

CHAPTER I

INTRODUCTION

1.1 Background

The company's activities in carrying out the business such as production and distribution. Production, namely the company makes or produces semi-finished products or finished products while distribution is marketing products that have been produced by the company to consumers. In distributing its products, companies need to determine the right method and channel because the distribution channel decision is one of the important decisions for the company so that the goods / services that have been produced can reach the market or to consumers. Distribution channels in addition to functioning to move products from producers and consumers, this distribution channel directly or indirectly serves as a medium of information. Through distribution, marketing research can be carried out by companies in order to obtain various information about customers, competitors, and strengths in the current potential marketing environment. Determining the product distribution channel for the company is something that is important to consider carefully, because this is one of the spearheads where the product will be directly related to consumers.

Distribution plays a very important role in business. This distribution channel is not only useful for companies that own merchandise. The public as consumers also feel the importance of the role of a good distribution channel. Without distribution, producers will find it difficult to market their products, and consumers also have to struggle to catch up with producers in order to enjoy their products. So that consumers can take advantage or use products that have been produced by the company or industry.

in Bengkalis district there are many industries and factories that process various natural resources, one of which is processing sago plants. Based on data from the Bengkalis Regency Food Security Service, there are at least three sub-districts in Bengkalis Regency which are known as the largest sago producing areas, namely Bantan, Bengkalis and Rupert Districts which have sago land area of approximately 2000 hectares. With such an area, there is a huge potential for the development and processing of the sago plant commodity. Apart from being marketed outside the region, most of this sago is also processed by factories, MSMEs and refineries large or small in each of these regions.

Sago Refinery Ketam Putih Village is one of the businesses engaged in the Sago processing industry. This refinery is managed by Mr. Eriyanto and has been operating for about 21 years so that almost all of the sago in Bengkalis is brought to this refinery for processing. The average production reaches 3 to 4 tons per day. Its activity is to process sago stalks obtained from farmers or collectors of sago stems in the Bengkalis and surrounding areas. The sago stalks that are obtained are cleaned first, then cleaved so that it is easy when grinding to get the desired sago starch. Then it is processed into wet or dry sago starch. The sago flour produced is stored and partly distributed directly to consumers both in the Bengkalis area and outside Bengkalis. By distributing its products, the sago refinery can get the maximum possible income through the existing distribution networks or channels, through direct or indirect channels. Therefore, certain strategies are needed so that this business can continue to operate properly. The success in choosing the right distribution channel strategy will affect the amount of total sales volume, profit and business continuity.

Based on this background, the authors took the title for the research, namely "**Analysis of Distribution Channel Strategy on Sago Refinery Ketam Putih Village**".

1.2 Formulation of the Problem

Based on the background of the problems described above, the formulation of the problem to be examined in this study is: What is the right Distribution Channel Strategy for the Sago Refinery in Ketam Putih Village.

1.3 Purpose of the Study

From the formulation of the problems that have been stated, the objectives of this study are:

1. To find out the Right Distribution Channel Strategy to be applied at the Sago Refinery Ketam Putih Village in running its business.
2. To find out the Distribution Channel Media of the Sago Refinery Ketam Putih Village.
3. To find out the Type of Distribution Channel of the Sago Refinery Ketam Putih Village.
4. To find out the Distribution Scope of the Sago Refinery Ketam Putih Village.

1.4 Significance of the Study

This research is expected to be useful for interested or related parties. The significance of this research are:

1. For the Companies
The results of this research can be used as information, input and material for consideration to improve and implement strategies that are good for the agency / company.
2. For the Author
Apart from being a requirement for completing education, it can also add knowledge, and train writers to be able to apply theories obtained from lectures.
3. For the Readers/Academics
As a reference to add knowledge and input for further research.

1.5 Scope and Limitation of the Problem

Based on the background previously described, the authors define the problem so that the scope of this research has clear boundaries. The limitations of the problems made are: This study will analyze the right distribution channel strategy to be applied to the Sago Refinery Ketam Putih Village.

1.6 Writing Systematics

In order for the writing of this thesis report to be systematic and neatly structured, a systematic report writing is required. The following is the systematics of thesis report writing :

CHAPTER I : INTRODUCTION

In this chapter, the researcher describes the background, problem formulation, research objectives, research benefits, the scope and limitations of the problem, and writing systematics.

CHAPTER II : LITERATURE REVIEW

This chapter describes previous research and literature review.

CHAPTER III : METHOD AND ACCOMPLISHMENT PROCESS

In this chapter, the researcher will describe various things, including: research location, research sites, data collection methods, research models and types of research.

CHAPTER IV : RESULT AND DISCUSSION

This chapter contains research results, discussion and research limitations.

CHAPTER V : CONCLUSION AND SUGGESTION

In this chapter there are conclusions and suggestions as the final description of the report.

REFERENCES

APPENDICES

WRITER BIOGRAPHY