



## The Influence of production costs and sales volume on operational profit at Serasi Gorden Pringsewu

Vivi Imelda<sup>1</sup>, Sunarmi<sup>2</sup>

<sup>1,2</sup>Fakultas Sosial & Bisnis, Universitas Aisyah Pringsewu, Lampung, Indonesia

### ARTICLE INFO

#### Article history:

Received Jun 2, 2023

Revised Jun 11, 2023

Accepted Jun 24, 2023

#### Keywords:

Net Profit

Production cost

Sales volume

### ABSTRACT

This type of research uses quantitative research with a case study and field study approach. The data used is secondary data. The population in this study are all sales reports, production cost reports, and financial reports for Serasi Gorden's business. The samples used in this study were sales reports, production cost reports, and financial reports for the Serasi Gorden business for the period 2018 to 2022, namely 60 samples from 60 months for 5 years. The data analysis technique used in this study is multiple linear regression analysis. The results of this study indicate that production costs have a value of  $t_{count} < t_{table}$  or  $-38.034 < 1.67065$  with a significance value of  $0.000 < 0.05$ . Meanwhile, the sales volume variable has a  $t_{count} > t_{table}$  or  $53.630 > 1.67065$  with a significance value of  $0.000 < 0.05$ . So it can be concluded that partial production costs (X1) have no significant effect on increasing profits while sales volume (X2) has a significant effect on operating profits. From the simultaneous test of production costs and sales volume simultaneously, they have a positive and significant effect on Serasi Gorden's operating profit in Pringsewu with  $f_{count} > F_{table}$ , namely  $1567.144 > 3.15$  and a significance of  $0.000 < 0.05$  and the test results for the coefficient of determination is 98.2%, while the rest is influenced by other factors outside the two variables studied.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



#### Corresponding Author:

Sunarmi,

Fakultas Sosial & Bisnis,

Universitas Aisyah Pringsewu,

Jl. A Yani No.1 Tambak Rejo, Wonodadi, Kec. Pringsewu, Kab. Pringsewu, Lampung 35372, Indonesia,

Email: [niki.narmi@gmail.com](mailto:niki.narmi@gmail.com)

## INTRODUCTION

In the current era, the economy plays an important role in the business world, where the level of competition is getting higher. A business needs to take effective actions to reduce financial instability and maintain business operations. Therefore it is important to pay attention to the condition of the production side and even marketing activities, which are the main key for a business to run to increase business turnover.

One of the developing textile businesses is the curtain business. This business is an opportunity to make big profits. Curtains are one of the needs that must be met because curtains function as a cover and regulator of the entry of sunlight and determine the formation of home decorations. Likewise, if the trend or times change, some people will change the curtains in their homes, and the demand for curtains will continue to exist.

Currently, there is a lot of demand for curtain-type products because curtains are one of the complementary products for home interiors. The demand for curtains, which continues to increase, especially before the holidays, can be an opportunity to increase production so that the income received by businesses also increases.

In this study, the Serasi Gorden business in Pringsewu was used as the research object. Based on Serasi Gorden's business financial data for the period 2018 to 2022, which researchers obtained through documentation of sales reports, production cost reports, and financial reports for Serasi Gorden's business, it shows conditions where net profit has decreased, while production costs and sales volume have increased. Raw material costs for production also increased compared to the previous year. Decreased profits can be a motivation to continue to innovate with market changes. Serasi Gorden is committed to continuously improving product quality and increasing promotional activities to obtain sustainable profits.

The curtain business in Pringsewu Regency has started to develop and there are many similar competitors including Nissaul Gorden, Salsabila Gorden, Pringsewu Gorden Palace, Muhlisin Gorden, and so on, through online and offline. Therefore, Serasi Gorden pays attention to things that can make his business competitive with other curtain businesses. Improve product quality by conducting promotions. Serasi Gorden also needs to consider market trends and be prepared to deal with changes that may occur. Able to adapt to market changes and take appropriate action.

"Production costs are one of the elements that affect the company's profit. Production costs are costs incurred by a company to process raw materials into finished goods. In industrial companies, production costs consist of raw material costs, direct labor costs, and factory overhead costs" (Mulyadi, 2018).

According to (Swasta Basu & Irawan, 2020) "Sales volume can be measured in two ways, namely first achieving sales targets which can be measured by product units sold. Second, an increase in the number of sales, and an increase in profits is obtained from the total value of the company's real sales in a certain period. Because of that sales volume is an important thing that needs to be evaluated so that the company does not experience losses. Companies must be able to be more selective in selling products to consumers so that the sales volume target that has been planned by the company in a certain period can be achieved optimally with an efficient cost.

