing, and social media marketing. Several studies have revealed the effective use of digital marketing and social media to accelerate sales (Hanoum et al., 2021; Prihananto et al., 2023; Ratih et al., 2023).

Studies that are used as references starting from the use of digital advertising (Sumarwan & Saptono, 2017; Daosue & Wanarat, 2019; Alberta & Wijaya, 2021), Social Media Marketing (Cheung et al., 2019; Fauziah et al., 2019; Setianingtyas & Nurlaili, 2020), to direct selling (Adhisti et al., 2020; TNK et al., 2021), it is known that there is a research gap where these methods have variables that have not been holistically integrated into a brand awareness goal that leads to sales volume. Therefore, this study aims to combine the above variables in a framework model that is applied to the case study of XYZ in a quantitative study.

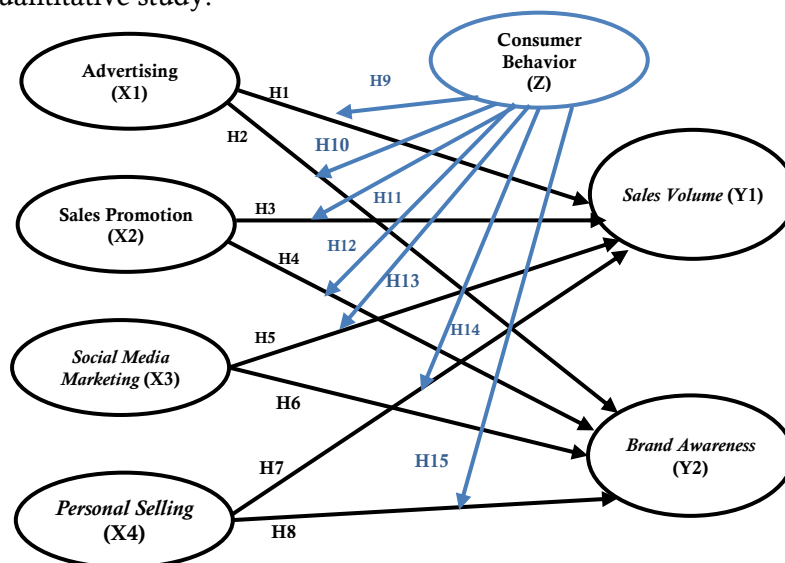


Figure 1. Conceptual Framework

METHOD

This research is divided into three major stages, namely: problem identification stage, data collection stage, and data analysis stage. Problem identification is done by finding conclusions that occur in the scope of the national cigarette industry regarding the condition of XYZ in Sidoarjo. Data collection is done by conducting an observation stage as a preliminary study and primary data mining obtained directly from internal company sources, both interviews and also through surveys as feedback on the Biru brand in order to obtain an overview of information regarding perceptions of Advertising (X1), Sales Promotion (X2), Social Media Marketing (X3), Personal Selling (X4), Sales Volume (Y1), and Brand Awareness (Y2) (Sugiyono, 2017). The survey questionnaire in the form of a questionnaire was distributed to consumers who consume XYZ cigarettes in the Sidoarjo area with the criteria of segmentation theory (Kotler et al., 2014). The research method used is a quantitative method with an associative approach, because the research conducted attempts to measure something precisely (Cooper & Schindler, 2015). To achieve these objectives, this study uses a Likert scale-based questionnaire approach. The Likert scale is a scale used to measure the attitudes, opinions, and perceptions of a person or group of people towards social phenomena (Sugiyono, 2017). With a Likert scale, the variables to be measured are described into variable indicators that can be interpreted. The population is the entire element that the researcher wants to conclude, while the sample is part of the number and characteristics possessed by the population (Cooper & Schindler, 2015; Sugiyono, 2017). The population in this study was consumers of XYZ company in the Sidoarjo area which has $\pm 10,000$ regular consumers. While the minimum number of samples in this study was determined from the Inverse Square Root method (Kock & Hadaya, 2018). The calculation of the target sample obtained 205 samples.

RESULT

The dominant respondents are male at 71.5% compared to females at 28.5% due to targeting the company's environment which is dominated by men. In terms of age, the most dominant target respondents are aged 30-40 years at 36.5% followed by respondents aged 40-50 years at 32.5%, aged 50-60 years at 18.0%, and the last respondents aged 17-30 years at 13.0%. Based on the most dominant level of education is Diploma III education at 38.5% followed by bachelor's degree education at 32.0%, then master's degree education at 18.0%, and the last is respondents with high school/equivalent education at 11.5%. Both age and education level show the dominant percentage of employee and affiliate data at XYZ as respondents and most of them are Diploma III and SMK graduates. Meanwhile, respondents based on their most dominant occupation were employees at 33.0%, followed by respondents with self-employed jobs at 26.0%, civil servant jobs at 24.0% and the last were respondents with Police / Army jobs at 17.0% who were relations of XYZ.

