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Analysis Of *Potential Financial Distress* Using Altman Z-Score Method (Study On Companies Listed In The LQ45 Index On The Indonesia Stock Exchange)

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ABTRACT

Research aim: The purpose of this study is to determine the company's financial condition and predict the potential for financial distress in companies listed on the LQ45 Stock Index for the 2020-2022 period on the IDX using the Altman Z-Score method.

Design/Method/Approach: The approach used in this study is a quantitative approach. The use of a quantitative approach with this descriptive method emphasizes data processed with the Altman Z-Score method which is measurable, rational and systematic.

Research Finding: From the results of data processing, although companies listed on the LQ45 index have good financial conditions and growth prospects, it is still possible to experience company threats. By looking at the company's financial statements, all information about the company's financial position will be known, the company's financial health condition and can be known the performance and changes in the company's financial position used for decision making by company stakeholders .

Theoretical contribution / Originality: The Altman Z-Score method is a method that can get an estimated accuracy rating of up to 95% and is the most complex method and makes more effective calculations to know and predict potential financial distress.

Implications: Research limitations: More than 45 samples of companies listed in the LQ45 index for the period 2020-2022 are companies with high levels of liquidity and market capitalization. The limitation of the study is that companies listed in the LQ45 Index present complete financial statements and data in the 2020-2022 period in accordance with the variables studied.

Keywords : Financial Distress, Altman Z-Score Method, Company LQ45

1. Introduction

Every company has a goal that is able to achieve success in running its business according to the company's long-term targets with a large assumption that it has profits or profits that continue to increase. Companies certainly often experience an increase or

decrease in the economy caused by economic conditions that are always up and down, where the company or every business must be faced with economic dynamics that often change (1).

In general, investors will invest with the aim of obtaining profits or *return* expected. Investors will have great expectations and demands on companies experiencing increased profits, investing in companies that have a good fundamental background (2). One of them is that companies listed on the LQ45 index must have high interest because it is a percentage of share prices of 45 issuers that have a high level of liquidity and market capitalization on the Indonesia Stock Exchange (3). Although companies listed on the LQ45 index have financial conditions and growth prospects, it is still possible to experience corporate threats. Evidenced by the results *historical data* in the form of graphs *Chart* in the LQ45 index for the 2019-2023 period, there is an up or down movement in the company's position and is not based on good fundamentals, of course, it will always be a company that has a high level of liquidity and market capitalization.

Source : yahoo.finance (2023)

The threat or potential decline can definitely be experienced by every company when facing difficult global competition. The potential for financial decline or bankruptcy begins with the emergence of financial management difficulties. According to (4) Financial difficulties can be interpreted as the inability of the company to pay its financial obligations leading to the bankruptcy of the company. Therefore, companies must as early as possible conduct various analyses to make predictions of conditions *financial distress*. By looking at the company's financial statements, all information about the financial position will be known, the company's financial health condition and can be known the performance and changes in the company's financial position used for decision making by the company. *stake holder* company.

In research (5) shows that there is an influence between bankruptcy predictions and stock prices because the increasing risk of bankruptcy tends to be responded negatively by investors and as a result is stock prices fall. In overcoming this, the company can minimize the occurrence of bankruptcy in the company, namely by controlling or analyzing financial ratios in order to avoid *financial distress* until bankruptcy. Effective financial ratio analysis can be done using several methods, namely the Altman Z-Score, Springate, and Zmijewski methods.

Of the several calculation methods, Tambunan, Dwi Atmanto and Endang N.P (2015) argue that the Altman Z-Score method is easy to use and can get an estimated accuracy rating of up to 95%. So the Altman Z-Score method is the most complex method and makes calculations more effective and simpler. This is the basis of this study by using the Altman Z-Score method as a method to determine and predict potential *financial distress*. Research with an interesting object, namely shares of companies listed on the LQ45 Index, is quite attractive to investors. Based on the background description of the problem above, the title of this study is **"Analysis of *Financial Distress Potential* Using Altman Z-Score Method (Study on Stocks Listed in the LQ45 Index on the Indonesia Stock Exchange)".**

1.1 Problem Statement

Based on the above background, the researcher formulates the problem as follows:

1. How is the financial condition of companies listed on the Indonesia Stock Exchange LQ45 Stock Index reviewed using the Altman Z-Score method?
2. How can the Altman Z-Score method predict the occurrence of *financial distress* in companies listed on the LQ45 Stock Index for the 2020-2022 period on the Indonesia Stock Exchange?

