The Effect of Digital Marketing, Digital Money on Performance PT. Indosat (Case Study in Bandung Sales Area)

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ABSTRACT

This study aims to determine the effect of digital marketing and digital money on the performance of PT. Indosat in Bandung sales area. This study uses a quantitative approach with regression analysis method using SPSS 20. The technique used in this study is multiple linear analysis with a sample of 100 respondents from Widyatama University which includes lecturers, employees and students using random sampling techniques. The results in this study obtained a score of 32.6% using digital marketing and digital money payments. This score shows that there is an influence between digital marketing and digital money variables on company performance. This study emphasizes the importance of applying technology and information to improve company performance, especially in competitive situations.

Keywords

Digital marketing, digital money, company performance

Introduction

The current development of information technology has had an impact on various business sectors, as well as various people's lives (Delacroix & Eva, 2018). This technological advancement is considered to have made it easier for various parties to obtain information, including in supporting business activities. Various small to large business activities take advantage of this development to carry out their operations. The right marketing and media strategies can be used to increase sales volume so that it always increases (Labrecque & Lauren, 2013). Digital Marketing is one of the marketing media that is currently widely used by both companies and consumers to support various activities carried out. Currently, companies are gradually leaving the conventional / traditional marketing model to switch to modern marketing, namely digital marketing (Kotler, 2017). With digital marketing communication and transactions can be done at any time. With the increasing and increasing number of social media users, it opens opportunities for companies to expand the reach of their marketing activities (Lamberton, 2016).

In communicating a product or service, the media is needed in order to reach the intended target. The element of digital marketing (digital marketing) is an element of the promotional mix whose existence can support the creation of an effective marketing communication activity (Arvidsson, 2016).

According to Chen and Xi (2017), the current digital era requires people to be smart and be able to take advantage of the ease and effectiveness of interacting with one another. Various digital innovations in various fields prove that society is also taking part in the development of an increasingly modern era, this can be seen from the way in which consumers transact (Hewett & Kelly, 2016). The development of digital money or in other terms the financial technology (fintech) business has also influenced the emergence of startup companies engaged in the digital financial sector. One of these digital financial products is electronic money (e-money). With the advent of electronic money, it will allow people to carry out financial transactions without using cash. According to the JakPat survey results in the Startup Report 2017 DailySocial.Id, Go-Pay is the most popular electronic money and the most popular public. As many as 50% of respondents surveyed have electronic money. According to Chaffey (2010), the involvement of companies in adopting digital money can facilitate transactions between consumers and companies.

PT Indosat Tbk is one of the telecommunications service providers and telecommunications networks in Indonesia. The company offers a communication channel for mobile and smart phone users. In marketing, Indosat launched the myim3 application, which according to Google Play, has more than 5 million users. However, despite the many uses of the application, from interviews conducted with 15 users, there were still difficulties in conducting digital transactions so that this had an impact on the Company's performance. Therefore, this study tries to analyze how much influence digital marketing and digital money have on the performance of Indosat company. As for the problem formulations in this study are; (1) Does digital marketing affect company performance? (2) Does digital money affect company performance? (3) Do digital marketing and digital money affect company performance?

Literature Review

Digital Marketing

According to Chen (2017), digital marketing is a process of obtaining information, promoting and marketing products or services through platforms via the internet. The term digital marketing itself describes the marketing of products or services using digital channels through the process of using technology to get customers and build preferences, promotions, and retain customers (Kotler, 2017). According to Chaffey (2010), the definition of digital marketing can be seen as activities, institutions, and processes that are facilitated by digital technology to create, communicate and provide value to customers and other shareholders. The adaptive processes made possible by digital technology create value in new ways in the new digital environment. Digital Marketing can also create or open new markets that were previously closed due to limited time, communication methods, and distance.
H1. Digital marketing affects company performance

Digital Money

The emergence of various online shopping provides another dimension in contemporary societal consumerism (Dahlberg, 2015). With the presence of digital transactions, people are spoiled for convenience and convenience in transactions. To make transactions easier, modern payment transaction instruments are needed that can make transactions easier for consumers, namely using non-cash transactions. According to Alburquerque (2014), the use of electronic money is more convenient than using cash (in small value transactions), because customers do not need to have an exact amount of money for transactions. The system for using digital money is currently widely supported by various applications launched by companies that have been integrated with electronic money payment systems so that people can use the facilities in transactions easily.

According to Andrianaivo and Kpodar (2012), there are types of transactions in electronic money (digital money), namely; issuance of issuances or top-ups, transactions, transfers, cash withdrawals, and refunds.