Table 1. Respondent Characteristics

Characteristics	Category	Resp Freq.	Resp. Per cent
Gender	Man	143	71.5
	Woman	57	28.5
	Amount	200	100
Age	17 - 30 years old	26	13.0
	30 - 40 years old	73	36.5
	40 - 50 years old	65	32.5
	50 - 60 years old	36	18.0
	Amount	200	100
Education level	High School/Equivalent	23	11.5
	Diploma III	77	38.5
	Bachelor's Degree (S1)	64	32.0
	Master's Degree (S2)	36	18.0
	Amount	200	100
Jobs	Self-Employed	52	26.0
	Civil Servants	48	24.0
	Employees	66	33.0
	Police / Army	34	17.0
	Amount	200	100

The SEM-PLS evaluation in this study yielded positive results in both the inner and outer models. In the outer model, each produced an outer loading value > 0.7, an average variant extracted (AVE) value > 0.5, composite reliability 0.7, and a Cronbach alpha value > 0.7. Meanwhile, in the outer model results, it was found that the largest t-statistic value was indicated by sales promotion on brand awareness of 7.060. Then the second largest influence was the influence of social media marketing on sales volume of 4.392. While the smallest influence was shown in the personal selling variable on sales volume of 2.413. Based on the description of the results, it shows that the independent variables on sales volume in this model have a path coefficient value with a positive number. This shows that the greater the path coefficient value on one of the independent variables on the sales volume variable, the stronger the influence between the independent variables on the sales volume variable. While the independent variables on brand awareness in this model have a path coefficient value with a positive number. This shows that the greater the path coefficient value of one of the independent variables on the brand awareness variable, the stronger the influence between the independent variables on the brand awareness variable.

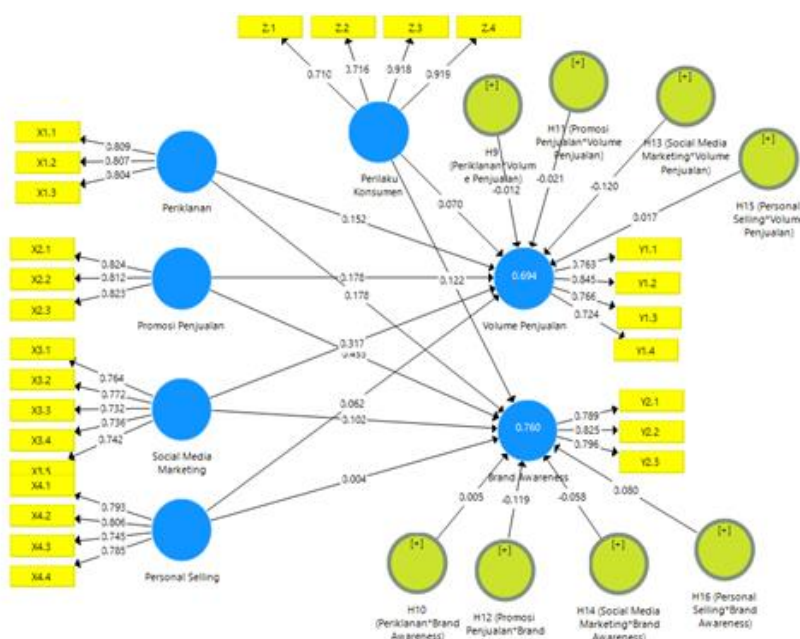


Figure 2. SEM-PLS Outer Model

The R-Square value for the sales volume variable is 0.678. This value explains that sales volume can be explained by advertising variables, sales promotions, social media marketing, and personal selling by 67.8% while the remaining 32.2% can be influenced by other variables not studied. This study also obtained a Q-Square value for sales volume of 0.393 while for brand awareness it was 0.471. This shows that the Q-Square value is above 0. Thus, from these results, this research model can be stated to have good goodness of fit.

