Role of *Selling-Out* as a Mediation Variable of Retail Store Trust on *Selling-In* in Pulung Food Products

Dwi Rahayu[1], Alimudin Rizal Riva'i[2]
[1,2]Universitas Stikubank Semarang, Indonesia
80dwirahayu@gmail.com, ariri@edu.unisbank.ac.id

Abstract

This study aims to determine the role of selling-out as a mediating variable of retail store trust in selling-in in Pulung Food products. This research is quantitative. The type of research used is case study research. A case study is a research strategy, an empirical study that investigates a phenomenon in a real-life setting. The purpose of the research is to obtain the necessary data. The sample used was 45 respondents who were retail store owners who partnered with UD Pulung Food. The analytical method used is Partial Least Square (PLS) with the help of the SmartPLS 3.0 application. Based on the results of the study, it is known that the significance value for the influence of trust on the Ling - in the cell, the original sample value of 0.4 7 7 is positive and the t count is 4.576 > t-table (1.960) and the p-value is 0.000 <0.05 and the original sample is positive. Thus the Hypothesis in this study is accepted. That is, there is a positive and significant influence on trust in trading. To build the intensity of cooperation that can achieve results, it is not only based on the interests of both parties but needs to be based on trust (mutual trust), namely a business relationship, which in business transactions occurs when there is trust between the two parties.

I. Introduction

Many companies still exist in the changing business environment, resulting in increasingly fierce competition, companies want adequate profits to survive as well as provide benefits to owners and employees, therefore they are required to win the competition and maintain the advantages that have been achieved through marketing performance. According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. As stated by Kotler & Keller (2008) financial success often depends on marketing skills. Financial, operations, accounting, and other business functions are meaningless if there is not enough demand for products and services for the company to make a profit.

The thing that must be done by the company is to explore new ideas in accordance with the wishes and needs of consumers. With continuous innovation, the company also strives to attract potential customers to become potential customers and eventually become customers because the success of a company is determined by its consumers. Building loyalty or creating strong and close relationships with customers is the dream of all marketers, and this is often the key to long-term marketing success (Kotler & Keller, 2008).

In this study, researchers will examine those related to the business activities of UD Pulung Food in the *selling division*, to create retail store confidence in Pulung Food products. UD Pulung Food hopes that when we start a business there will be no more divisions or tasks that mix up between *marketing* and *selling*. At this time, many companies place *marketing* and *selling jobs* into one unit, but this practice can be at risk of causing suboptimal performance because it is not focused, the reason is that *marketing* and *selling* are two different things, so you should understand them, even though they have the same goal, namely selling or acquiring customers. For UD Pulung Food, the amount of *selling-in* is a measure of the company's success. Companies with high sales or *selling-out* will give a positive picture of the principal company to provide good *selling-in* performance.

Selling-in is the process of offering products from distributors to sellers, for example, Outlet, Glosir, Super Outlet (SO), and Super Super Outlet (SSO). In the world of marketing to market a product, it must be preceded by *selling-in,* before proceeding with a *marketing strategy*, because if we do promotions without a product in one of the outlets that provide our products, then consumers will find it difficult to find the products we offer. With increased *selling-in* from distributors, it will trigger high *stock levels* at outlets. High *selling-in* must be supported by good product distribution *(spreading)* as well as a selection of outlets according to the target market.

Belief is an assumption or belief that something that is believed is true or real. Trust is a very important factor in converting first-time customers into loyal customers. The higher the level of customer trust, the more loyal the customer will be to the company and the more immune to the pull of competitors. Company reputation is also very important for retailers to be able to believe that retailers have chosen a particular company as the right supplier to establish cooperation. Sales success is influenced by a good corporate image that will form a positive customer perception of the company, such as company bona fide, management ability, and company commitment which will ultimately be able to boost sales or *selling - out*.

