

5 THE EFFECT OF FINANCIAL MANAGEMENT AND DIGITAL MARKETING IN EFFORTS TO INCREASE SALES TURNOVER FOR MSMEs

Hamza Khalifa Ibrahim

Higher Institute of Medical Technology - Bani Waleed/ Libya, Libya

Email: Hamzakhlifa2009@gmail.com

Abstract

Micro, Small and Medium Enterprises have an important role in national economic development starting from the absorption of labor and the welfare of local communities. The importance of this business role needs to be optimized, one of which is by increasing turnover through financial management and digital marketing. The results showed that financial management obtained an F count of 49,564 with a significance level of $0.000 < 0.05$, which means that there is an influence of the financial management variable (X1) on the variable increasing MSME turnover (Y). While the digital marketing variable obtained an F count of 17,812 with a significance level of $0.000 < 0.05$, which means that there is an influence of the Digital Marketing variable (X2) on the variable increasing MSME turnover (Y). Based on the multiple linear regression test, the results show that financial management and digital marketing simultaneously have a significant effect on increasing MSME turnover in the city of Bandung.

Keywords: Financial Management, Digital Marketing, Increased Turnover, Sales, MSMEs

This article is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International](https://creativecommons.org/licenses/by-sa/4.0/)



INTRODUCTION

The economic development of a region or a country is basically the interaction of various groups of variables, including human resources, natural resources, capital, technology and others. Indonesia as a country where its national development essentially has one goal, namely advancing general welfare (Halim, 2020). National development is an effort to improve the quality of Indonesian people and society which is carried out in a sustainable manner and based on national capabilities by utilizing advances in technology and science. National development includes aspects of the life of the nation and the state carried out by the government and society. The main actor of development is the community, while the government has the obligation to direct and protect and build a climate that is conducive, safe and peaceful to support national development.

Hamza Khalifa Ibrahim

Development is an effort to increase the ability of the community so that it can influence its future. Development leads to changes in a better direction than the previous standard of living. Development in the era of globalization relies heavily on the economic sector as a measure of success carried out by the government (Sofyan, 2017). One of the economic strengths that has been supporting the Indonesian state economy and regional economic strength is the presence of micro, small and medium enterprises (MSMEs).

At a time when the world economy and the Indonesian economy were experiencing a recession, MSME players were not in the least negatively affected by the economic recession, in fact most MSME actors were still able to develop their businesses to support the country's economy. MSME actors can maintain and increase the contribution to regional economic growth and increase revenue in the state tax sector, apart from being supported by large-scale industries, they are also significantly supported by small-scale industrial groups. The Micro, Small and Medium Enterprises (MSMEs) sector has contributed to an increase in gross domestic product (GDP) in the last five years. The Ministry of Cooperatives and Small and Medium Enterprises (UMKM) sees that the contribution of the MSME sector has increased from 57.84 percent to 60.34 percent and the MSME sector has also helped absorb labor in the country. Labor absorption in the MSME sector increased from 96.99 percent to 97.22 percent in the last five years (Febriyantoro et al., 2018)

The importance of the role of this business needs to be optimized, one of which is by increasing turnover through financial management and digital marketing. Financial management is one area that can be used to increase business value through policies taken. The three main policies in financial management are funding policies, investment policies and dividend policies. The way that can be used to measure a company's value is good or not is to use free cash flow. The performance of financial management in making financial decisions is reflected by free cash flow. Free cash flow is cash flow that is actually available to be distributed to all investors (shareholders and debt owners) after the company has invested in fixed assets, new products and working capital needed to maintain ongoing operations (Ichfan et al. ., 2019).

In this new wave era, it is increasingly demanding marketers to think towards marketing with a low budget high impact strategy, namely Digital Marketing. The power of this era encourages marketers, not only to get new customers, but also to innovate to retain old customers, especially those with potential. With Web 2.0, it's easier for people to express themselves through social media. From here, many marketers then began to explore the world of social media to attract and retain customers because the marketing media is profitable for companies with a low budget, but the impact is very high (Kodrat, 2009).

The economic development of a region or a country is basically the interaction of various groups of variables, including human resources, natural resources, capital, technology and others. Indonesia as a country where its national development essentially has one goal, namely advancing general welfare (Halim, 2020). National development is an effort to improve the quality of Indonesian people and society which is carried out in a sustainable manner and based on national capabilities by utilizing advances in technology and science. National development includes aspects of the life of the nation and the state carried out by the government and society. The main actor of development is the community, while the government has the obligation to direct and

protect and build a climate that is conducive, safe and peaceful to support national development.

