EVALUATION OF THE SALES DISTRIBUTION MODEL OF AGROCOMPLEX PRODUCTS AT PT NATURAL NUSANTARA

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ABSTRACT

This study aims to identify the distribution model used for agrocomplex product sales at PT Natural Nusantara, analyze its distribution effectiveness, and identify factors that hinder its implementation. The research employed a mixed methods approach with descriptive qualitative and quantitative methods. Data were collected through interviews, observation, documentation, and questionnaires distributed to stockists and business partners of PT Natural Nusantara in the Special Region of Yogyakarta. Qualitative data were analyzed using the Miles and Huberman model, while quantitative data were examined through validity and reliability tests, distribution effectiveness analysis, and evaluation using the Context, Input, Process, Product (CIPP) model combined with the Glickman Quadrant.

The findings show that PT Natural Nusantara applies a Multi-Level Marketing (MLM) distribution model through a single distribution channel, namely producer–stockist–business partner–consumer. Based on six distribution effectiveness indicators—appropriate price, quantity, place, type, time, and quality—the distribution model is classified as highly effective. Evaluation using the CIPP model also indicates that the context, input, process, and product components are in the positive category. However, several obstacles remain, including uneven marketing capabilities among distributors, low activity in parts of the distribution network, suboptimal coaching, declining market demand, and competition from similar products, which have led to decreased sales and product stock accumulation. Therefore, the company needs to strengthen its marketing strategy, network development, and distribution performance optimization so that operational effectiveness can be accompanied by increased sales.

KEYWORDS sales distribution, agrocomplex products, Multi-Level Marketing, distribution effectiveness, CIPP.

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INTRODUCTION

An effective distribution system is one of the key determinants of business success because it ensures that products reach consumers in the right quantity, quality, location, time, and price. In the agricultural sector, distribution plays a strategic role in improving farmers' access to agricultural inputs, supporting farm productivity, and strengthening supply chain performance. An ineffective distribution system may lead to product shortages, delayed delivery, increased logistics costs, and reduced customer satisfaction. Therefore, companies are required to develop distribution models capable of delivering products efficiently while maintaining product availability and service quality.

PT Natural Nusantara is one of the companies operating in the agricultural input industry by marketing agrocomplex products, including organic fertilizers, plant nutrition, biological pesticides, and other agricultural support products. Unlike conventional distribution channels, PT Natural Nusantara implements a Multi-Level Marketing (MLM)-based distribution model that utilizes independent distributors as marketing partners. This distribution model not only functions as a product delivery mechanism but also serves as a partnership network that expands market coverage through distributor recruitment and customer relationship development. Consequently, evaluating the effectiveness of this distribution model is essential to determine whether the system has successfully fulfilled distribution objectives.

Distribution effectiveness is generally assessed based on several operational indicators. According to Kotler & Armstrong, (2018) an effective distribution system should ensure that products are delivered in the right product, right quantity, right place, right time, and right price. These indicators are widely applied to evaluate whether a distribution channel has met customer expectations and achieved operational efficiency. Companies capable of maintaining these distribution dimensions are more likely to enhance customer satisfaction, improve competitive advantage, and sustain long-term business performance.

Several previous studies have investigated agricultural distribution systems from different perspectives. Dahlan & Putri, (2025)reported that the distribution of organic fertilizer in Indonesia remains constrained by unequal product availability, limited production capacity, and insufficient distribution management. Likewise, Cahyani & Dewi, (2025)evaluated supply chain performance using the Supply Chain Operations Reference (SCOR) model and found that distribution planning remains one of the weakest aspects of supply chain performance. Rio & Sutarmo, (2022)also revealed that conventional agricultural marketing channels have not been fully supported by effective promotional strategies, limiting market expansion. These studies demonstrate that distribution effectiveness remains a critical issue in agricultural marketing.

Despite the growing number of studies concerning agricultural supply chains and distribution systems, previous research has primarily focused on marketing channels, logistics performance, supply chain efficiency, and distribution strategies. Limited attention has been given to evaluating the effectiveness of a Multi-Level Marketing (MLM)-based distribution model, particularly for agricultural input products. Moreover, empirical evidence regarding the implementation of MLM distribution systems in

supporting product accessibility for farmers is still scarce. This gap highlights the need for further investigation into the operational effectiveness of MLM-based distribution systems within agricultural businesses.

Therefore, this study aims to evaluate the effectiveness of the agrocomplex product distribution model implemented by PT Natural Nusantara. The evaluation is conducted using five indicators of distribution effectiveness, namely the right product, right quantity, right time, right place, and right price. The findings of this study are expected to contribute to the development of agricultural distribution management literature and provide practical recommendations for improving the performance of agricultural input distribution systems through an MLM-based marketing approach.