1.2 Research Objectives

Based on the description of the problem formulation above, this research aims:

1. To determine the financial condition of companies listed on the LQ45 Stock Index, the Indonesia Stock Exchange is reviewed using the Altman Z-Score method.
2. To determine and predict the potential for *financial distress* in companies listed on the LQ45 Stock Index for the 2020-2022 period on the Indonesia Stock Exchange using the Altman Z-Score method.

2. Method

The approach used in this study is a quantitative approach. According to Sugiyono (2019:15) "Quantitative approach is a research approach that uses research data in the form of numbers and analyzed using statistics". Researchers use a quantitative approach that

emphasizes data processed with the Altman Z-Score method which is measurable, rational and systematic. In this study, the variables to be studied are Potential *Financial Distress* and Altman Z-Score Method Modified. The type of research in this study is descriptive research. Descriptive research is a type of research that aims to find out an overview or description related to the results of potential analysis *financial distress* in companies listed on the LQ45 index for the 2020-2022 period on the Indonesia Stock Exchange. Researchers obtained data from the IDX website, namely: www.idx.co.id and www.yahoofinance.com. The population used in this study is all companies listed in the LQ45 Index on the Indonesia Stock Exchange (IDX) for the 2020-2022 period, totaling 58 companies. According to (7) The samples used in this study are samples taken based on the method *purposive sampling* and samples have been obtained according to the criteria of 32 companies.

3. Results and Discussion

In the results of this study, calculations were carried out to predict *financial distress* using the Altman Z-Score model will then find results in analyzing the relationship between financial health conditions and company status *financial distress* and analyze financial and macroeconomic factors that affect conditions *financial distress* on LQ45 companies listed on the IDX (8). By looking at these results, the next value prediction will be known *cut off* Altman in order to be able to conclude whether each company is in a state of *Distress, Grey Area,* or Healthy.

The following are the results of calculations that have been carried out to determine the potential for *financial distress* in LQ45 companies on the Indonesia Stock Exchange using the Altman Z-Score method, namely samples have been obtained according to the criteria of 32 companies. Among them are ADRO (Adaro Energy Indonesia Tbk.), ANTM (Aneka Tambang Tbk.), ASII (Astra International Tbk.), BBCA (Bank Central Asia Tbk.), BBNI (Bank Negara Indonesia (Persero) Tbk.), BBRI (Bank Rakyat Indonesia (Persero) Tbk.), BBTN (Bank Tabungan Negara (Persero) Tbk.), BMRI (Bank Mandiri (Persero) Tbk.), CPIN (Charoen Pokphand Indonesia Tbk.), ERAA (Erajaya Swasembada Tbk.), EXCL (XL Axiata Tbk.), HMSP (H.M. Sampoerna Tbk.), ICBP (Indofood CBP Sukses Makmur Tbk.), INCO (Vale Indonesia Tbk.), INDF (Indofood Sukses Makmur Tbk.), INKP (Indah Kiat Pulp &; Paper Tbk.), INTP (Indocement Tunggal Prakarsa Tbk.), ITMG (Indo Tambangraya Megah Tbk.), JPFA (Japfa Comfeed Indonesia Tbk.), KLBF (Kalbe Farma Tbk.), MDKA (Merdeka Copper Gold Tbk.), MIKA (Mitra Keluarga Karyasehat Tbk.), MNCN (Media Nusantara Citra Tbk.), PGAS (Perusahaan Gas Negara Tbk.), PTBA (Bukit Asam Tbk.), SMGR (Semen Indonesia (Persero) Tbk.), TBIG (Tower Bersama Infrastructure Tbk.), TLKM (Telkom Indonesia (Persero) Tbk.), TOWR (Sarana Menara

Nusantara Tbk.), UNTR (United Tractors Tbk.), UNVR (Unilever Indonesia Tbk.), and WIKA (Wijaya Karya (Persero) Tbk.)

To assess the condition of each company, it is necessary to calculate 4 (four) financial ratios in the Altman Z-Score model. Financial ratios in the Altman Z-Score model consist of:

3.1 *Analysis of Working Capital to Total Assets*

This ratio is used to measure the company's ability to generate net working capital from the total assets owned by the company so that from this ratio can be known the level of liquidity of a company. Net working capital is known from the calculation of the difference between current assets and current liabilities. Table 1.1 is the result of the calculation of X1 in companies listed on LQ45 on the Indonesia Stock Exchange for the period 2020-2022.

