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The Role of Distribution Channels in Improving Marketing Performance and Customer Satisfaction

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Abstract: This study aims to examine the role of distribution channels in enhancing marketing performance and customer satisfaction. As business competition intensifies, companies must adopt effective distribution strategies to ensure their products are delivered efficiently and reach customers on time. Using a quantitative descriptive method, data were collected through questionnaires distributed to customers and marketing staff. The results indicate that distribution channels have a significant positive impact on both marketing performance and customer satisfaction. Efficient delivery, broad market coverage, product availability, and the use of technology in logistics management contribute to increased sales, better brand perception, and stronger customer loyalty. Furthermore, customer satisfaction is closely linked to the quality of distribution services, including speed, reliability, and ease of access. The study also identifies several challenges, such as delivery delays and limited reach in remote areas. To overcome these challenges, companies are encouraged to invest in digital distribution systems and expand their distribution networks strategically. Overall, the findings underscore that well-managed distribution channels are essential in creating value for customers and achieving competitive advantage in today's dynamic market environment.

Keyword: Distribution channels, marketing performance, customer satisfaction, logistics, consumer behavior, competitive strategy

INTRODUCTION

In an increasingly competitive business world, companies are required to have an effective marketing strategy to achieve their main goals, namely customer satisfaction and improving marketing performance. One important element that often determines the success of a marketing strategy is the distribution channel. Distribution channels act as a bridge between producers and consumers in distributing products or services efficiently, on time, and in accordance with market needs. The effectiveness of distribution channels can have a direct impact on customer perceptions of product value, service time, and ease of access which ultimately affects customer satisfaction and loyalty. According to Kotler and Keller (2016), a distribution channel is a group of organizations that are interdependent in the process of providing products or services so that they are ready to be used or consumed by consumers. This means that distribution channels not only function as physical connectors in

delivering products, but also play a strategic role in shaping the customer experience. The company's success in managing distribution can increase operational efficiency, speed up the delivery process, reduce costs, and ultimately improve overall marketing performance. Effective distribution also has a psychological impact on customers. When consumers find it easy to access products, get fast service, and receive goods in good condition, their satisfaction with the company will increase. Customer satisfaction itself is one of the key indicators in the transmission of marketing effectiveness. According to Oliver (1997), customer satisfaction is an emotional response to the experience of consuming a product or service. In other words, fast, reliable, and efficient distribution can create a positive experience for customers. The role of distribution strategy is increasingly strengthened in the era of globalization and digitalization like today. Companies no longer rely solely on traditional distribution channels, such as wholesale and retail, but also utilize digital channels such as e-commerce, marketplaces, and social media. According to Stern, El-Ansary, and Coughlan (1996), technological developments have changed the structure and dynamics of distribution information, from a linear system to a complex and integrated distribution network. This transformation requires companies to be able to adapt and design distribution channels that are flexible, responsive, and affordable for various market segments.

In the context of marketing performance, distribution channels are not only responsible for logistics and delivery aspects, but also spearhead in building brand image, expanding market reach, and increasing competitiveness. Marketing performance can be measured through several indicators such as sales volume, market share growth, customer loyalty, and profitability. According to Tjiptono (2017), optimal marketing performance is achieved through synergy between various elements of the marketing mix, including distribution. Therefore, the selection and management of the right distribution channels are one of the determining factors for the success of a company's marketing. On the other hand, the challenges in managing distribution channels cannot be ignored. Problems such as late delivery, lack of stock availability in the market, mismatch between demand and supply, and conflicts between distribution members are often obstacles that hinder the achievement of customer satisfaction. Therefore, companies must be able to design an efficient distribution system, utilize information technology optimally, and establish harmonious working relationships with their distribution partners. As an illustration, large companies such as Unilever, Nestlé, and Samsung are known to have excellent and widespread distribution systems. They not only focus on product quality, but also ensure that their products can be reached by consumers easily and quickly in various locations. According to Bowersox, Closs, and Cooper (2010), good supply chain and distribution management will create sustainable competitive advantage. In this case, the advantage does not come solely from the product, but from the distribution system that supports the overall marketing strategy.