According to Asongu et al. (2017), this electronic transaction provides convenience for the community and can have an influence on behavior, namely the higher one's perception of using technology and information utilization systems (purpose). The current digital era requires people to be smart and be able to take advantage of the ease and effectiveness of interacting with one another. Various digital innovations in various fields prove that society also takes part in the development of technology. The development of the financial technology (fintech) business has also influenced the emergence of startup companies engaged in the digital financial sector. One of these digital financial products is electronic money (e-money). According to Asongu (2017), there is an influence between digital money on company performance.
H2. Digital money has an effect on company performance

Company Performance

Performance is an important element for a company. Performance is a measure that can provide information on the success and development of the organization as a whole (Ali & Khalid, 2017). Firm performance is a significant predictor of organizational commitment and retention (Kotler, 2017).

According to Carbonell (2010), performance can be measured in two components, financial and non-financial. Regarding finance, performance is measured by the number of investors who invest in the company. Meanwhile, non-finance is usually more focused on increasing revenue, sales volume, and being able to adapt. Company performance is a measure of the company's success rate in achieving its goals.

Girod (2017) states that performance can provide information to stakeholders to assess the extent of excellence of an organization. Each company may be measured by finance, but to be able to achieve it he will also be responsible for the volume of sales it does. Sales volume cannot be achieved if the company is unable to adapt to the growing trend. According to Girod (2017), every manager must measure company performance by ensuring the measures used in achievement, formulating strategies to be used, and evaluating. According to Katsikeas (2016), there are two dimensions that can be done in measuring company performance, namely financial and non-financial. Research by James (2019) states that company performance will increase if the company can adapt to the environment, especially in the application of technology and information which is currently a trend and need.

H3. The company's performance is influenced by digital marketing and digital money

Methodology

This research was conducted with a quantitative approach by distributing questionnaires to 100 respondents using random sampling techniques. The sampling method used was purposive sampling technique. The primary data used in this study is a questionnaire given directly to respondents and interviews with several actors. Meanwhile, secondary data were collected from several journal publications and textbooks. The data analysis used is descriptive statistical analysis by adopting multiple regression analysis techniques with the regression equation $= Y = a + b_1X_1 + b_2X_2$.

Results and Discussion

Data from the responses of 100 respondents showed that the results obtained were 26% male, and female gender by 74%. (2) Respondents in this study are consumers whose average age is> 20 years and not more than 50 years.

Table 1. Profile of respondents

Profile of Respondents		Percentage
Gender	Male	22%
	Female	78%
Age	Age 20-30 years	84%
	31 - 40 years	16%
	> 40 years	8.51%

Source: Processed data (2020)

The validity and reliability tests on each variable are shown in. Tables 2 and 3 show that the indicators show valid and reliable statements.

Table 2. Validity test

Variable	Questionnaire	R Count	R Table	Description
Digital Marketing	1	0,613	0.3	Valid
	2	0,537		
	3	0,645		
	4	0,501		
Digital Money	5	0,628	0.3	Valid
	6	0,548		
	7	0,543		
	8	0,512		
Company Performance	9	0,651	0.3	Valid
	10	0,587		

Source: Processed data (2020)

Table 3. Reliability test

Variable	Cronbach	Description

	Alpha (>0,70)	
Digital Marketing	0,736	Reliable
Digital Money	0,873	Reliable
Company Performance	0,845	Reliable

Source: processed data (2020)

Multicollinearity Test

The multicollinearity test is as follows:

Table 4. Multicollinearity
Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	Digital marketing (X1)	.693	1.443
	Digital Money (X2)	.741	1.350

a. Dependent variable: Company Performance (Y)

Source: Processed data (2020)

Based on the results in the above calculations, which are presented in Table 4, it shows that there is no problem in terms of multicollinearity between independent variables. This is because the independent variable has a tolerance value of not less than 0.10 and a VIF value of not more than 10.

Multiple Regression Analysis

The results of the calculation on the regression coefficient obtained can be seen in the following table:

Table 5. Multiple regression analysis
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	**Std. Error**	**Beta**			**Zero-Order**	**Partial**	**Part**
1	(Constant)	2.534	2.527		1.091	.278			
	Digital marketing (X1)	.289	.110	.179	2.499	.014	.487	.222	.154
	Digital money (X2)	.530	.122	.379	5.098	.000	.629	.422	.315

a. Dependent Variable: Company Performance (Y)
Source: SPSS output (processed results) 2020

Based on the results in Table 5, the constant value (a) is 2.534 and the digital marketing regression coefficient is 0.289 and for digital money is 0.530, the following regression equation is obtained:

$$Y = 2.534 + 0.289\ X1 + 0.530\ X2 + \square$$

This shows that there is a positive value indicating that the higher the practice of digital marketing and digital money, the higher the company's performance.