Table 1.1
Working Capital to Total Assets (X1)

No	Company Code	Year			Company Average
		2020	**2021**	**2022**	
1	ADRO	0,091974917	0,194620595	0,266343464	0,184312992
2	ANTM	0,050339663	0,156936925	0,170142132	0,12580624
3	ASII	0,137704278	0,153777045	0,146674183	0,146051835
4	BBCA	0,010594217	0,007215761	0,004852557	0,007554178
5	BBNI	0,009264113	0,006489331	0,008307016	0,008020153
6	BBRI	0,015888187	0,013389225	0,018870961	0,016049458
7	BBTN	0,02493525	0,02790497	0,03008732	0,027642513
8	BMRI	0,007480668	0,007187348	0,007914569	0,007527528
9	CPIN	0,262373236	0,222280304	0,198810265	0,227821268
10	ERAA	0,214429169	0,206194901	0,128726777	0,183116949
11	EXCL	-0,166594388	-0,181720049	-0,182659802	-0,176991413
12	HMSP	0,490151574	0,364639102	0,306959798	0,387250158
13	ICBP	0,111403085	0,127906626	0,182440763	0,140583491
14	INCO	0,23124885	0,270195096	0,306518978	0,269320975
15	INDF	0,064009967	0,076830327	0,133848497	0,09156293
16	INKP	0,284680808	0,271428627	0,335733603	0,297281013
17	INTP	0,29560969	0,255976348	0,213565001	0,255050346
18	ITMG	0,174635712	0,374064585	0,501077011	0,349925769
19	JPFA	0,221081692	0,24823618	0,232145062	0,233820978

20	KLBF	0,438706512	0,474450716	0,450756214	0,454637814
21	MDKA	0,007628217	0,089218082	0,075100831	0,05731571
22	MICA	0,397843682	0,354913685	0,266224312	0,33966056
23	MNCN	0,325348018	0,310527482	0,341398874	0,325758125
24	PGAS	0,109189267	0,174447296	0,169537076	0,15105788
25	PTBA	0,186720902	0,296504846	0,302702999	0,261976249
26	SMGR	0,05202713	0,013856343	0,070129594	0,045337689
27	TBIG	-0,288885695	-0,129236107	-0,119665782	-0,179262528
28	TLKM	-0,0914786	-0,028334969	-0,055710195	-0,058507921
29	TOWR	-0,123296686	-0,219997244	-0,164494135	-0,169262688
30	UNTR	0,232983303	0,267541642	0,262621821	0,254382255
31	UNVR	-0,220562803	-0,251878016	-0,266100266	-0,246180361
32	WIKA	0,055329039	0,003128367	0,046616248	0,035024551

Source : Processed data, 2023

From the calculation above, it can be seen that there are 9 companies that experience an increase in liquidity ratio every year for three consecutive years, namely ADRO, ANTM, BBTN, ICBP, INCO, INDF, ITMG, PTBA and TBIG. Meanwhile, the decline in liquidity ratios for three consecutive years occurred in 8 companies, including companies: BBCA, CPIN, ERAA, EXCL, HMSP, INTP, MIKA, UNVR.

And there are 9 companies that experienced fluctuations in the form of a decrease in liquidity ratios in 2021, but then increased in 2022. The companies are BBNI, BBRI, BMRI, INKP, MNCN, SMGR, TLKM, TOWR, WIKA. In addition, there are also 6 companies that experienced fluctuations in the form of an increase in liquidity ratios in 2021, and then decreased in 2022. The companies are ASII, JPFA, KLBF, MDKA, PGAS and UNTR.

3.2 Analysis of Retained Earnings to Total Assets

This ratio shows how the company's ability to generate retained earnings from total assets in the company. Retained earnings are the company's retained net income and are not distributed to shareholders which are useful for financing various company interests both in the long and short term. Table 1.2 is the result of the calculation of X2 in companies listed on LQ45 on the Indonesia Stock Exchange for the period 2020-2022.

Table 1.2
Retained Earnings to Total Assets (X2)

