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THE EFFECT OF MARKETING STRATEGY AND PROMOTION ON SALES VOLUME, AT TOYOTA AUTO TIMOR-LESTE COMPANY

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Abstract

This study aims to analyze the effect of marketing and promotion strategies on sales volume at Toyota Auto Timor-Leste. This study used quantitative and qualitative approaches, with a descriptive and analytical design. The research sample consisted of 100 customers who had made a purchase in the last 12 months and 10 company managers, who were purposively selected. Data were collected through questionnaires and in-depth interviews, then analyzed using descriptive statistical methods and linear regression to test the relationship between variables. The results show that there is a significant influence between marketing strategies, which include product, price, place, and promotion, on increasing sales volume. In addition, effective promotions through advertisements and special offers are proven to increase consumer appeal. This research provides important insights for the management of Toyota Auto Timor-Leste in formulating better marketing strategies to increase sales in a competitive market. Thus, this research contributes to the understanding of marketing dynamics in the automotive industry in Timor-Leste.

Keywords: Marketing strategy, promotion, sales volume

Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh strategi pemasaran dan promosi terhadap volume penjualan di Toyota Auto Timor-Leste. Penelitian ini menggunakan pendekatan kuantitatif dan kualitatif, dengan desain deskriptif dan analitis. Sampel penelitian terdiri dari 100 pelanggan yang telah melakukan pembelian dalam 12 bulan terakhir dan 10 manajer perusahaan, yang dipilih secara purposive. Data dikumpulkan melalui kuesioner dan wawancara mendalam, kemudian dianalisis menggunakan metode statistik deskriptif dan regresi linier untuk menguji hubungan antara variabel. Hasil penelitian menunjukkan bahwa terdapat pengaruh signifikan antara strategi pemasaran, yang mencakup produk, harga, tempat, dan promosi, terhadap peningkatan volume penjualan. Selain itu, promosi yang efektif melalui iklan dan penawaran khusus terbukti meningkatkan daya tarik konsumen. Penelitian ini memberikan wawasan penting bagi manajemen Toyota Auto Timor-Leste dalam merumuskan strategi pemasaran yang lebih baik untuk meningkatkan penjualan di pasar yang kompetitif. Dengan demikian, penelitian ini berkontribusi pada pemahaman tentang dinamika pemasaran dalam industri otomotif di Timor-Leste.

Kata kunci: Strategi pemasaran, promosi, volume penjualan

Introduction

In the era of globalization and increasingly fierce competition, automotive companies around the world, including Toyota Auto Timor-Leste, are faced with the challenge of increasing their sales

volume. Effective marketing and promotion strategies are key in achieving this goal. This study aims to analyze the effect of marketing and promotion strategies on sales volume at Toyota Auto Timor-Leste. By understanding the factors that influence sales, companies can formulate better strategies to attract customers and increase market share. This study uses several relevant marketing theories, including marketing mix theory (4P: Product, Price, Place, Promotion) and consumer behavior theory (Dwivedi, 2015). Marketing mix theory helps in understanding how marketing elements can be integrated to create value for customers. Meanwhile, consumer behavior theory provides insight into how consumers make purchasing decisions and the factors that influence those decisions.

Toyota Auto Timor-Leste implements several marketing strategies designed to reach the growing automotive market segment in the country. One of the key strategies is a customer-driven approach through service personalization. The company seeks to understand the specific needs of Timorese consumers by providing vehicle variants that suit geographical conditions, such as large-capacity vehicles for hilly roads or fuel-efficient variants that suit local preferences. In addition, they utilize digital marketing campaigns to expand the reach of information about the products. Promotions are conducted through social media, official websites, and local advertising platforms, which not only create brand awareness but also encourage interaction with customers. In terms of promotion, Toyota Auto Timor-Leste holds various activities such as test drive programs, seasonal discounts, and auto shows. These programs are designed to bring products closer to consumers while providing a first-hand experience of the advantages of Toyota vehicles. Another strategy used is to build partnerships with local financial institutions to provide affordable financing options, thereby expanding consumer purchasing power. The company also actively participates in corporate social responsibility (CSR), such as supporting education and environmental conservation programs, which serve to improve brand image and consumer loyalty.

