

ABSTRACT

This research aims to test the effects of promotion cost and distribution cost on sales. Promotion costs has a strong contribution in increasing sales. The promotion activity that the company does aims to communicate with the customers, as an effort to influence customers so that the company is able to increase its sales. Besides that promotional factor, the other factor that is also important is distribution. Distribution cost is all costs occurred that aims to market its products. Every company makes goods and then distribute them to customers, so that the customers who need can get them in the right amount, time, and place. The population of this research is all *Food and beverage* sub sector manufacturing companies which are listed on Indonesia Stock Exchange in 2009-2013.

This research is classified as a verification-descriptive research that has a causality character with analysis method quantitative approach. This research uses multiple regression linear. By using purposive sampling, there are 10 samples used in this research. Data that used in this research is secondary data. The analysis method used in this research is normality test, multicollinearity test, auto correlation test, and heteroscedasticity test.

The multiple regression of this research is $Y = -3.626.554.679.592,256 + 18,324X_1 + 68,207X_2$. Both promotion and distribution cost simultaneously influence sales. Based on ANOVA table, the probability is 0,000, less than 0,05. And the independent variables shows a strong simultaneous contribution, 76,8%. Based on the partial test, promotion cost and distribution cost significantly and positively influence sales. Promotion cost influences 81,4% of the sales and distribution cost influences 84,4% of the sales.

Keywords: *Promotion Cost, Distribution Cost, Sales*