In addition, in the MSME sector, the role of distribution channels is also very crucial. Many MSME players have difficulty reaching a wider market due to limited distribution channels. This is where the importance of the government and digital platforms is present to provide access and training related to modern product distribution. According to the Ministry of Cooperatives and SMEs of the Republic of Indonesia, digitalization of distribution channels is one of the keys to increasing the competitiveness of MSMEs in the digital economy era. Various literature shows that there is a close relationship between the quality of distribution channels and the level of customer satisfaction. According to Lovelock and Wirtz (2011), the quality of distribution services includes speed of delivery, accuracy of orders, condition of the product when received, and friendliness of the delivery staff. All of these factors are part of the customer experience that will determine whether customers are satisfied or not. In this context, distribution is not just a logistics process, but part of a customer experience strategy. Distribution channels also play an important role in shaping

customer loyalty. When consumers are satisfied with product access, delivery reliability, and the services provided, the likelihood of them making repeat purchases will increase. This customer loyalty is very important in creating long-term business sustainability. According to Griffin (2005), loyal customers will not only make repeat purchases, but also become effective brand promoters through word of mouth.

As a conclusion to this introduction, it can be concluded that the role of distribution channels in improving marketing performance and customer satisfaction is very important and cannot be ignored. Good distribution channels can help companies reach customers more widely, improve operational efficiency, and create positive customer experiences. Therefore, companies must be able to design and manage distribution channels strategically in order to compete in an increasingly dynamic and complex market. This study aims to analyze in depth how the role of distribution channels can improve marketing performance and customer satisfaction, by reviewing various theoretical approaches and relevant case studies. It is hoped that the results of this study can provide a real contribution to the development of more effective distribution strategies, both for large-scale companies and small and medium enterprises in Indonesia.

METHOD

This study uses a quantitative descriptive approach that aims to describe systematically, factually, and accurately the facts and relationships between the variables studied, namely distribution channels, marketing performance, and customer satisfaction. This approach was chosen in order to provide a more measurable understanding of the influence of distribution channels in improving marketing performance and its impact on customer satisfaction levels. The population in this study were consumers who had purchased products from the company that was the object of the study, as well as marketing managers who understood the company's distribution system. The sample was determined using a purposive sampling technique, which is a sampling technique based on certain criteria that are relevant to the research objectives. The respondent criteria in this study were consumers who had purchased products at least twice in the last six months, and marketing managers who were directly involved in managing distribution channels. Primary data were obtained through the distribution of closed questionnaires compiled based on indicators from each research variable. This questionnaire uses a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5), to measure respondents' perceptions of the effectiveness of distribution channels, marketing performance, and their level of satisfaction. In addition, semi-structured interviews were conducted with several key informants, such as the head of the marketing division and the logistics department, to obtain qualitative data that strengthens the results of the quantitative analysis.

The independent variable in this study is the distribution channel, which is measured through several indicators such as delivery speed, distribution reliability, market reach, and cost efficiency. Meanwhile, the dependent variable consists of two parts, namely marketing performance and customer satisfaction. Marketing performance is measured based on indicators of sales volume, market share growth, and promotion effectiveness, while customer satisfaction is measured based on the level of satisfaction with the service, product quality when received, and ease of access to the product. Data analysis was carried out using the multiple linear regression analysis method to determine how much influence the distribution channel has on marketing performance and customer satisfaction. Before the analysis was carried out, the data was first tested through validity and reliability tests to ensure that the research instrument met scientific standards. In addition, classical assumption tests such as normality tests, multicollinearity tests, and heteroscedasticity tests were carried out to ensure that the data met the requirements for regression analysis. By using a

quantitative approach and supported by qualitative data, it is hoped that this research will be able to provide a comprehensive and in-depth picture of the role of distribution channels as an important component in an effective marketing strategy that is oriented towards customer satisfaction.

RESULTS AND DISCUSSION

After data was collected through questionnaires and interviews, and statistical analysis using multiple linear regression was carried out, the results showed a positive and significant influence of distribution channel variables on marketing performance and customer satisfaction.

1. Influence of Distribution Channels on Marketing Performance

The results of the regression analysis show that distribution channels have a significant influence on the company's marketing performance. This is indicated by a significance value below 0.05 and a positive regression coefficient value. In other words, the more effective and efficient a company's distribution channels are, the higher its marketing performance will be. Distribution indicators such as delivery speed, punctuality, wide distribution reach, and product availability at various points of sale contribute greatly to increasing sales volume and positive perceptions of the brand. For example, companies that are able to distribute their products to various regions consistently show a significant increase in sales over time. This is in line with the opinion of Kotler and Keller (2016), which states that good distribution allows companies to provide more value to customers through easy access and fast service. In addition, reliable distribution also strengthens promotional activities because customers feel confident that the products offered are actually available. A promotion will be less effective if the product is difficult for customers to find. Therefore, synergy between distribution and promotion is the key to creating optimal marketing performance.