The effectiveness of Toyota's promotional strategy is evident from the gradual increase in sales in the Timor-Leste market. Consistent promotion through digital media and local exhibitions has proven successful in attracting the attention of potential buyers. Consumers feel more confident to transact because of the transparency in the promoted product information. In addition, test drive programs and seasonal discounts provide added value for customers, making them more interested in choosing Toyota over other brands. However, the effectiveness of promotions is also influenced by the level of public awareness of the products and their purchasing power. In some cases, challenges arise when people's purchasing power decreases due to global economic conditions that affect household income. In addition to internal strategies, Toyota Auto Timor-Leste's sales are also affected by significant external factors. One of them is Timor-Leste's macroeconomic conditions, including currency exchange rate fluctuations and inflation rates that affect people's purchasing power (Ayman & Kaya, 2020). Government policies related to vehicle imports also have a major impact, such as high import tax regulations, which can increase vehicle prices. Geographical factors are also a challenge, given the uneven road infrastructure in some areas. In addition, competition with other automotive brands that offer lower prices or new technology is a challenge that Toyota must face in maintaining market share.

Thus, although Toyota Auto Timor-Leste has implemented a structured and effective marketing strategy in many aspects, their success in the market still depends on the ability to adapt to external factors and continuously improve the quality of products and services to meet the needs of customers

in Timor-Leste. The novelty of this research lies in its specific focus on Toyota Auto Timor-Leste, which is one of the automotive companies operating in a country with an emerging market. This research also examines the impact of marketing and promotion strategies that may not have been previously studied in the context of the automotive market in Timor-Leste. As such, the results of this study are expected to make a new contribution to the marketing literature and business practices in the region.

The urgency of this research is high given the importance of the automotive sector to Timor-Leste's economy. With the increasing demand for vehicles, companies like Toyota Auto Timor-Leste need to understand market dynamics and consumer behavior to remain competitive. This research is expected to provide useful recommendations for company management in formulating more effective marketing strategies, as well as assisting in data-driven decision-making. Thus, this research is not only relevant for Toyota Auto Timor-Leste, but also for other stakeholders in the automotive industry in Timor-Leste. The results of this study are expected to provide deeper insights into the relationship between marketing strategies, promotions, and sales volume, and provide guidance for other companies operating in the same market.

Research Method

This research uses quantitative and qualitative approaches to analyze the effect of marketing and promotion strategies on sales volume at Toyota Auto Timor-Leste. The method used consists of several steps as follows: a) Research Design: This research uses descriptive and analytical design. Descriptive is used to describe the current condition of the marketing and promotion strategies applied, while analytical is used to analyze the relationship between these variables and sales volume. b) Population and Sample: The population in this study were all Toyota Auto Timor-Leste customers and company management. The sample was taken purposively, by selecting 100 respondents consisting of customers who have made purchases in the last 12 months and 10 managers involved in marketing strategies. c) Data Collection: Data was collected through questionnaires distributed to customers and in-depth interviews with management. The questionnaire consisted of closed and open-ended questions that measured customer perceptions of marketing and promotion strategies, as well as sales volume. Interviews were used to gain deeper insights into the strategies implemented by the management. d) Data Analysis: Data obtained from the questionnaires will be analyzed using descriptive and inferential statistical methods. Linear regression analysis is used to test the effect of marketing and promotion strategies on sales volume. Meanwhile, qualitative data from interviews will be analyzed using a thematic analysis approach to identify emerging patterns and themes. e) Validity and Reliability: To ensure the validity and reliability of the research instruments, a pilot test of the questionnaire was conducted before distribution to the respondents. The pilot test results will be analyzed using Cronbach's Alpha to measure internal consistency (Djaali, 2021).

Result and Discussion

Auto Timor-Leste is a company engaged in vehicle distribution, spare parts supply, and after-sales service in Timor-Leste. The company has a long history in managing the automotive business since Timor-Leste was still part of the Unitary State of the Republic of Indonesia (NKRI). At that time, the company was known as Auto Timorindo, which was the authorized dealer of Toyota Motor Corporation of Japan for East Timor. After East Timor seceded and became an independent country now known as Timor-Leste, Auto Timorindo survived under the leadership of a local businessman named Foo Hau Kiun, who tried hard to maintain the relationship with Toyota Motor Corporation as

the authorized dealer for the region. On March 13, 2006, these efforts paid off with the inauguration of Auto Timor by two high-ranking Toyota officials, Mr. Katsutada Masumoto, General Manager of Overseas Service Field Operation of Toyota Motor Corporation, and Mr. Kenji Takanashi, Director of Toyota Tsusho Corporation. Since then, Auto Timor has been the only authorized dealer of Toyota Motor Corporation Japan in Timor-Leste, carrying a new name but maintaining a commitment to quality and customer service.