A retail store or outlet is a closed place that is economically functional, the term "store" is almost the same as "tavern" or "stall". The term "retail or retail" is a broad term that includes large industries that employ hundreds of people. How exactly does one define what a retail business is and what individuals should understand about the industry in general? Retail is the sale of goods to end users, not for resale, but use and consumption by direct consumers. Retail business involves selling merchandise from a single point of purchase directly to customers who are interested in using the product, a single point of purchase can be a conventional retail store, an online shopping site, or a catalog list. In retail transactions, it can be interpreted as the end of the production chain, producers sell products in large quantities to retailers, and retailers try to sell products in the same amount to consumers. Why is it said that retail is important, because the retail process is the last link in the supply chain between producers and consumers, and allows producers to focus on producing products without having to be distracted by the large amount of effort required to interact with customers and end users who want to buy products the product? The retailer or retailer should make purchasing products easy for consumers, that's why retail stores have salespeople, why internet shopping websites have instant customer service popups, and why catalogs have descriptions.

Sales success is influenced by company image and good relationships with customers. A good corporate image will form a positive customer perception of the company, such as company bona fide, management capability, and company commitment which will ultimately be able to boost sales or *selling*-out. The ability of the sales force

must also be considered as support in improving *selling-out performance.* The outlet service strategy is a determinant of the company's sales success. With the increase *in selling-out,* it will trigger *a* high *level of stock at* the outlet and provide a higher potential for sales to consumers.

Trust is the basis of a business relationship, which is a business transaction that occurs when there is trust between the two parties. Trust in business is built from the start and is also the driving force in an effective relationship. The theory that defines trust, specifically for relationship marketing, was proposed by Morgan and Hunt (1994) which is contained in the Commitment *Trust Theory*. In this theory, Morgan, and Hunt state that trust is a person's belief to rely on other people in a relationship.

Trust is an agreement to work together to support the achievement of a common goal and is constructive (Morgan & Hunt, 1994). Another definition is conveyed by Moorman, Deshpande, and Zaltman (1993: 82) trust is the desire to depend on a trusted partner, this is in line with what was stated by Alimudin (2010) which states that trust is a social relationship (*social exchange*) is belief. other human beings will be human that the other party can run as expected. Therefore, the trust that will be used in this study is the willingness to trust others where one can have true and real beliefs without supervision.

This study looks at trust from the second point of view, namely as a result of continuous interaction. This is because the collaboration that is formed in a *supply chain* is not always initiated by the trust.

Ferdinand (2000), *selling-out* is an activity to direct or encourage retailers to accelerate product sales to final consumers. Sunaryo (2002) argues that *selling out* reflects the success of the product being marketed and proves the extent to which the product being sold is accepted by the end *consumer*.

Dayanti & Ferdinand (2015) in their research stated that if the company provides the best for customers in the form of high customer value, it will lead to customer loyalty, which can be interpreted as generating interest in revisiting a product.

Morgan and Hunt (1994) argue that cooperation in corporate networks can improve companies' survival in the competition. Factors that are a factor in the success of cooperative relationships with retailers include good service, intense communication, and trust. Meanwhile, to build cooperation that achieves results, it is not enough just to be based on the interests of both parties but needs to be based on mutual trust (Alimudin, 2010). In line with research Sunaryo (2002) proves that the relationship between distributors and outlets has a positive effect on increasing *selling-in*. Then the proposed hypothesis is:
H2 = trust has a positive effect on *selling*.

II. Research Method

The research method is a scientific way to obtain data with a specific purpose and use. The purpose of the scientific method is that research activities rely on the characteristics of scientific envy, namely rational, systematic and empirical.

This chapter contains a description of the object of research that is focused on providing an analysis of the model regarding the role of *selling-out* as a mediation of retail store trust towards *selling-in* on puling food products. This study was conducted to test the proposed hypothesis using research methods that have been designed in accordance with the variables to be studied to obtain accurate results. The discussion carried out in the research method includes the types and sources of data, population and samples, data collection methods, and data analysis techniques.

Based on the title and problem formulation, this research is quantitative. The type of research used in this research is case study research. A case study is a research strategy, an empirical study that investigates a phenomenon in a real-life setting. The purpose of this research is to obtain the necessary data.

Population and sampling in this study using purposive sampling technique or subjectively aimed samples. In this study, the number of parameter variables is 9 x 5 = 45 samples. So in this study, 45 respondents were taken from retail store owners and parties who partnered with UD Pulung Food.

The data collection method in this study uses *interviews and* questionnaires as a method of collecting question and answer data obtained directly from respondents' answers.