Development is an effort to increase the ability of the community so that it can influence its future. Development leads to changes in a better direction than the previous standard of living. Development in the era of globalization relies heavily on the economic sector as a measure of success carried out by the government (Sofyan, 2017). One of the economic strengths that has been supporting the Indonesian state economy and regional economic strength is the presence of micro, small and medium enterprises (MSMEs).

At a time when the world economy and the Indonesian economy were experiencing a recession, MSME players were not in the least negatively affected by the economic recession, in fact most MSME actors were still able to develop their businesses to support the country's economy. MSME actors can maintain and increase the contribution to regional economic growth and increase revenue in the state tax sector, apart from being supported by large-scale industries, they are also significantly supported by small-scale industrial groups. The Micro, Small and Medium Enterprises (MSMEs) sector has contributed to an increase in gross domestic product (GDP) in the last five years. The Ministry of Cooperatives and Small and Medium Enterprises (UMKM) sees that the contribution of the MSME sector has increased from 57.84 percent to 60.34 percent and the MSME sector has also helped absorb labor in the country. Labor absorption in the MSME sector increased from 96.99 percent to 97.22 percent in the last five years (Febriyantoro et al., 2018)

The importance of the role of this business needs to be optimized, one of which is by increasing turnover through financial management and digital marketing. Financial management is one area that can be used to increase business value through policies taken. The three main policies in financial management are funding policies, investment policies and dividend policies. The way that can be used to measure a company's value is good or not is to use free cash flow. The performance of financial management in making financial decisions is reflected by free cash flow. Free cash flow is cash flow that is actually available to be distributed to all investors (shareholders and debt owners) after the company has invested in fixed assets, new products and working capital needed to maintain ongoing operations (Ichfan et al. ., 2019).

In this new wave era, it is increasingly demanding marketers to think towards marketing with a low budget high impact strategy, namely Digital Marketing. The power of this era encourages marketers, not only to get new customers, but also to innovate to retain old customers, especially those with potential. With Web 2.0, it's easier for people to express themselves through social media. From here, many marketers then began to explore the world of social media to attract and retain customers because the marketing media is profitable for companies with a low budget, but the impact is very high (Kodrat, 2009).

RESEARCH METHODS

A. Research design

This study uses quantitative research methods, quantitative research methods are research methods that are based on positivism (concrete data), research data are in the form of numbers that will be measured using statistics as a means of calculating the test, related to the problem under study to produce a conclusion (Sugiyono, 2014).

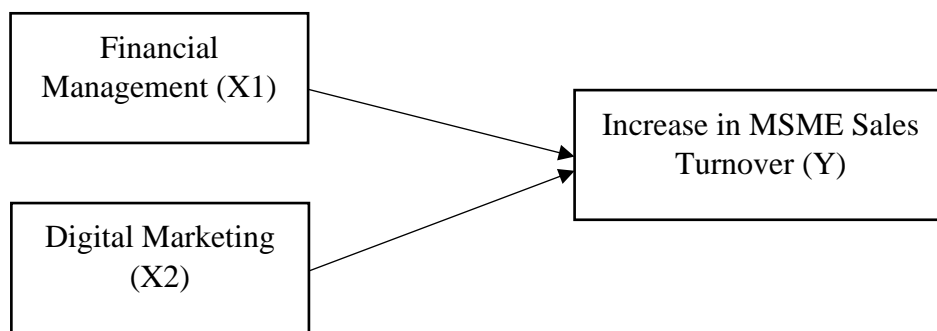
B. Population and Sample

This research took 30 samples from the MSME entrepreneur population in Bandung using a random sampling technique. The sampling technique of random sampling is that the sampling of members of the population is carried out periodically without regard to the existing strata in the population. This method is used when members of the population are considered homogeneous (Garaika & Darmanah, 2002). Because of this, it allows researchers to obtain respondents according to the amount generated.

C. Data Collection Techniques

This research data collection technique uses a questionnaire in the form of Google Docs which is distributed to several social media platforms. While the instrument testing in this study used validity and reliability tests using IBM SPSS and showed valid results.