According to (Eko Purwanto, 2021), "net profit is the profit obtained after deducting the cost of goods and various taxes/expenses, so the high and low net profit is influenced by the high and low sales and expenses". Sales is an integrated activity to develop a strategic plan that is directed at satisfying the needs and desires of buyers to obtain profitable sales. High net profit is not an absolute measure to measure whether an entity is good or not in running its business. At least profit is used as a measure of achievement for most companies.

This research is a development of research conducted by Marismiati and Zidan.A (2022) with the title "The Effect of Production Costs on Net Profit in Companies Manufacturing in the Food and Beverage Sub-Sector Listed on the IDX for the 2019-2020 Period" with the addition of variables, namely sales volume. Another difference between this study and previous similar studies is that research uses the theory of earnings management efficiency and the theory of constraints. According to Sitio (2001) in Oktavia. E (2019) this theory emphasizes that businesses that are managed efficiently will earn profits above the average normal profit. High profit is an incentive for efforts to increase its output in the long term. Conversely, low profit or loss is a sign that consumers want less of the product or commodity that is handled and the method of production is not efficient. A business can achieve profits above normal if it is successful, perform efficiencies in various fields, and be able to meet the desires of its consumers.

Meanwhile, constraint theory is a systems management philosophy developed by Eliyahu M Goldratt in the early 1980s. TOC states that performance. the company (system) is constrained. This theory recognizes the performance of each company.

constrained by its constraints which then develops a constraints approach to support the goal of continuous improvement of a company.

Referring to several journals, including research conducted by Sonitehe Gea in 2022 with the title "The Effect of Market Segmentation on Growth Sales Volumes". The results of this study indicate that the market segmentation effect on increasing sales volume at Yongky Mart Gunungsitoli City of 58.982% while the rest is influenced by other factors that are not included in this research variable is 41.018%.

Furthermore, research was conducted by Eko Purwanto in 2021 with the title "Effect of Sales Volume, Production Costs, and Income Tax on Net Income on the Indonesian Stock Exchange". The results of the research show that income tax affects the company's net profit. While sales volume and costs of production do not affect the company's net profit. And research conducted by Muhammad Dzaky Faizal and Dede Nurohman in 2022 with the title "The Influence of Production Costs, Labor and Entrepreneurial Motivation Against the Profitability of Marble Entrepreneurs in Sawo Village. The result of this study shows that partially or simultaneously the cost of production, the amount of labor work, and entrepreneurial motivation owned by marble entrepreneurs in Sawo Village significant influence on the profitability of entrepreneurs.

Based on the data that the author gets through the sales report, production cost report, and financial report of Serasi Curtains business for the period 2018-2022. There are many phenomena which shows the condition of decreased net income while production costs and volume sales have increased, so it is necessary to conduct this research. The data shows that in 2022 the production costs of the Serasi Gorden business have increased in January and February by IDR 11,231,000, sales volume in January and February have also increased by IDR 9,938,000 while profits in this business have decreased by IDR 1,293,000. In addition, in 2020 production costs for the Serasi Gorden business also increased in August and September by IDR 3,216,000. Sales volume in this business also increased by IDR 135,000 while operating profit decreased by IDR 3,081,000.

Market demand that fluctuates every month can affect operating profit. This makes it the Serasi Gorden business necessary to find out how much influence production costs and sales volume have on the profits received. Based on this, the background is for researchers to conduct more in-depth research on the effect of production costs and sales volume on Serasi Gorden's operating profit for the period 2018 to 2022.

The purpose of this research is to find out whether there is an influence on production costs and sales volume on the operating profit of Serasi Gorden in Pringsewu. Another goal is to minimize expenses such as raw materials, reduce labor costs and use labor-correct machinery and equipment, increase sales volume by adding distribution activities, promotion, and product quality, and improve management of costs production in reducing related costs so that businesses can increase profits maximally.

## RESEARCH METHOD

The study used sales report data, production cost reports, and financial reports for the Serasi Gorden Business for the 2018-2022 period obtained through the documentation at the research object location. Data were processed using the IBM SPSS version 25 program. Then the data is processed using the Linear Regression menu that already exists in the SPSS application. The analysis used is multiple linear regression analysis, multiple correlations (R), coefficient of determination, partial test, and simultaneous test.

Multiple regression is the development of simple linear regression which can be used to predict future demand based on past data or to determine the effect of one or more independent variables on one dependent variable. The purpose of this analysis is to determine whether or not the influence of production costs, and sales volume on the profit of Serasi Gorden Business is significant or not by using the multiple regression equation as follows:  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$ .