The data analysis technique used the *Partial Least Square* (PLS) method. The evaluation of the model consisted of two stages, namely the evaluation of the *inner model* and followed by the evaluation of *the outer model.* The selection of the PLS method based on considerations in this study used a small sample. PLS (*Partial Least Square)* analysis is *soft modeling* because it does not assume the data must be of a certain scale, which means the sample can be small (below 100 samples), also the PLS approach is based on the shift in analysis from the measurement of model parameter estimates to relevant predictive measurements. So the focus of the analysis shifts from estimation and interpretation of significant parameters to validity and accurate predictions.

III. Results and Discussion

Retail store owners who partnered with UD Pulung Food. The general description of respondents in this study includes gender, age of respondents, and education which can be seen in the following table:

Table 1. Respondent's Gender

No.	Information	Number of people)	%
1.	Man	19	42.2%
2.	Woman	26	57.8%
	TOTAL:	45	100%

Source: Processed Primary Data

Based on the table, it is known that the majority of respondents in the study were women totaling 26 people (57.8%) and the remaining 19 people, or 42.2% were men.

Table 2. Respondent Age

No.	Information	Number of people)	%
1.	<30 years old	5	11.1%
2.	31-40 years old	8	17.7%
3.	41-50 years old	20	44.4%
4.	>50 years	12	26.7%
	TOTAL:	45	100%

Source: Processed Primary Data

Based on the table above, it is known that respondents aged <30 years are 5 people (11.1%), aged 31-40 years are 8 people (17.7%), aged 41-50 years are 20 people (44.4%), and the rest aged >50 years amounted to 12 people (26.7%).

Table 3. Respondent's Education

No.	Information	Number of people)	%
1.	SENIOR HIGH	20	44.4%
2.	SCHOOL	15	33.3%
3.	D3	8	17.8%
4.	S1	2	4.4%
	S2		
	TOTAL:	45	100%

Source: Processed Primary Data

Based on table 3, it is known that the majority of respondents in the study have a high school education, namely 20 people (44.4%), with D3 education totaling 15 people (33.3%), with undergraduate education amounting to 8 people (17.8%), and the rest have master's degree education, which is 2 people (4,4%),

3.1 Variable Description

To find out the responses of respondents in this study can be seen in the following table:

Table 4. Description of Trust Variables

Information	Answer										Average
	SS (5)		S (4)		N (3)		TS (2)		STS (1)		
	F	%	F	%	F	%	F	%	F	%	(Mean)
X1	12	26.7	23	51.1	7	15.6	3	6.67	0	0	3.98
X2	11	24.4	20	44.4	10	22.2	4	8.89	0	0	3.84
X3	20	44.4	17	37.8	6	13.3	2	4.44	0	0	4.22
Average											4.01

Based on the table above, it is known that the average for all questionnaire questions on the confidence variable is 4.01 and is included in the Agree category.

Table 5. Description *of Selling-Out Variables*

| Information	Answer										Average
	SS (5)		S(4)		N(3)		TS (2)		STS (1)		
	F	%	F	%	F	%	F	%	F	%	(Mean)
Y11	18	40	19	42.2	7	15.6	1	2.22	0	0	4.2
Y12	14	31.1	22	48.9	7	15.6	2	4.44	0	0	4.07
Y13	18	40	18	40	8	17.8	1	2.22	0	0	4.18
Average											4.15

Based on the table above, it is known that the average for all questionnaire questions for the *Selling-Out variable* is 4.15 and is included in the Agree category.

Table 6. Description *of Selling-In Variables*

Information	SS (5)		S(4)		N(3)		TS (2)		STS (1)		Average
	F	%	F	%	F	%	F	%	F	%	(Mean)
Y21	22	48.9	18	40	4	8.89	1	2.22	0	0	4.36
Y22	24	53.3	15	33.3	5	11.1	1	2.22	0	0	4.38
Y23	18	40	21	46.7	3	6.7	3	6.7	0	0	4.2
Average											4.3

Based on the table above, it is known that the average for all questions on the *Selling-In variable questionnaire* is 4.3 and is included in the Agree category.