D. Want to think



RESULT AND DISCUSSION

A. Validity Test

Validity test is a test that is used to test the accuracy of a measuring instrument in measuring something that should be measured (Sugiyono, 2014). The validity test for each question item is carried out with the help of the SPSS computer program, namely by using the Product Moment correlation technique. In the Product Moment correlation technique, testing is done by correlating the scores of each question item with the total score (Widi, 2011). The results of the validity test can be seen in table 1:

Tabel 1. Uji Validitas

| Variabel | Instrument | Pearson Correlation | Sig. (2- tailed) | Information |
|----------------------|------------------|---------------------|------------------|-------------|
| Financial management | X _{1.1} | 0.588 | 0.000 | Valid |
| | X _{1.2} | 0.370 | 0.000 | Valid |
| | X _{1.3} | 0.423 | 0.000 | Valid |
| | X _{1.4} | 0.363 | 0.001 | Valid |
| Digital Marketing | X _{2.1} | 0.563 | 0.002 | Valid |
| | X _{2.2} | 0.407 | 0.000 | Valid |
| | X _{2.3} | 0.390 | 0.001 | Valid |
| | X _{2.4} | 0.373 | 0.002 | Valid |

| | | | | |
|-------------|------------------|-------|-------|-------|
| | X _{2,5} | 0.389 | 0.001 | Valid |
| Increase in | Y _{1,1} | 0.368 | 0.000 | Valid |
| MSME Sales | Y _{1,2} | 0.439 | 0.002 | Valid |
| Turnover | | | | |

Based on the data in table 1, it can be seen that all instruments have a Pearson correlation value greater than $r_{Table} = 0.361$ ($N=30$) and a Sig. (2-tailed) the correlation for all items is less than 0.05 so it can be concluded that all statement items are declared valid.

B. Reliability Test

The reliability test is used to determine the consistency of measuring instruments, whether the measuring devices used are reliable and remain consistent if the measurements are repeated (Ayunita et al., 2018). Instrument reliability can be tested with several reliability tests. Several reliability tests of an instrument that can be used include test-retest, equivalent, and internal consistency. The internal consistency itself has several different test techniques. The internal consistency reliability test techniques consist of the split half test, KR 20, KR 21, and Cronbach's alpha. However, what is used in this reliability test is Cronbach's alpha (Puspasari & Puspita, 2022).

Cronbach's alpha is a measure of reliability that has values ranging from zero to one. The reliability level of Cronbach's alpha value $> 0.40-0.60$ can be stated to be quite reliable or reliable (Widi, 2011). The results of the reliability test are presented in Table 2 below:

Table 2. Reliability Test

| No. | Variable | ronbach Alpha | Information |
|-----|-------------------------------|------------------|-------------|
| 1 | Financial Management (X1) | | Reliable |
| 2 | Digital Marketing (X2) | | Reliable |
| 3 | Increase in MSME Turnover (Y) | 0.716 | Reliable |

Based on Table 2 obtained the results of Cronbach Alpha 0.716 which shows the value of Cronbach's Alpha > 0.60 then it can be possible that the variable can be able to (2019 reliable or consistent in measuring (2019).

C. Simple linear regression test

Table 3. Financial management test results

| ANOVA ^b | | | | | |
|--------------------|----------------|----|-------------|--------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1 Regression | 901.940 | 1 | 901.940 | 49.564 | .000 ² |
| Residual | 509.526 | 28 | 18.197 | | |
| Total | 1411.467 | 29 | | | |

a. Predictors: (Constant), financial management

b. Dependent Variable: increase in MSME turnover

Based on the data in table 3, it can be seen that the calculated F value is 49,564 with a significance level of $0.000 < 0.05$, so the regression model can be used to predict

the participation variable or in other words there is an effect of the financial management variable (X1) on the variable increasing MSME turnover (Y)

Table 4 Digital marketing test results

| ANOVA ^b | | | | | | |
|--------------------|----------------|-----------|-------------|---------|--------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 4092.363 | 2 | 40.364 | 17.812 | .001 ² |
| | Residual | 6433.003 | 28 | 229.750 | | |
| | Total | 10525.367 | 29 | | | |

a. Predictors: (Constant), digital marketing, manajemen keuangan

b. Dependent Variable: peningkatan omset

Based on the data in table 4, it can be seen that the calculated F value is 17,812 with a significance level of 0.000 <0.05, so the regression model can be used to predict the participation variable or in other words there is an effect of the Digital Marketing variable (X2) on the variable increasing MSME turnover (Y)

D. Multiple Linear Regression Test

Multiple linear regression is a model that explains the relationship of one non-free variable (y) prayer two or more independent variables (x1, x2, ... xn). The purpose of the multiple linear regression test is to predict the value of the variable not free/ response (Y) if the values of the independent variables/ predictors (X1, X2, ..., Xn) are known. Besides that, blind to medium is the direction of the relationship between the variables not free of the gangel variables - the independent variables (Yuliara, 2016).