As an authorized dealer, Auto Timor is not only responsible for vehicle distribution but also ensures that after-sales services such as maintenance and repair can meet Toyota's high standards. On November 27, 2006, an innovative move was made by bringing in Mami Yamashita from Toyota Tsusho Corporation Asia & Oceania Group Automotive Sales & Marketing Department to provide a free vehicle inspection program. This program applies to new vehicles with mileage below 1,000 km. From December 2006 to January 2007, 366 out of 500 vehicles destined for the United Nations (UN) mission in Timor-Leste underwent this program. This step demonstrates Auto Timor's commitment to providing the best customer experience, especially for international organizations that are the main users of Toyota vehicles in the country. Over time, Auto Timor has recorded significant growth in the sales of Toyota vehicles in Timor-Leste. Toyota's product advantages, such as durability, fuel efficiency, and competitive pricing, make it the brand of choice in the local automotive market. In addition, Auto Timor consistently promotes Toyota's image as a reliable vehicle for Timor-Leste's geographical conditions, which include hilly roads, rugged terrain, and rural environments that require high-performance vehicles.

Auto Timor's Strategy in Developing the Market in Timor-Leste

Auto Timor's strategy is not limited to vehicle distribution. The company actively builds relationships with customers through innovative marketing and after-sales service programs. One of its key strategies is to introduce vehicles that suit local needs, such as SUVs and commercial vehicles. In addition, Auto Timor provides financing options through cooperation with local financial institutions to increase product accessibility for the community. Auto Timor also utilizes various communication platforms to promote its products, including digital media, television advertisements, and local print media. In addition, the company frequently holds events such as automotive exhibitions, test drive programs, and technical seminars to attract public interest. This move is supported by corporate social responsibility (CSR) campaigns, such as support for educational projects, environmental conservation programs, and humanitarian aid (Ahn & Lee, 2021). Not only focusing on individual customers, Auto Timor also forges partnerships with various organizations, including governments and international institutions, such as the United Nations. In its early years of operation, the partnership with the UN contributed greatly to the company's financial stability, providing hundreds of vehicles to support the organization's operations.

Challenges and Opportunities in the Timor-Leste Automotive Market

Although Auto Timor has managed to establish a strong position in Timor-Leste's automotive market, the company still faces various external challenges. One of the main challenges is the underdeveloped road infrastructure in some areas, which limits market penetration. In addition, macroeconomic conditions, such as currency exchange rate fluctuations and people's purchasing power, also affect sales (Trisnowati et al., 2022). On the other hand, Auto Timor sees great opportunities in Timor-Leste's economic growth supported by the oil and gas sector. As people's

incomes rise, demand for personal and commercial vehicles is expected to continue to increase. In addition, the government's support for road infrastructure development provides an opportunity to expand distribution coverage to previously hard-to-reach areas. This study aims to investigate the effect of marketing and promotion strategies on sales volume at Toyota Auto Timor-Leste. Through quantitative and qualitative approaches, data was collected from various sources, including customer surveys, interviews with company management, and analysis of sales data over a certain period. The results of this study show that there is a significant relationship between the marketing strategies implemented by Toyota Auto Timor-Leste and its sales volume and that promotions have an equally important impact.

1. Effect of Marketing Strategy on Sales Volume

The results show that the marketing strategies implemented by Toyota Auto Timor-Leste contributed significantly to the increase in sales volume. In this context, the marketing mix (4Ps) consisting of product, price, place, and promotion plays an important role.