According (Sugiyono, 2018) concluded that "multiple correlation analysis is used to determine the magnitude or strength of the relationship between all independent variables on the dependent variable simultaneously".

**Table 1.** Guidelines for interpreting correlation coefficients

Correlation Intervals	Relationship Level
0,00 - 0,199	Very low
0,20 - 0,399	Low
0,40 - 0,599	Currently
0,60 - 0,799	Strong
0,80 - 1,000	Very strong

The magnitude of the influence of production costs (X1), and sales volume (X2) on net profit (Y) can be determined using the analysis of the coefficient of determination or in short KD which is obtained by squaring the correlation coefficient. In essence, the value of r ranges between -1 and 1, if r approaches -1 or 1, it can be said that there is a close relationship between the independent variable and the dependent variable. If r is close to 0, it can be said that the relationship between the independent variable and the dependent variable is very weak or even non-existent.

Testing the hypothesis in this study is to use the Partial Significance Test (t-test) & Simultaneous Significance Test (F Test). According to (Sujarweni Wiratna. V, 2018) concluded states "t-test is a test carried out to determine the relationship of the independent variable to the dependent variable partially". With a significance level of 5%.

Ho: there is no influence between the X variable on the Y variable

Ha: there is an influence between the X variable on the Y variable

Meanwhile, according to (Sujarweni Wiratna.V, 2018) states "The F test is used to determine the feasibility of the data". The decision-making rule in the F test is:

Ho: does not meet the eligibility

Ha: fulfill the eligibility

## RESULTS AND DISCUSSIONS

The Serasi Gorden Business is a business engaged in the textile sector, namely producing various types of curtains, located on Jl. Gereja Pringsewu, which was founded in January 2005 by the person in charge is the founder, Mr. Ikhsanudin.

The owner gave his business the name Serasi Gorden because according to him a house needs to be in harmony with the curtains it has. Match the color of the house wall paint, match the color of the sofa, or so on.

At the beginning of Serasi Gorden, the owner worked with other people as a curtain tailor, then in 2005 he opened his own curtain business with his wife. Due to the tenacity and hard work of the business owner who always innovates by trying to make the latest curtain designs he makes, this business is finally able to develop by establishing 2 stores in the Pringsewu and Serasi Gorden shopping centers as well as selling online to make its marketing reach wider.

Currently, Serasi Gorden has 5 employees, consisting of shopkeepers, curtain tailors, curtain steamers, and curtain installers. Serasi Gorden is capable of producing approximately 300 meters of curtain fabric every month. The process of making these curtains is simple, so human labor is used more dominantly.

In this study, multiple linear regression analysis tests were used to measure the strength of the relationship between the independent variables on the dependent variable. Testing the influence of variables, namely production costs (X1) and sales volume (X2) on net profit (Y) from the results of data processing, we can see the results of the multiple linear regression test as follows:

**Table 2.** Multiple Linear Regression Analysis Test  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	86826.939	419770.440		.207	.837
	Biaya Produksi	-1.018	.027	-.750	-38.034	.000
	Volume Penjualan	1.013	.019	1.057	53.630	.000

a. Dependent Variable: Net Profit

Based on Table 3 above, the results of the regression equation are obtained as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 86826,939 + (-1,018)X_1 + 1,013X_2 + e$$

$$Y = 86826,939 - 1,018X_1 + 1,013X_2 + e$$

From these equations, it can be concluded that:

- 1) The value of the constant  $\alpha$  is 86826.939, stating that if the value of production costs, and sales volume is equal to zero, then the net profit is 86826.939.
- 2) The production cost variable ( $X_1$ ) has a regression coefficient that is negative -1.018 indicating a negative influence between the production cost variable and net income. This means that if the production cost variable ( $X_1$ ) increases by 1 unit, net profit ( $Y$ ) will decrease by -1.018 units. This indicates that when production costs rise, the amount of profit achievement will decrease. Likewise, when production costs decrease, the amount of profit will increase.
- 3) The sales volume variable ( $X_2$ ) has a positive regression coefficient of 1.013 indicating a positive influence between the sales volume variable and net income. This means that if the sales volume variable ( $X_2$ ) increases by 1 unit, net profit ( $Y$ ) will increase by 1.013 units. It can be identified that when sales volume increases, the amount of profit achievement will increase. Likewise, when sales volume decreases, the amount of profit will decrease.

The value of the correlation coefficient ( $R$ ) shows how big the correlation or relationship is between the independent variables and the dependent variable. The correlation coefficient is said to be strong if the  $R$ -value is above 0.5 and close to 1.