3.2 Equation Model Testing
In this study, hypothesis testing uses *Partial Least Square* (PLS) analysis techniques with the *Smart PLS 3.0 Inner model program* or commonly referred to as influence testing or hypothesis testing aimed at predicting the relationship between latent variables. The following is a test of the *inner model* with the *Smart PLS* 3.0 program that was tested in this study:

a. Construct Test
The structural equation model in this study can be described in the following structural equation image.
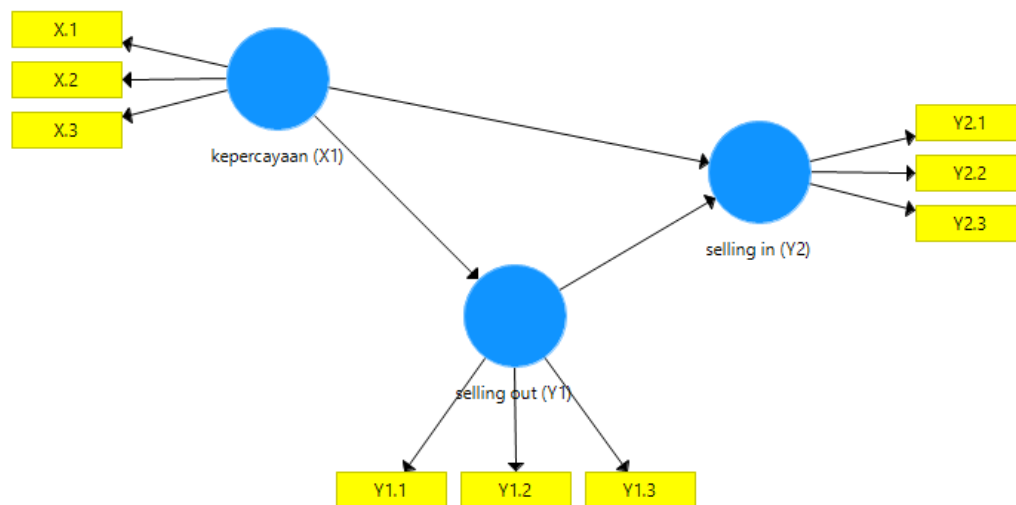
The results of the evaluation of the structural equation model of the study used convergence invalidity on the structural model with a *loading factor,* namely the *outer loadings of the* PLS *algorithm.*
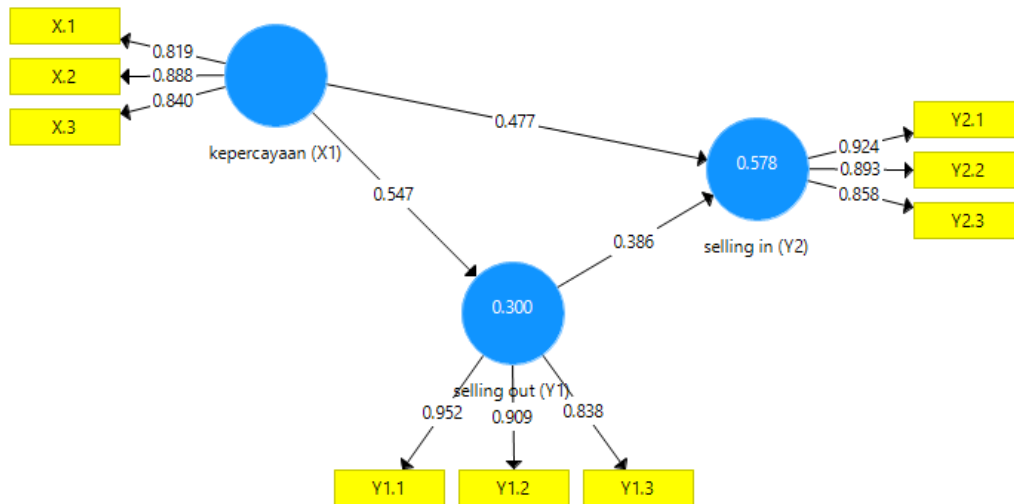
1. Convergent *Validity*

Value, *outer loading factor* criteria with a value ≥ 0.7. To measure the variables of this study, and from the results of the outer loading, the following data were obtained.

Table 7. *Outer Loading* Result

	trust (X1)	selling in (Y2)	selling out (Y1)
X.1	0.819		
X.2	0.888		
X.3	0.840		
Y1.1			0.952
Y1.2			0.909
Y1.3			0.838
Y2.1		0.924	
Y2.2		0.893	
Y2.3		0.858	

The table above is in the excel file "pls_alghorithm" in "outer loading"

Based on the data in the table, it is found that there is still an *outer loading* of all indicators above 0.7 so that the *convergent validity* is high and meets the validity test.