No	Company Code	Year			Company Average
		2020	**2021**	**2022**	
1	ADRO	0,357039792	0,357839713	0,409269092	0,374716199
2	ANTM	0,261757847	0,297449453	0,376424621	0,311877307
3	ASII	0,439508224	0,444786571	0,43817884	0,440824545
4	BBCA	0,147176291	0,14415136	0,150701523	0,147343058
5	BBNI	0,072029163	0,078222267	0,088636687	0,079629373
6	BBRI	0,101827844	0,108448012	0,106208783	0,10549488
7	BBTN	0,004870031	0,00681146	0,007961772	0,006547754
8	BMRI	0,074046129	0,079512506	0,081109831	0,078222822
9	CPIN	0,743314731	0,70426511	0,655965179	0,701181673
10	ERAA	0,285550516	0,351152832	0,272181604	0,30296165
11	EXCL	0,088096655	0,095298903	0,086494546	0,089963368
12	HMSP	0,170685104	0,138901423	0,116276123	0,141954217
13	ICBP	0,217458888	0,227519456	0,253956853	0,232978399
14	INCO	0,682140515	0,692727112	0,719800791	0,698222806
15	INDF	0,189999154	0,204790576	0,228162767	0,207650832
16	INKP	0,239905902	0,282510947	0,349606217	0,290674356
17	INTP	0,630352012	0,66073893	0,675720875	0,655603939
18	ITMG	0,407529934	0,504896356	0,56884671	0,493757667
19	JPFA	0,287434725	0,318222927	0,302239979	0,302632544
20	KLBF	0,736767434	0,719552357	0,741063431	0,732461074
21	MDKA	0,201292166	0,174536596	0,072609925	0,149479563
22	MICA	0,528318264	0,598908962	0,6673438	0,598190342
23	MNCN	0,657002886	0,686165251	0,748256934	0,69714169
24	PGAS	-0,035143889	0,040450796	0,04534344	0,016883449
25	PTBA	0,07441465	0,232059072	0,276932024	0,194468582
26	SMGR	0,407486444	0,427306369	0,410043648	0,414945487
27	TBIG	0,058659517	0,080351398	0,104769943	0,081260286
28	TLKM	0,320527409	0,321988282	0,350882293	0,331132661
29	TOWR	0,302623947	0,188261543	0,223005679	0,237963723
30	UNTR	0,494042708	0,501828718	0,506391795	0,500754407
31	UNVR	0,231307189	0,216781711	0,207974249	0,218687716
32	WIKA	0,000188168	0,001149537	-15458,50115	-5152,83327

Source: Processed data, 2023

From the calculation above, it can be seen that there are 18 companies that have increased liquidity ratios every year for three consecutive years, namely ADRO, ANTM, BBNI, BBTN, BMRI, ICBP, INCO, INDF, INKP, INTP, ITMG, MIKA, MNCN, PGAS, PTBA, TBIG, TLKM, and UNTR. Meanwhile, the decline in liquidity ratios for three consecutive years occurred in 4 companies, including companies: CPIN, HMSP, MDKA, and UNVR

And there are 3 companies that experienced fluctuations in the form of a decrease in liquidity ratios in 2021, but then increased in 2022. These companies are BBCA, KLBF, and TOWR. In addition, there are also 7 companies that experienced fluctuations in the form of an increase in liquidity ratios in 2021, and then decreased in 2022. The companies are ASII, BBRI, ERAA, EXCL, JPFA, SMGR, and WIKA.

3.3 Analysis of Earnings Before Interest and Taxes (EBIT) to Total Assets

This ratio includes the profitability ratio which measures the company's ability to show the company's ability to manage total assets in order to earn profits or earnings before interest and taxes. The results of the calculations obtained will describe the ability of the assets owned by the company from the investment invested by investors in generating profits so that the profits obtained by the company can bear the benefits to be paid from these investments. Table 1.3 is the result of the calculation of X3 in companies listed on LQ45 on the Indonesia Stock Exchange for the period 2020-2022.

Table 1.3

Income Before Deducting Interest Cost to Total Assets (X3)

No	Company Code	Year			Company Average
		2020	**2021**	**2022**	
1	ADRO	0,034813555	0,195896077	0,415144829	0,215284821
2	ANTM	0,051724021	0,092462473	0,15502955	0,099738681
3	ASII	0,064283877	0,088072505	0,121922008	0,09142613
4	BBCA	0,031209962	0,031620745	0,038385804	0,033738837
5	BBNI	0,005735373	0,013008392	0,022029419	0,013591062
6	BBRI	0,017149841	0,022997096	0,034624437	0,024923791
7	BBTN	0,006286833	0,008049409	0,009637464	0,007991235
8	BMRI	0,015819044	0,022228891	0,028294335	0,02211409
9	CPIN	0,153010478	0,130721078	0,088767827	0,124166461
10	ERAA	0,081820225	0,131466343	0,087778192	0,10035492
11	EXCL	0,002158262	0,023470281	0,015502571	0,013710371
12	HMSP	0,224694191	0,17238825	0,151004074	0,182695505
13	ICBP	0,09613677	0,084149367	0,065264733	0,08185029