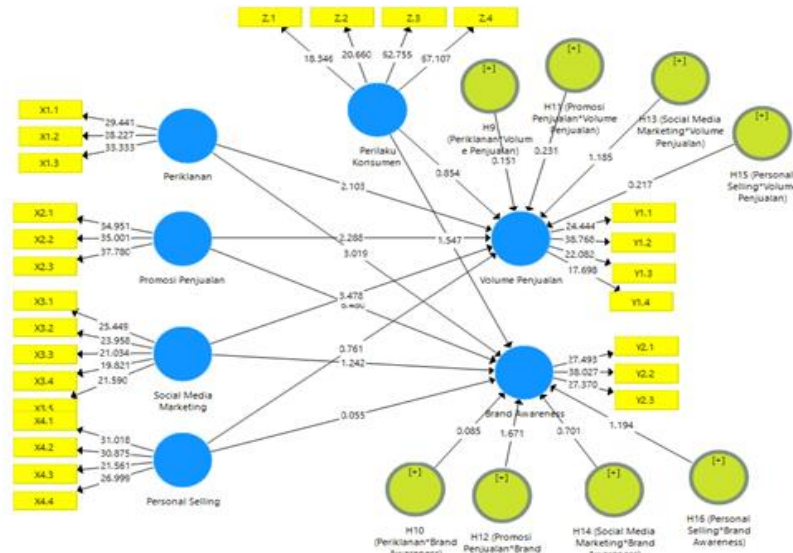


Figure 3. SEM-PLS Bootstrapping

Table 2. T-Statistic & P-Values

Hypotheses	Effect	Original Sample	T-Statistics	P-Values
H1	Advertising => Sales Volume	0.177	2.694	0.007
H2	Advertising => Brand awareness	0.192	3.215	0.001
H3	Sales Promotion => Sales Volume	0.236	3.329	0.001
H4	Sales Promotion => Brand awareness	0.457	7.060	0.000
H5	Social media marketing	0.347	4.392	0.000
H6	=> Sales Volume	0.172	2.543	0.011
H7	Social media marketing	0.155	2.413	0.016
H8	=> Brand awareness	0.134	2.433	0.016
H9	Personal selling => Sales Volume	0.012	0.151	0.880
H10	Personal selling => Brand awareness	0.005	0.085	0.932
H11	Moderaton Consumer Behavior: Advertising => Sales Volume	0.021	0.231	0.818
H12	Moderaton Consumer Behavior: Advertising => Brand awareness	0.119	1.671	0.095
H13	Moderaton Consumer Behavior: Sales Promotion => Sales Volume	0.120	1.185	0.236
H14	Moderaton Consumer Behavior: Sales Promotion => Brand awareness	0.058	0.701	0.484
H15	Moderaton Consumer Behavior: Social media marketing=> Sales Volume	0.017	0.217	0.828
H16	Moderaton Consumer Behavior: Social media marketing=> Brand awareness	0.080	1.194	0.233

Through the T-statistics and P-values, it can be concluded that all hypotheses in the study are accepted except the moderation variables. Based on all the hypotheses accepted above, it can be concluded that this study is in accordance with previous studies both in terms of the use of digital advertising (Sumarwan & Saptono, 2017; Daosue & Wanarat, 2019; Alberta & Wijaya, 2021) Social Media Marketing (Cheung et al., 2019; Fauziah et al., 2019; Setianingtyas & Nurlaili, 2020), to direct / personal selling which has a positive

effect on sales (Adhisti et al., 2020; TNK et al., 2021). There is a positive and significant influence of advertising, sales promotion, social media marketing, personal selling on sales volume, and brand awareness at XYZ in the Sidoarjo area. The high and low levels of marketing communication can significantly affect sales volume and brand awareness. This means that the better the marketing communication, the higher the company's sales volume and brand awareness.

CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that various forms of marketing communications such as advertising, sales promotions, social media marketing, and personal selling have a significant and positive influence on brand awareness and product sales volume in the marketing communications strategy implemented by Company XYZ. This study uses the Structural Equation Modeling-Partial Least Squares (SEM-PLS) model to test these factors. The test results show that advertising, sales promotions, social media marketing, and personal selling all have a strong and significant correlation to increasing brand awareness. Effective advertising helps spread information about a product widely and creates a deep impression in the minds of consumers. Sales promotions, such as discounts or special offers, can increase consumer interest in trying the product, which can ultimately drive increased sales volume. Social media marketing allows companies to interact directly with consumers, build closer relationships, and strengthen brand image. Meanwhile, personal selling, which involves direct interaction with customers, can provide a more in-depth explanation of the product and answer consumer questions or doubts. This study also highlights that the use of integrated and coordinated marketing strategies in various forms of marketing communications has a good predictive impact on brand awareness and sales volume. The product raised in this study, namely *Biru* cigarettes from XYZ, showed a significant increase in brand awareness and sales after the implementation of this marketing communications strategy. Thus, companies can continue to optimize their marketing communications strategies to achieve better results.

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