2. *Cronbach alpha, Composite reliability,* and *Average Variance Extracted* (AVE)

The results of the reliability test and the average variation extracted for each variable can be described in the following table.

Table 8. Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
trust (X1)	0.807	0.811	0.886	0.721
selling in (Y2)	0.871	0.872	0.921	0.796
selling out (Y1)	0.882	0.883	0.928	0.811

The table above is in the excel file "pls_alghorithm" under "construct validity and reliability"

The results of the reliability test using *Cronbach alpha,* according to Ghozali (2011) an instrument is said to be reliable if it has a *Cronbach alpha value* > 0.7. The results of the analysis in the table show that each variable has a Cronbach's alpha value > 0.7. So it can be concluded that all variables have a *Cronbach alpha value* > 0.7 and are reliable.

Composite reliability test where each *composite reliability value variable* is greater than 0.6 can be concluded that all variables meet the *composite reliability requirements.*

Test results *Average Variance Extracted* (AVE) it is found that if each variable has an AVE value > 0.5 then it meets the *Average Variance Extracted.*

b. Inner Model for Full Model

The *inner model test* is to find out whether or not the structural model fits in the study, following the results of the *inner model test.*

Table 9. *Structural model inner* test

	R Square	R Square Adjusted
selling in (Y2)	0.578	0.558
selling out (Y1)	0.300	0.283

The table above is in the excel file "pls_alghorithm" on "R square"

Coefficient of Determination (*R-Square*) Selling in Selling out	0.578 0.300	tall currently
Predictive Relevance (*Q-Square*) $Q^2 = 1 - (1 - R1^2)(1 - R2^2)$ $= 1-(1-0.578)(1-0.300)$ $= 1 - (0.422)(0.700)$ $= 1 - 0.295$ $= 0.705$	0.705	Good, meaning that the observed values have been reconstructed properly with predictive relevance
The goodness of Fit (GoF) *Average R ^{2} = (0.578+0.300):2=0.439* **AVE = (0.721+0.796+0.811):3=0.776** 0.584 _	0.584	currently

Interpretation:

1. Coefficient of Determination (R^2)

R^2 shows the *selling-in variable* can be explained by the trust and *selling-out variables* of 0.578 or 57.8% and the remaining 42.2% are explained by other variables outside the study.

R^2 shows the *selling-out variable* can be explained by the confidence variable of 0.300 or 30.0% and the remaining 70% is explained by other variables outside the study.

2. Q– *Square Predictive Relevance* (Q^2)

Project performance variables can be explained by the variable trust in *selling-in with selling-out* mediation can explain 0.705 or 70.5% and the remaining 29.5% is explained by other variables outside the study and in the good category, meaning that the observed values have been well reconstructed with predictive relevance.

3. The goodness of Fit (GoF)

The goodness of Fit (GoF) was used to validate the overall structural model. The criteria for assessing *Goodness of Fit (GoF)* are 0.1 (small GoF), 0.25 (medium GoF), and 0.36 (large GoF) (Ghozali, 2015). The value *of Goodness of Fit* (GoF) in this study is 0.584 which means big.