14	INCO	0,045209703	0,089227799	0,07539212	0,069943207
15	INDF	0,076171383	0,080599865	0,068273234	0,075014828
16	INKP	0,045130002	0,073802869	0,108653596	0,075862156
17	INTP	0,078564775	0,085475676	0,089056794	0,084365748
18	ITMG	0,0626197	0,372749047	0,585109256	0,340159334
19	JPFA	0,056241388	0,097722302	0,059788191	0,071250627
20	KLBF	0,160768671	0,161426093	0,163681424	0,161958729
21	MDKA	0,060460464	0,044359984	0,023200364	0,042673604
22	MICA	0,183568558	0,250623084	0,200402771	0,211531471
23	MNCN	0,123639589	0,150331761	0,124070097	0,132680482
24	PGAS	-0,023275267	0,062300902	0,075429442	0,038151692
25	PTBA	0,134335865	0,286755624	0,357200116	0,259430535
26	SMGR	0,044722702	0,045358754	0,039764158	0,043281871
27	TBIG	0,041330782	0,046237017	0,055753379	0,047773726
28	TLKM	0,157020041	0,157577638	0,132049624	0,148882434
29	TOWR	0,099239873	0,06153805	0,067950351	0,076242758
30	UNTR	0,070251687	0,12848326	0,209612857	0,136115935
31	UNVR	0,44835812	0,39313944	0,381797111	0,40776489
32	WIKA	0,004555563	0,002834362	0,002345568	0,003245164

Source: Processed data, 2023

From the calculation above, it can be seen that there are 18 companies that have increased liquidity ratios every year for three consecutive years, namely ADRO, ANTM, BBNI, BBTN, BMRI, ICBP, INCO, INDF, INKP, INTP, ITMG, MIKA, MNCN, PGAS, PTBA, TBIG, TLKM, and UNTR. Meanwhile, the decline in liquidity ratios for three consecutive years occurred in 4 companies, including companies: CPIN, HMSP, MDKA, and UNVR

And there is 1 company that experienced fluctuations in the form of a decrease in liquidity ratios in 2021, but then increased in 2022. The company is TOWR. In addition, there are also 9 companies that experienced fluctuations in the form of an increase in liquidity ratios in 2021, and then decreased in 2022. The companies are ERAA, EXCL, INCO, INDF, JPFA, MIKA, MNCN, SMGR, and TLKM.

3.4 *Analysis of Market Value of Equity to Book Value of Total Liabilities*

This ratio can indicate the level of solvency that describes the company's ability to meet its obligations and the market value of equity. The market value of equity can be calculated by multiplying the number of shares outstanding by the company's share price for each share. The book value itself is obtained by adding up the amount of current liabilities plus the amount of the company's long-term liabilities. Table 1.4 is the result

of the calculation of X4 in companies listed on LQ45 on the Indonesia Stock Exchange for the period 2020-2022.

Table 1.4
Market Value of Equity to Book Value of Debt (X3)

No	Company Code	Year			Company Average
		2020	**2021**	**2022**	
1	ADRO	1,626318805	1,425009613	1,534050659	1,528459692
2	ANTM	1,500343024	1,725060137	2,389073643	1,871492268
3	ASII	1,369214495	1,421362462	1,437223208	1,409266722
4	BBCA	0,2085904	0,198915625	0,203458461	0,203654829
5	BBNI	0,151255434	0,150921273	0,157589348	0,153255352
6	BBRI	0,170341199	0,210477172	0,19420486	0,19167441
7	BBTN	0,062194551	0,065325193	0,073736691	0,067085478
8	BMRI	0,172465026	0,167429958	0,163361185	0,167752056
9	CPIN	2,989866201	2,442683759	1,947231469	2,459927143
10	ERAA	1,029804857	1,316199841	0,730857784	1,025620827
11	EXCL	0,393712764	0,381447292	0,419068888	0,398076315
12	HMSP	1,556220978	1,221447723	1,05835948	1,27867606
13	ICBP	0,944580366	0,863932337	0,993783395	0,934098699
14	INCO	6,865762735	6,767224618	7,762942743	7,131976699
15	INDF	0,942136709	0,934300013	1,078478925	0,984971882
16	INKP	1,000706677	1,127727215	1,388968006	1,172467299
17	INTP	4,290717635	3,738967027	3,187175073	3,738953245
18	ITMG	2,709523947	2,585777309	2,826914742	2,707405333
19	JPFA	0,784878599	0,846048666	0,717309209	0,782745491
20	KLBF	4,261929176	4,832322266	4,295760769	4,463337404
21	MDKA	1,540181209	1,561373871	1,09342141	1,398325497
22	MICA	6,451325448	6,331450346	7,799330981	6,860702258
23	MNCN	3,241614829	4,550024492	7,922870688	5,238170003
24	PGAS	0,645497034	0,77730848	0,917050056	0,779951856
25	PTBA	2,379916485	2,043282806	1,758545452	2,060581581
26	SMGR	0,841815494	1,08337181	1,322466342	1,082551215
27	TBIG	0,341833378	0,305139425	0,338936178	0,328636327
28	TLKM	0,959025497	1,103304625	1,185277535	1,082535886
29	TOWR	0,423180368	0,22434009	0,281921158	0,309813872
30	UNTR	1,722798192	1,763014899	1,756399247	1,747404113
31	UNVR	0,316553467	0,293021763	0,279121265	0,296232165