Correlation Analysis

Table 6. Correlation analysis
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.735[a]	.542	.530	3.79173

a. Predictors: (Constant), Digital marketing (X1), Digital money X2)
Source: SPSS output (processed results) 2020

The results obtained based on the calculation of Table 6 show that the multiple correlation coefficient (R) is 0.735. This shows that the result is between 0.60 - 0.79. Thus, digital marketing

and digital money have a strong relationship to the company's performance of PT Indosat.

Hypothesis Testing Results

Table 7. Hypothesis testing results

ANOVAª

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2038.085	3	679.362	46.343	.000ᵇ
	Residual	1725.262	120	14.377		
	Total	3763.347	123			

a. Dependent Variable: Company Performance (Y)
b. Predictors: (Constant), Digital money (X2), Digital marketing (X1)
Source: SPSS output (processed results) 2020

The results of hypothesis testing in Table 7 show that the regression model is obtained at 46.343 with p-value = 0.000. Thus, H1 is accepted. This means that digital marketing and digital money variables have an influence on the performance of

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Table 8. Results of the effect of digital marketing on company performance

Variable	Tcount	Prob. (sig.)	H₀	Description
Digital marketing (X1)	5,158	0,000	Rejected	Significant at α = 0,05

Source: SPSS output (processed results) 2020

In Table 8, the value of t count when compared with the t-table, the value is greater than the value of t table at the 5% significance level (5.158> t table = 1.980) thus H0 is rejected at the level of α = 0.05. This means that the H0 test results are

rejected because 0.000 <0.05.

The Influence of Digital Money on Company Performance

Table 9. The effect of Digital money on Company performance

Variable	Tcount	Prob. (sig.)	H₀	Description
Digital money (X2)	2,489	0,014	Rejected	Significant at α = 0,05

Source: SPSS output (processed results) 2020

The magnitude of the t value when compared with the t table, the t value is greater than the t table with a significance level of 0.05 (2.489> t table = 1.980). This shows that H0 is rejected at the level of α = 0.05. These results indicate that the H0 test is rejected because 0.014 <0.05. This shows that

there is a significant influence between the digital money variable on the company performance of PT. Indosat.

The Coefficient of Determination

Table 10. The coefficient of determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736ª	.552	.530	3.79173

a. Predictors: (Constant), Digital money (X2), Digital marketing (X1)
Source: SPSS output (processed results) 2020

The magnitude of the t value when compared with the t table, it is obtained that the t value is greater than the t table value with a significance level of 0.05 (2.489> t table = 1.980). These results indicate that the H0 test is rejected because 0.014

<0.05. This shows that there is a significant influence between the digital money variable on the company performance of PT. Indosat.

Partial Determination Coefficient

Table 11. Value of standardized coefficients and zero-order correlation

Coefficientsª

Model	Standardized Coefficients	Correlations		
	Beta	Zero-Order	Partial	Part
1 (Constant)				
Digital marketing (X1)	.389	.629	.422	.315
Digital money (X2)	.169	.488	.222	.154

a. Dependent Variable: Company Performance (Y)
Source: SPSS output (processed results) 2020

Thus, the effect of digital marketing on company performance is obtained 0.389 0.629 = 0.244. This means that there is a contribution of 24.4% in explaining / influencing company performance. Whereas for the Digital money variable, it was

obtained 0.169 x 0.488 = 0.082 and the Company performance was obtained 0.082. This shows that there is a contribution of 8.2% in explaining / influencing the Company Performance of PT. Indosat.

Table 12. Recapitulation of hypothesis testing results

No.	Hypothesis	Statistics Test	Coef. Reg β_i	Tcount	Sig.	α	Decision Test	Big Effect
1.	Digital marketing has an effect on company performance.	$H_0: \beta_2 = 0$ $H_1: \beta_2 \neq 0$	0,289	5,158	0,000	0,05	H0 is rejected X1 has a direct effect on Y	24,4%
2.	Digital money has an effect on company performance	$H_0: \beta_1 = 0$ $H_1: \beta_1 \neq 0$	0,530	2,489	0,014	0,05	H0 is rejected X2 has a direct effect on Y	8,2%
	Total Influence							32.,6%

Source: SPSS output (processed results) 2020

Conclusion

The results in the study concluded that there is a positive influence between digital marketing and digital money on the performance of Indosat companies in the city of Bandung. This finding is supported by research by James (2019), Lamberton (2016), Chen and Xi (2017) which state that digital marketing and digital money can improve company performance, especially in the current situation where competitors are increasingly emerging. In order for the company to remain productive and have good performance, several alternatives can be made either through coaching, learning technology and the quality of services provided.

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