c. Hypothesis Test Results

The significance of the estimated parameters provides very useful information to determine the relationship between variables in this study. Hypothesis testing is done by looking at the probability value and its t-statistics. For the probability value, the p-value of 5% is <0.05. The t-table value for 5% is 1.960. So the criteria for acceptance of the hypothesis is when the value of t-statistics > t-table. Hypothesis testing with the *Smart PLS 3.0 method is* carried out using a *bootstrapping process*, in order to obtain the relationship between the influence of exogenous variables on endogenous variables as follows:
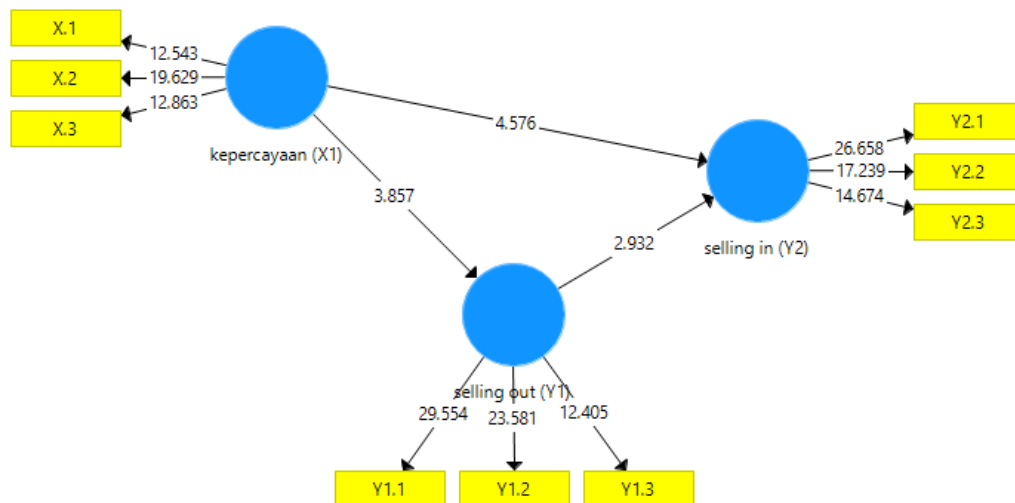
Bootstrapping **Results Image**

Table 10. Direct Effect *Boostrapping* Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
trust (X1) -> selling in (Y2)	0.477	0.491	0.104	4,576	**0.000**
trust (X1) -> selling out (Y1)	0.547	0.509	0.142	3,857	**0.000**
selling out (Y1) -> selling in (Y2)	0.386	0.334	0.132	2,932	**0.005**

The table above is in the excel file "pls_bootstraping" under "Path Coefficients": Mean, STDEV, T-Values, P-Values "

Based on the output results in the table, it is known that hypothesis testing for structural equations is shown as follows:
1. The effect of trust on *selling-in.*
   The t-statistic value for the effect of trust on *selling-in,* the original sample value of 0.477 is positive and the t-count is 4.576 > t-table (1.960) and *the p-value is* 0.000 <0.05 and the original sample value is positive. Thus the Hypothesis in this study was accepted. That is, there is a positive and significant effect between trust and *selling-in.*

2. The effect of trust on *selling-out*.

The t-statistic value for the influence of trust on *selling-out,* the original sample value of 0.547 is positive and the t-count is 3.857 > t-table (1.960) and *the p-value is* 0.000 <0.05 and the original sample value is positive. Thus the Hypothesis in this study was accepted. That is, there is a positive and significant influence of trust on *selling out.*

3. The effect *of selling-out* on *selling-in.*

The t-statistic value for the effect of *selling-out* on *selling-in,* the original sample value of 0.386 is positive and the t-count is 2.932 > t-table (1.960) and *the p-value is* 0.005 <0.05 and the original sample value is positive. Thus the Hypothesis in this study was accepted. That is, there is a positive and significant influence between *selling-out* and *selling-in.*

Table 11. Mediating variables affects the independent variable on the dependent

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
trust (X1) -> selling out (Y1) -> selling in (Y2)	0.212	0.178	0.099	2,140	**0.038**

The table above is in the excel file "pls_bootstraping" on "specific indirect effects": Mean, STDEV, T-Values, P-Values "

Based on the output results in the table, it is known that hypothesis testing to determine the *selling-out variable* can mediate the influence of trust on *selling-in* can be explained as follows:

4. Selling out can mediate the influence of trust on *selling in.*

t-statistical value for the effect of trust on *selling-in with selling-out* mediation the original sample value of 0.212 is positive and t-count is 2.140 > t-table (1.960) and *the p-value* is 0.038 <0.05 and the original sample value is positive. Thus the Hypothesis in this study was accepted. That is, there is an influence of trust on *selling-in* by selling-out mediation.

Trust will arise from a belief that a cooperative relationship will provide benefits as expected by both parties. Then the spread of the product or *s reading* is the level of distribution or product availability at outlets. The higher the *spreading rate*, the higher the *selling-out rate* which in the end will increase *selling-in* and in accordance with the target market.