2. The Influence of Distribution Channels on Customer Satisfaction

The results of the study also show that distribution channels have a significant effect on customer satisfaction. Customers are satisfied when they get the product quickly, in good condition, and with an easy process. From the questionnaires collected, most respondents stated that the speed of delivery and the availability of products at their location are very important factors in determining satisfaction. Customers who are satisfied with the distribution process tend to have higher loyalty. They not only make repeat purchases, but also recommend the product to others. This is in accordance with Oliver's opinion (1997), which states that customer satisfaction is an emotional response to the consumption experience, and positive experiences in the distribution process play a role in shaping this perception.

In addition, from the results of interviews with marketing managers and logistics staff, it is known that companies that implement technology-based distribution systems (such as real-time tracking, delivery automation, and coordination with third parties) tend to be better able to maintain consistency in distribution services. The use of technology in the distribution system not only increases efficiency, but also provides transparency to customers regarding the status of their orders, which ultimately increases trust and satisfaction.

3. Challenges in the Distribution System

Although most of the data shows a positive impact, there are also several challenges identified in managing distribution channels. Several customers expressed disappointment with delivery delays caused by logistics disruptions, especially during times of high demand such as the holiday season or major promotions. In addition, companies also face obstacles in reaching remote areas due to limited infrastructure and high distribution costs. This shows that although distribution plays a major role, its effectiveness is still highly dependent on external factors such as geographical conditions, logistics partners, and technological support.

To overcome these obstacles, companies need to periodically evaluate their distribution networks and consider the use of alternative distribution channels, such as cooperation with local e-commerce, or the development of a hybrid distribution system (a combination of traditional and digital distribution).

4. Comparison with Previous Studies

The findings in this study are in line with previous research conducted by Bowersox et al. (2010), which stated that distribution is a vital component in the supply chain that affects the efficiency and responsiveness of companies to market demand. In addition, these results are also supported by research from Stern et al. (1996), which concluded that a good distribution channel structure can provide sustainable competitive advantage. However, this study provides additional contributions by emphasizing the importance of distribution not only from the internal side of the company, but also from the customer perspective as the main determinant of marketing success. Therefore, distribution channels must not only be efficient, but also oriented towards end-user satisfaction.

CONCLUSION AND SUGGESTIONS

Based on the results of the research and analysis that have been conducted, it can be concluded that distribution channels have a very important and strategic role in improving marketing performance and creating customer satisfaction. Distribution effectiveness shown through delivery speed, wide market reach, process reliability, and product availability consistently provides a positive contribution to increasing sales volume, good brand perception, and customer loyalty. Distribution that is managed professionally and integrated with information technology has proven to be able to answer the challenges of the modern market that demands speed, efficiency, and convenience. In addition, customer satisfaction increases significantly when they receive products quickly, in good condition, and through an easy and transparent process. However, challenges are still found, especially in reaching remote or isolated areas, as well as in maintaining service consistency during spikes in demand. Therefore, it is important for companies to continue to innovate and evaluate their distribution systems.

Suggestions

Based on the findings of this study, here are some suggestions that can be considered by companies and business actors in optimizing the role of distribution channels:

1. Increase Investment in Distribution Technology

Companies need to integrate digital technologies such as real-time tracking systems, automated inventory management, and logistics applications to improve distribution efficiency and provide a better customer experience.

2. Expanding Distribution Network Strategically

Expanding the distribution network, especially in potential areas that have not been reached, can be an opportunity to increase market share and strengthen marketing performance. This can be done through collaboration with local logistics partners or opening new distribution points.

3. Developing a Hybrid Distribution System

Combining traditional (offline) and modern (online) distribution channels will provide more flexibility in meeting the diverse needs of consumers. This hybrid system can also reduce dependence on one type of distribution channel.

4. Training and Supervision of Distribution Partners

Distribution partners such as agents, resellers, or third-party logistics must be given regular training and supervised systematically so that service standards are maintained and in line with the company's vision of providing the best service.

5. Making Customer Satisfaction a Benchmark for Distribution Performance

Distribution performance evaluation should not only focus on time and cost, but also pay attention to customer feedback regularly, in order to find out whether distribution really creates a satisfying experience.

By implementing these steps, it is hoped that the company can maximize the role of distribution channels as the main pillar in improving marketing performance and realizing sustainable customer satisfaction.

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