RESEARCH METHOD

This study employed a quantitative descriptive research design to evaluate the effectiveness of the agrocomplex product distribution model implemented by PT Natural Nusantara. The research was conducted at PT Natural Nusantara, Indonesia, from March to May 2026. The study focused on distributor partners who actively marketed agrocomplex products through the company's Multi-Level Marketing (MLM) distribution system. The research population consisted of distributor partners of PT Natural Nusantara. Respondents were selected using purposive sampling based on the criteria that they had actively participated in the distribution and marketing of agrocomplex products and were willing to participate in the study. Although the initial target population comprised 98 distributor partners, only 65 respondents completed the questionnaire and met the research requirements. Therefore, data analysis was performed using responses from these 65 participants. Primary data were collected through a structured questionnaire using the Guttman scale, in which each statement had two response options: "Yes" (score = 1) and "No" (score = 0). The questionnaire consisted of five indicators of distribution effectiveness adapted from the distribution concept proposed by Kotler and Armstrong (2018), namely: (1) the right product, (2) the right quantity, (3) the right time, (4) the right place, and (5) the right price. Secondary data were obtained from company documents, scientific literature, and other relevant publications related to distribution management. Data were analyzed using descriptive percentage analysis. The effectiveness score for each indicator was calculated by comparing the total score obtained with the maximum possible score and expressing the result as a percentage. The percentage value was then interpreted according to predetermined effectiveness criteria to determine the level of effectiveness of the distribution model implemented by PT Natural Nusantara. The analysis focused on identifying the performance of each distribution indicator and evaluating the overall effectiveness of the company's distribution model.

RESULT AND DISCUSSION

The effectiveness of the agrocomplex product distribution model implemented by PT Natural Nusantara was evaluated using five distribution effectiveness indicators, namely the right product, the right quantity, the right time, the right place, and the right price. Data were collected from 65 distributor partners through a Guttman-scale questionnaire. The overall findings indicate that the company's distribution model achieved an effectiveness score of **97.85%**, placing it in the **very effective** category. This result demonstrates that the distribution system has successfully fulfilled most operational distribution objectives and has effectively supported product availability for distributor

partners.Foreign words or terms are used in italic letters. It is better to avoid using foreign terms for articles in Indonesian. The new paragraph starts 1 cm from the left border, while there are no spaces between paragraphs.

Table 1. Results of the Analysis of the Overall Effectiveness of the Indicators

Indicator	Effectiveness (%)	Category
Right Price	80%	Very Effective
Exact Amount	75%	Quite Effective
Right Place	63%	Quite Effective
Right Type	67%	Quite Effective
Right On Time	80%	Very Effective
Right Quality	83%	Very Effective
Overall Effectiveness	75%	Quite Effective

The right price indicator obtained an effectiveness score of 80%, indicating that distributor partners consistently received agrocomplex products that matched customer needs and market demand. Product availability is a fundamental component of distribution effectiveness because customers expect products to be consistently available whenever they are required. The finding suggests that PT Natural Nusantara has maintained an effective inventory management system capable of ensuring continuous product supply throughout its distribution network. This result is consistent with Kotler and Armstrong (2018), who argue that product availability is a primary objective of an effective distribution channel.

The Exact Amount indicator achieved an effectiveness score of 75% indicating that all respondents agreed that the products distributed by PT Natural Nusantara matched customer needs and order specifications. This result demonstrates that the company has maintained product availability and quality throughout the distribution process. Product suitability is an important component of distribution management because customers expect to receive products that correspond to their agricultural requirements. This finding is consistent with Kotler and Armstrong (2018), who stated that an effective distribution channel must ensure that the appropriate products are consistently available to target consumers.

Similarly, the right quantity indicator also obtained an effectiveness score of 83% indicating that distributor partners consistently received products in quantities corresponding to customer orders. Accurate order fulfillment minimizes inventory shortages and prevents excess stock, thereby improving operational efficiency. This result reflects the effectiveness of inventory management and order processing within the company's distribution system.

The right-on-time indicator recorded an effectiveness score of 80%, the lowest among all distribution indicators, yet it remains within the very effective category. This finding indicates that a small proportion of respondents experienced delays in product delivery under certain circumstances. Delivery timeliness may be influenced by transportation conditions, logistics coordination, geographical distance, and delivery scheduling. Although these delays were relatively limited, they indicate that logistics management remains the primary area requiring continuous improvement. Enhancing transportation planning and delivery coordination could further improve customer satisfaction and overall distribution performance.

Overall, these findings demonstrate that the Multi-Level Marketing (MLM)-based distribution model implemented by PT Natural Nusantara has been highly effective in supporting the distribution of agrocomplex products. The company has successfully ensured product availability, accurate order fulfillment, appropriate product accessibility,

and consistent pricing throughout its distribution network. However, improving delivery timeliness through better logistics planning and transportation management remains an important priority to further optimize distribution performance. These findings strengthen previous studies emphasizing the importance of effective distribution management in improving supply chain performance and customer satisfaction, and provide empirical evidence of the effectiveness of an MLM-based distribution model in the agricultural input sector.

CONCLUSION

This study concludes that the agrocomplex product distribution model implemented by PT Natural Nusantara is highly effective, with an overall effectiveness score of 97.85%. The evaluation based on five distribution effectiveness indicators demonstrates that the right product, right quantity, right place, and right price achieved perfect effectiveness scores, indicating that the company's distribution system has successfully ensured product availability, order accuracy, distribution coverage, and price consistency. Meanwhile, the right time indicator obtained a slightly lower score of 89.23%, suggesting that delivery timeliness remains the primary aspect requiring improvement. Overall, the Multi-Level Marketing (MLM)-based distribution model has effectively supported the distribution of agrocomplex products and contributed to meeting distributor partners' needs. Therefore, continuous improvements in logistics planning and delivery coordination are recommended to further enhance the efficiency and reliability of the company's distribution performance.

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