This research, multiple linear regression tests are used to mersarahi the effect of keu management: digital marketing together on increasing MSME turnover, the results of the study show that:

Table 5 Multiple Linear Test Results

| ANOVA ^b | | | | | | |
|--------------------|----------------|-----------|-------------|---------|-------|-------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. | |
| 1 | Regression | 4204.635 | 2 | 212.318 | 8.980 | .001 ² |
| | Residual | 6320.731 | 27 | 234.101 | | |
| | Total | 10525.367 | 29 | | | |

c. Predictors: (Constant), digital marketing, manajemen keuangan

d. Dependent Variable: peningkatan omset

Based on the results of the analysis in table 5, a significance value of 0.001 is obtained which is greater than 0.05, referring to the decision-making guidelines, it can be concluded that there is a simultaneous influence of financial management (x1) and digital marketing (x2) on increasing MSME turnover (Y) .

CONCLUSION

Usaha Mikro Kecil dan Menengah memiliki peranan penting dalam pembangunan ekonomi nasional mulai dari penyerapan tenaga kerja dan kesejahteraan masyarakat daerah. Pentingnya pernakan usaha ini, perlu dioptimalkan salah satunya dengan peningkatan omset melalui manajemen keuangan dan pemasaran digital. Hasil

penelitian menunjukkan bahwa manajemen keuangan memperoleh nilai F hitung 49,564 dengan tingkat signifikansi sebesar $0,000 < 0,05$ yang berarti terdapat pengaruh variabel manajemen keuangan (X1) terhadap variabel peningkatan omzet UMKM (Y). Sedangkan variabel digital marketing diperoleh nilai F hitung 17,812 dengan tingkat signifikansi sebesar $0,000 < 0,05$ yang berarti terdapat pengaruh variabel Digital Marketing (X2) terhadap variabel peningkatan omzet UMKM (Y). Berdasarkan uji regresi linier berganda diperoleh hasil bahwa manajemen keuangan dan digital marketing secara simultan berpengaruh signifikan terhadap peningkatan Omzet UMKM di Kota Bandung.

REFERENCES

- Ayunita, D., Nurmala, N., & Diponegoro, U. (2018). *Validity And Reliability Test Module*. October.
- Febriyantoro, M.T., Arisandi, D., Febriyantoro, M.T., Arisandi, D., Universal, U., & Marketing, M. (2018). Utilization Of Digital Marketing For Micro, Small And Medium Enterprises In The Era Of The Asean Economic Community. *Jmd: Dewantara Management Journal*, 1(2), 61–76.
- Garaika, & Darmanah. (2002). *Research Methodology*. Grasindo.
- Halim, A. (2020). The Effect Of Growth Of Micro, Small And Medium Business On Economic Growth In Mamuju Regency. *Growth: Scientific Journal Of Development Economics*, 1(2).
- Hamza, R.E., & Putri, C.E. (2021). Utilization Of Digital Marketing By Msmes In West Kuningan, South Jakarta. *Dianmas Library Journal*, 1(1), 12–20.
- Ichfan, K., Mutmainah, S., & Mila. (2019). The Importance Of Financial Management For Companies. 1(2), 32–42.
- Kodrat, D.S. (2009). Building A “Low Budget High Impact” Strategy In The New Wave Marketing Era. *Journal Of Business Management*, 1, 59–86.
- Puspasari, H., & Puspita, W. (2022). Test The Validity And Reliability Of Research Instruments On The Level Of Knowledge And Attitudes Of Students Towards The Selection Of Health Supplements In Facing Covid-19. *Journal Of Health*, 13, 65–71.
- Putri, F.P. (2019). The Influence Of Auditor Knowledge, Auditor Experience, Task Complexity, Locus Of Control And Compliance Pressure On Audit Decisions (Case Study On Representative) Bpkp Riau Province). *Let's Fekon*, 2(2), 1–15.
- Sofyan, S. (2017). The Role Of Smes The Role Of Smes (Micro, Small, And Medium Enterprises) In The Indonesian Economy. *Bilancia*, 11(1), 33–64.
- Sugiyono. (2014). *Educational Research Methods Quantitative Approach. Qualitative, And R&D*. Bandung: Alfabet.
- Widi, R. (2011). Validity And Reliability Tests In Dental Epidemiology Research. *Stomatognathic (J.K.G. Unej)*, 8(1), 27–34.
- Yuliara, I.M. (2016). *Multiple Linear Regression*.

Copyright holders:
Hamza Khalifa Ibrahim (2022)

First publication right:
AJEMB – American Journal of Economic and Management Business