32	WIKA	0,323748401	0,335608031	0,303825991	0,321060808

Source: Processed data, 2023

From the calculation above, it can be seen that there are 8 companies that experience an increase in liquidity ratio every year for three consecutive years, namely ANTM, ASII, BBTN, INKP, MNCN, PGAS, SMGR, and TLKM. Meanwhile, the decline in liquidity ratios for three consecutive years occurred in 7 companies, including companies: BMRI, CPIN, EXCL, HMSP, INTP, PTBA, and UNVR.

And there are 10 companies that experienced fluctuations in the form of a decrease in liquidity ratios in 2021, but then increased in 2022. These companies are ADRO, BBCA, BBNI, ICBP, INCO, INDF, ITMG, MIKA, TBIG, and TOWR. In addition, there are also 7 companies that experienced fluctuations in the form of an increase in liquidity ratios in 2021, and then decreased in 2022. These companies are BBRI, ERAA, JPFA, KLBF, MDKA, UNTR, and WIKA.

3.5 Prediction of potential *Financial Distress* using Altman Z-Score method

According to Altman, there are *Z value cut-off* numbers that can explain whether the company will fail or not in the future and he divides it into 3 categories, namely:
  a. If the value is Z>2.6, then it includes companies that do not experience *financial distress* or are in good health/safe zone.
  b. If the value is 1.1<Z<2.6 then it includes *gray areas* (it cannot be determined whether the company is healthy or experiencing *financial distress*.
  c. If the value is Z<1.1, then it includes companies that experience *financial distress.*

The following table 1.5 is the result of calculating the Z-Score of companies listed on LQ45 on the Indonesia Stock Exchange for the period 2020 to 2022:

Table 1.5

Company Z-Score LQ45 (2020-2022)

No	Company Code	2020	PREDICTIONS	2021	PREDICTIONS	2022	PREDICTIONS
1	ADRO	3,709235147	HEALTHY	5,257909261	HEALTHY	7,486108262	HEALTHY
2	ANTM	3,107021609	HEALTHY	4,432777033	HEALTHY	5,89515285	HEALTHY
3	ASII	4,206442588	HEALTHY	4,543940178	HEALTHY	4,720265142	HEALTHY
4	BBCA	0,97835574	*DISTRESS*	0,938937847	*DISTRESS*	0,995087586	*DISTRESS*
5	BBNI	0,493004926	*DISTRESS*	0,543588418	*DISTRESS*	0,657176428	*DISTRESS*
6	BBRI	0,730461962	*DISTRESS*	0,817145318	*DISTRESS*	0,906971703	*DISTRESS*
7	BBTN	0,287066208	*DISTRESS*	0,328025933	*DISTRESS*	0,365611856	*DISTRESS*
8	BMRI	0,578014004	*DISTRESS*	0,631761664	*DISTRESS*	0,678287736	*DISTRESS*