**Table 3.** Results of Multiple Correlation Analysis ( $R$ )

<b>Model Summary</b>										
Mo	R	Adjusted	Std. Error of	Change Statistics						
del	R	Square	the Estimate	R Square	Change	F Change	df1	df2	Sig.	F Change
1	.991 <sup>a</sup>	.982	1537282.205	.982	.982	1567.144	2	57		.000

a. Predictors: (Constant), Sales Volume, Production Cost

In the results of the multiple correlation analysis ( $R$ ) above, the  $R$  number of 0.991 indicates that the relationship between production costs and sales volume is very strong, namely 0.991 which is above 0.5.

The coefficient of determination  $R^2$  test shows how far the level of relationship between the dependent variable and the independent variable or the extent to which the contribution of the independent variable influences the dependent variable. The determinant coefficient ( $R^2$ ) aims to explain how large the proportion of the independent variable varies with the dependent variable. If

the value (R<sup>2</sup>) is getting bigger, the value is close to 1, it can be said that the independent variable is strong against the dependent variable.

**Table 4.** Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.991 <sup>a</sup>	.982	.982	1537282.205

a. Predictors: (Constant), Sales Volume, Production Cost

The test results for the coefficient of determination from the table above show that in the R square column, it is known that the total percentage of variation in the dependent variable explained by the independent variable is 0.982 or 98.2%. This means that the influence of the independent variables (production costs and sales volume) on the dependent variable (profit) is 98.2%, while the remaining 1.8% is explained by other variables outside this study.

## CONCLUSION

The results showed that production costs had a negative and significant effect on the net profit of the Pringsewu Curtains Matching Business with a tcount of -38.034 and a ttable of 1.67065 so that tcount <ttable or -38.034 <1.67065 with a significance value of 0.000 <0.05, which means that every increase in production costs will cause a decrease in profits. It can be concluded that production costs can be one of the factors that can affect the ups and downs of operating profit. This means that large production costs indicate that the costs incurred by a business are too large and can reduce the profits earned by a business.

Sales volume has a positive and significant effect on the net profit of Serasi Gorden Pringsewu Business with a tcount of 53.630 and a ttable of 1.67065 so that tcount > ttable or 53.630 > 1.67065 with a significance value of 0.000 <0.05, which means that any increase in sales volume will cause an increase in operating profit. The higher the volume of sales obtained in business activities, the amount of profit achievement will increase. This means that every increase in sales volume reflects the level of business success in selling products to consumers, which means that income will increase and net profit will also increase.

Production costs and sales volume simultaneously have a positive and significant effect on the net profit of the Serasi Gorden business with fcount > ftable, namely 1567.144 > 3.15 with a significance value of 0.000 <0.05 and the test results for the coefficient of determination of 98.2% while the rest is affected other factors apart from the two variables studied.

For future researchers, it is hoped that they will expand the research area so that they can be seen from various sectors, not just focusing on one sector. It is recommended to use a longer period to describe the actual conditions because this study only used a 5-year research period and it is expected to add other independent variables.

## References

- Arikunto. (2006). *Prosedur Penelitian Suatu Pendekatan Praktek*. Jakarta: PT. Rineka Cipta.
- Basu Swastha & Irawan. (2020). *Manajemen Pemasaran Modern*, Yogyakarta. Liberty
- Bustami, Bastian dan Nurlela. (2017). *Akuntansi Biaya Edisi 4*. Jakarta: Mitra Wacana Media.
- Dadan Ramdani. (2020). *Akuntansi Biaya*. Yogyakarta. Cv. Markumi
- Dwi Nugrawati, R. (2017). *The Influence Of Liabilities And Sales Volume On Net Income (Case study on manufacturing company Sub sectors of the metals and the like are listed on the Indonesia stock exchange Period 2011-2015)*. (Doctoral dissertation, Universitas Komputer Indonesia).
- Fadilah, N. (2020). *Pengaruh Biaya Produksi Dan Biaya Distribusi Dalam Meningkatkan Volum Penjualan Terhadap Laba Bersih Pada Pt. Nurul Amin Di Sampang*. *Majalah Ekonomi*. 25(2). 51-60.