IV. Conclusion

Based on the results of data processing and testing of the *Partial Least Square method* (PLS) in the SmartPLS 3.0 application, to answer the research problem, it can be concluded that the concept of trust in UD *Pulung* Food has a positive effect on the high *selling out* and *selling that leads to the* achievement of marketing performance. So it can be concluded that based on the results of the study it is known that:

1. There is an effect of trust on *selling-in*
2. There is an effect of trust on *selling out.*
3. There is an effect of *selling-out* on *selling-in.*
4. *Selling out* can mediate the influence of trust on *selling in.*

To build the intensity of cooperation that can achieve results, it is not only based on the interests of both parties but needs to be based on trust (mutual trust), namely a business relationship, which is a business transaction that occurs when there is trust between the two parties.

References

A. Arma, ATFerdinand, and S.T. Raharjo,(2017). "The Influence of Selling Competence, Quality, Relationships, and Selling Experience to Improve Salesforce Performance". Indonesian Journal of Marketing Science, Vol. 16, no. 1, PP.1-6, Jun.

Alimudin, Rizal, (2010)." Efforts to Build *Strategic Marketing Out Comes* Based on *Relationship Marketing and Power* " Journal of Theory and Applied Management, year: 3, No.3.

Budiono, (2001). Macroeconomics. Fourth Edition, Yogyakarta: BPFE.

Doney, Patricia M, dan joseph. Cannon, (1997), *"An Examination of the Nature of Trust in Buyer-seller Relations".*

Dwiseptiady, RK, (2017). "The Effect of Quality Marketing Strategy on Distribution Channel Effectiveness through *Selling-Out* and *Selling-In* Marketing Performance". Student Scientific Journal of Universitas Muhamadiah Pekalongan, Vol. 01, No.01, 1 - 14.

Ferdinand, Agusty (2006). Management Research Methods: Research Guidelines for Thesis, Thesis, and Accompanied by Management Science. Semarang: Diponegoro University.

Ferdinand, Agusty, (2000). Marketing Management: A *Strategic Approach Research Paper Sense,* Undip, Semarang.

Ferdinand, Agusty, (2005). Management research methods. Edition 2. BP Diponegoro University : Semarang.

Ferdinand, Augusty, (2014). Management Research Methods (5th ed). Semarang: key library series 12.

Hadinata, Njo Fransiska, (2014). "The Effect of *Trust on Outcome Buyer Supplier Relations Performance"*. University of Surabaya Student Scientific Journal, Vol.3, No.2.

Hanfan, (2005). "Analysis of Selling In Influence Factors That Have an Impact on Sales Performance". UNDIP Student Scientific Journal.

Ikut, CI. & Yuningsih, R, (2020)." *Selling-In* Performance Model".JurnalIlmiahUNTAGS Semarang.Vol.1,No.2.

Indriantoro, Nur and Bambang Supomo, (1999). Research and business methods, Yogyakarta: BPFE Yogyakarta.

Kotler, Philip & Gary Armstrong, (2014). *PrincipleOfMarketing,15thedition.NewJersey: PearsonPreticeHall.*

Kotler, Philip & Keller, (2008). Marketing Management. Thirteenth Edition. Volume 1. Jakarta: Erlangga.

Maharani, Astri Dhiah, (2010). "Analysis of the influence of trust and customer satisfaction on customer loyalty Bank Mega Semarang Savings". Thesis:

Undergraduate program, Faculty of Economics and Business, Diponegoro University, Semarang.

Marlizar, et al. (2020). The Role of Market Orientation and Creativity in Affecting the Marketing Performance of Market Traders in Aceh Market Banda Aceh City. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal).* P. 1114-1127

Moorman, CR. Despandhe, and GZaltman, (1993). *"Factors Affecting trustin Market Research Relationship". Journal of Marketing*, January, Vol. 57, No.1, pp,81-101.

Morgan, RM, and Hunt, SD (1994), *"The commitment-trust theory of relationship marketing", Journal of* Marketing, Vol. 58 No. 3, pp. 20-38.

Private Basu, (2015). Marketing Management, open university.

Sugiyono, (2015). Combination Research Methods (*Mix Method*). Bandung: Alphabeta.

Sunaryo, Bambang B, (2002)." Dynamics of Outlet Service Strategy and Marketing Performance", Indonesian Journal of Marketing Science, Vol.1, No. 1, p. 41-56.