9	CPIN	8,313494474	HEALTHY	7,198633856	HEALTHY	6,084642348	HEALTHY
10	ERAA	3,969495248	HEALTHY	4,764175105	HEALTHY	3,08990759	HEALTHY
11	EXCL	-0,377740588	*DISTRESS*	-0,322934449	DISTRESS	-0,371921442	*DISTRESS*
12	HMSP	6,918051701	HEALTHY	5,287544184	HEALTHY	4,520251307	HEALTHY
13	ICBP	3,078530063	HEALTHY	3,054235085	HEALTHY	3,507414963	HEALTHY
14	INCO	11,2540827	HEALTHY	11,73685916	HEALTHY	13,01579392	HEALTHY
15	INDF	2,541179575	*GREY AREA*	2,69507633	HEALTHY	3,213738499	HEALTHY
16	INKP	4,004066267	HEALTHY	4,382364365	HEALTHY	5,53178381	HEALTHY
17	INTP	9,028141572	HEALTHY	8,334380427	HEALTHY	7,549722507	HEALTHY
18	ITMG	5,740588577	HEALTHY	9,323493063	HEALTHY	12,04755124	HEALTHY
19	JPFA	3,589960169	HEALTHY	4,211858275	HEALTHY	3,663723136	HEALTHY
20	KLBF	10,83677534	HEALTHY	11,61847336	HEALTHY	10,98495234	HEALTHY
21	MDKA	2,730342759	HEALTHY	3,092245182	HEALTHY	2,033600735	*GREY AREA*
22	MICA	12,34148021	HEALTHY	12,6153932	HEALTHY	13,45998045	HEALTHY
23	MNCN	8,511902409	HEALTHY	10,06321747	HEALTHY	13,8329002	HEALTHY
24	PGAS	1,122841849	*GREY AREA*	2,511702839	*GREY AREA*	2,73052554	HEALTHY
25	PTBA	4,870473561	HEALTHY	6,776896663	HEALTHY	7,138959578	HEALTHY
26	SMGR	2,854593834	HEALTHY	2,926721188	HEALTHY	3,452994875	HEALTHY
27	TBIG	-1,066778926	*DISTRESS*	0,045728217	*DISTRESS*	0,287645716	*DISTRESS*
28	TLKM	2,508541384	*GREY AREA*	3,082771764	HEALTHY	2,911652774	HEALTHY
29	TOWR	1,289951543	*GREY AREA*	-0,17974112	*DISTRESS*	0,40124006	*DISTRESS*
30	UNTR	5,420681649	HEALTHY	6,106892778	HEALTHY	6,628550135	HEALTHY
31	UNVR	2,657000734	HEALTHY	2,007889882	*GREY AREA*	1,794950193	*GREY AREA*
32	WIKA	0,734166685	*DISTRESS*	0,39573326	*DISTRESS*	-50394,07316	*DISTRESS*

Source: Processed data, 2023

With the following explanation:

1. Analysis of Z-Score calculation results in 2020

Based on the Z-Score value calculation table, in 2020 there are 20 companies in the healthy category prediction because the Z-Score calculation value with a *cut off value of* >2.6, namely ADRO, ANTM, ASII, CPIN, ERAA, HMSP, ICBP, INCO, INKP, INTP, ITMG, JPFA, KLBF, MDKA, MIKA, MNCN, PTBA, SMGR, UNTR, and UNVR. And there are 4 companies that experience *Gray Area*, namely INDF, PGAS, TLKM, and TOWR companies because the Z-Score calculation results of each company in 2020 are between 1.1 and 2.6. And companies that experience *Distress with a* cut off *value of* <1.1 are 8 companies including BBCA, BBNI, BBRI, BBTN, BMRI, EXCL, TBIG and WIKA.

2. Analysis of Z-Score calculation results in 2021

Based on the Z-Score value calculation table, in 2021 there are 21 companies in the healthy category prediction because the Z-Score calculation value with a *cut off value of* >2.6, namely ADRO, ANTM, ASII, CPIN, ERAA, HMSP, ICBP, INCO, INDF, INKP, INTP, ITMG, JPFA, KLBF, MDKA, MIKA, MNCN, PTBA, SMGR, TLKM, and UNTR. And there are 2 companies that experience *Gray Area*, namely PGAS and UNVR companies because the Z-Score calculation results of each company in 2020 are between 1.1 and 2.6. And companies that experience *distress with a* cut off *value of* <1.1 are 9 companies between BBCA, BBNI, BBRI, BBTN, BMRI, EXCL, TBIG, TOWR and WIKA.

3. Analysis of Z-Score calculation results in 2022

Based on the Z-Score value calculation table, in 2021 there are 21 companies in the healthy category prediction because the Z-Score calculation value with a *cut off value of* >2.6, namely ADRO, ANTM, ASII, CPIN, ERAA, HMSP, ICBP, INCO, INDF, INKP, INTP, ITMG, JPFA, KLBF, MIKA, MNCN, PGAS, PTBA, SMGR, TLKM, and UNTR. And there are 2 companies that experience *Gray Area*, namely MDKA and UNVR companies because the Z-Score calculation results of each company in 2020 are between 1.1 and 2.6. And companies that experience *distress with a* cut off *value of* <1.1 are 9 companies between BBCA, BBNI, BBRI, BBTN, BMRI, EXCL, TBIG, TOWR and WIKA.