- Faizal, M. D., & Nurohman, D. (2022). Pengaruh Biaya Produksi, Tenaga Kerja, Dan Motivasi Berwirausaha Terhadap Profitabilitas Pengusaha Marmer Di Desa Sawo. *Jurnal Menara Ekonomi: Penelitian dan Kajian Ilmiah Bidang Ekonomi*. 8(2). 127-135.
- Fauzi, Rizky. A. (2017). *Sistem Informasi Akuntansi (Berbasis Akuntansi)*. Deepublish.
- Gea, S. (2022). Pengaruh Segmentasi Pasar Terhadap Peningkatan Volume Penjualan. *Jurnal Akuntansi, Manajemen Dan Ekonomi*. 1(1). 48-54.
- Gusnardi, G. (2010). TOC: Tinjauan teori. *Jurnal Pendidikan Ekonomi dan Bisnis*, 2(03), 8958.
- Harnanto. (2017). *Akuntansi Biaya: Sistem Biaya Historis*. Yogyakarta: BPFE.
- Kotler, P & Keller, K. (2016). *Manajemen Pemasaran* (edisi 13). Jakarta. Penerbit Erlangga
- Lisna, T., & Hambali, D. (2020). Pengaruh Biaya Produksi, Harga Jual dan Volume Penjualan Terhadap Laba Bersih: Studi Kasus Perusahaan Pertambangan Batubara yang Terdaftar di Bursa Efek Indonesia Periode 2014-2017. *Jurnal Ekonomi Dan Bisnis Indonesia*. 5(2). 41-49.
- Mariani, D., & Suryani, S. (2018). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Dengan Kinerja Sosial Dan Kinerja Lingkungan Sebagai Variabel Moderator (Studi Empiris Pada Perusahaan Pertambangan Dan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2011-2015). *Jurnal Akuntansi Dan Keuangan*, 7(1), 59-78.
- Marismati, M., & Azhar, A. (2022). Pengaruh Biaya Produksi Terhadap Laba Bersih Pada Perusahaan Manufaktur Subsektor Makanan Dan Minuman Yang Terdaftar Di Bei Periode 2019-2020. *Land Journal*, 3(1), 30-36.
- Mulyadi. (2018). *Akuntansi Biaya*. Edisi-5. Yogyakarta: Universitas Gajah Mada.
- Oktavia, E., Ernitawati, Y., Indriyani, A., Rahmawati, T., & Saputra, A. A. (2019). Pengaruh Biaya Produksi dan Penjualan terhadap Laba Bersih pada Rocket Chicken Brebes. *Journal of Accounting and Finance (JACFIN)*, 1(1), 1-14.
- Purwaji, Agus dkk. (2017). *Pengantar Akuntansi 2*. Edisi 2. Cetakan Kedua. Jakarta: Salemba Empat.
- Purwanto, E. (2021). Pengaruh Volume Penjualan, Biaya Produksi, Dan Pajak Penghasilan Terhadap Laba Bersih Di Bursa Efek Indonesia. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*. 10(2). 215-224.
- Puspitasari, S. R. D., & Fatah, A. (2021). Pengaruh Volume Penjualan dan Biaya Operasional terhadap Laba Bersih di Pangkalan LPG 3 Kg Siti Aminah Sidoarjo Periode 2017-2019. *Benchmark*. 2(1). 108-113.
- Rivai, Syamsul. (2019). *Mari Belajar Ekonomi*. Ponorogo : Uwais Inspirasi Indonesia.
- Sadono Sukirno. (2016). *Teori Pengantar Makroekonomi*. Rajawali Press.
- Satar, M. (2020). Pengaruh Biaya Produksi Dan Biaya Penjualan Terhadap Laba Bersih Pada PT. Sunson Textile Manufacture. *AKURAT Jurnal Ilmiah Akuntansi FE UNIBBA*. 11(1). 31-42.
- Siregar, Baldrick dkk. (2017). *Akuntansi Manajemen*. Jakarta: Salemba Empat.
- Subramanyam, K.R. (2017). *Analisis Laporan Keuangan*. Edisi Kesebelas. Jakarta: Salemba Empat.
- Sugiyono. (2018). *Metode Penelitian Bisnis Pendekatan Kuantitatif, Kualitatif, Kombinasi, dan R&D*. Bandung: Alfabeta.
- Sugiyono. (2019). *Metode Penelitian Pendidikan*. Bandung: Alfabeta.
- Sujarweni Wiratna.V. (2018). *Metode Penelitian Ekonomi dan Bisnis Pendekatan Kuantitatif*. Yogyakarta: PT. Pustaka Baru.
- Sujarweni, V. Wiratna. (2017). *Analisis Laporan Keuangan; Teori, Aplikasi, dan Hasil Penelitian*. Yogyakarta : Pustaka Baru Press.
- Sunarmi, S., & Marthalena, Y. (2021). Analisis Biaya Produksi dan Harga Jual Makanan pada Rumah Makan Marintin di Gading Rejo Pringsewu. *Jurnal Al-Qiyam*, 2(1), 102-109.