- a. Products:** Toyota Auto Timor-Leste offers a range of vehicle models to suit the needs of the local market. The research found that the diversity of products, including family vehicles, commercial vehicles, and eco-friendly vehicles, has attracted various consumer segments. This is in line with market segmentation theory, which states that a good understanding of consumer needs and preferences can increase product success in the market. In addition, high product quality, which is Toyota's hallmark, is also a determining factor in consumer purchasing decisions.
- b. Price:** In terms of pricing, a competitive pricing strategy has also proven effective. Toyota Auto Timor-Leste implements a flexible pricing strategy, where they offer various financing options and discounts to attract customers. Research shows that consumers are more likely to make a purchase when they feel they are getting good value for the price paid. This suggests that the right pricing strategy can increase product appeal and, in turn, sales volume.
- c. Place:** Product distribution is also an important factor in marketing strategy. Toyota Auto Timor-Leste has an extensive dealer network and good accessibility in various locations in Timor-Leste. The research found that easy access to dealers and good after-sales service increased customer satisfaction and brand loyalty. This suggests that an effective distribution strategy can strengthen market position and support increased sales volume (Amoncar, 2020).

2. The Effect of Promotion on Sales Volume

According Juska, (2021) Promotion is an important element in marketing strategy that can directly affect sales volume. The results show that the various promotional activities carried out by Toyota Auto Timor-Leste, including advertising, sales promotion, and digital marketing activities, have a significant impact on consumer purchasing decisions.

- a. Advertising:** Advertisements conducted through various media channels, both traditional and digital, have successfully increased brand awareness among consumers. Research shows that attractive and informative advertising campaigns are able to attract consumers' attention and build a positive image of the Toyota brand. In addition, the use of social media as a promotional platform has also proven effective in reaching a wider audience, especially the younger generation who are more active on the platform.

- b. **Sales Promotion:** Sales promotion activities, such as discounts and special offers, also contribute to increased sales volume. Research found that consumers tend to be more interested in purchasing a vehicle when there is a special offer that makes the product more affordable. This suggests that timely and relevant sales promotions can create urgency for consumers to make a purchase.
- c. **Digital Marketing Activities:** In today's digital age, marketing through online platforms is becoming increasingly important. This research reveals that Toyota Auto Timor-Leste has made good use of digital marketing, including the use of an informative and interactive website, as well as paid advertising campaigns on social media. As a result, the company is able to reach a wider range of consumers and increase engagement with younger audiences. This shows that adapting to digital marketing trends is crucial to maintaining competitiveness in a changing market.

3. External Factors Affecting Sales

In addition to marketing and promotion strategies, this study also identified several external factors that affect sales volume at Toyota Auto Timor-Leste. According to Dosinaen & Musafa, (2023) These factors include economic conditions, government regulations, and consumer behavior.

- a. **Economic Conditions:** Timor-Leste's fluctuating economic conditions affect consumer purchasing power. In periods of economic growth, sales volume increases, while in recessionary conditions, sales tend to decrease. Research shows that Toyota Auto Timor-Leste must continuously monitor economic conditions and adjust their marketing strategies to remain relevant and competitive.
- b. **Government Regulations:** Government regulations related to vehicle imports and taxes also affect sales volume. Policies that support the automotive industry, such as tax reductions for environmentally friendly vehicles, can encourage increased sales. This research found that Toyota Auto Timor-Leste needs to adapt to changing government policies to capitalize on opportunities.
- c. **Consumer Behavior:** The changing consumer behavior is also an important factor in determining sales volume. Research shows that consumers nowadays pay more attention to sustainability and fuel efficiency when choosing a vehicle. Therefore, Toyota Auto Timor-Leste needs to prioritize products that meet these criteria to attract the attention of consumers who are increasingly aware of environmental issues.

Conclusion

From the results of this study, it can be concluded that the marketing and promotion strategies implemented by Toyota Auto Timor-Leste have a significant influence on sales volume. Success in managing the marketing mix, including product, price, place, and promotion, as well as responses to external factors, are key in improving the company's competitiveness in the Timor-Leste automotive market. This study provides recommendations for the management of Toyota Auto Timor-Leste to continue to innovate in marketing and promotion strategies, and pay attention to market dynamics and changing consumer behavior. Thus, the company can maintain sales growth and improve their market position in the future. This study also opens up opportunities for further research into the influence of other factors that may affect sales volume, as well as comparative studies with other automotive companies in the same region. With a deeper understanding of marketing and promotion

strategies, it is hoped that Toyota Auto Timor-Leste can continue to grow and contribute to economic growth in Timor-Leste.

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