4. Conclusion

The purpose of this study is to predict *financial distress* in 32 samples of companies listed on the LQ45 index on the Indonesia Stock Exchange for the period 2020 to 2022 using the Altman Z-Score model. Based on the results of the analysis using the Altman Z-Score model can be concluded as follows:

1. Of the 32 samples of companies listed on the LQ45 index on the Indonesia Stock Exchange, there are 18 companies with *a cut-off* value of >2.6 and are included in the prediction of the SEHAT category for three consecutive periods of 2020-2022 using the Altman Z-Score method. So that 18 companies that are categorized as HEALTHY are highly recommended for investors in investing.

2. Of the 32 samples of companies listed on the LQ45 index on the Indonesia Stock Exchange, there are 8 companies with a *cut-off value of* <1.1 and are included in the prediction of *the FINANCIAL DISTRESS* category for three consecutive periods of 2020-2022 using the Altman Z-Score method. So that 18 companies categorized as *DISTRESS* are less recommended for investors in investing.

3. Meanwhile, there are 6 companies with a *cut off value of* <1.1 and are included in the prediction of the HEALTHY, *GREY AREA* to *DISTRESS* categories. So that this company is in a less stable condition, but it can also be maintained.

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Emotional Intelligence And Behavioral Bias On Stock Trading Decisions In Robo Advisor Moderation In The Millennial Generation

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Article Information		Abstract

Research aim : *To understand the investment behavior of the millennial generation in the Indonesian stock market with a focus on the relationship between Emotional Intelligence (EI), behavioral bias, and stock trading decisions.*

Design/Methode/Approach : *Using a quantitative descriptive approach with Partial Least Squares Structural Equation Modeling (PLS-SEM) method. Data was collected through an online survey targeting 100 millennials.*

Research Finding : *Emotional Intelligence and Behavioral Bias positively influence Stock Trading Decisions. Robo Advisor also has a positive impact.*

Theoretical contribution/Originality : *This research presents a new contribution by delving into the complex interaction between EI, behavioral bias, and the moderating impact of Robo Advisor on stock trading decisions for the millennial generation.*

Practitionel/Policy implication : *Practical recommendations are provided for market players, robo advisors, and millennials. Policy implications relate to understanding and implementing adaptive investment solutions*

Research limitation : *Sample limitations, external factors, and advantages/disadvantages of the PLS-SEM method.*

Keywords : *Millennials, Stock Trading Decisions, Emotional Intelligence, Behavioral Bias, Robo Advisor.*

1. Introduction

The Indonesian capital market experienced rapid growth with the number of investors reaching 10,000,628, the majority (99.78%) coming from local investors. Data from PT Kustodian Sentral Efek Indonesia (KSEI) shows the dominance of the millennial generation, especially retail investors aged <= 30 years, which reached 59.81% as of February 2022. The millennial generation, characterized by their familiarity with technology, has a big impact on investment patterns.

The introduction reflects the unique characteristics of the millennial generation, including creativity, informativeness, passion, productivity, self-confidence, and social connectedness. In the investment context, millennial investors are more active in trading activities, tending to make impulsive transactions based on market sentiment and other people's recommendations rather than fundamental analysis.

This research aims to understand more deeply the investment behavior of the millennial generation in the Indonesian capital market. This article highlights the importance of this phenomenon and will explore the preferences, motivations, and factors that influence millennial investment decisions. It is hoped that this research will provide valuable insights for capital market practitioners, regulators and other related parties.[1]

The state of the art in this research involves a profound understanding of previous studies relevant to the relationship between Emotional Intelligence (EI), behavioral biases, and stock trading decisions, especially among millennials. Some studies have discussed key aspects that can strengthen the urgency of this research. Research by Bucciol, Guerrero, and Papadovasilaki (2020) highlights that higher Emotional Intelligence levels can contribute to more rational decision-making in trading. Meanwhile, Mittal's research (2022) emphasizes the vulnerability of the millennial generation to various behavioral biases in investment decision-making. [2] Bhatia, Chandani, and Chhateja (2020) discuss the use of robo-advisors as financial technology that moderates the relationship between psychological factors and investment decisions. [3] However, the research gap lies in the lack of a comprehensive understanding of the complex interaction between EI, behavioral biases, and the moderating influence of robo-advisors on millennial stock trading decisions. (Accurate, 2021) [5]

1.1. Statement of Problem

1. How do millennial investment behaviors manifest in the Indonesian capital market, especially in terms of trading activity, tendencies toward impulsive transactions, and investment decisions based on market sentiment and recommendations from others?
2. What is the influence of Emotional Intelligence (EI) levels on the investment decisions of millennials, and how can EI contribute to more rational decision-making in stock trading?
3. How do behavioral biases impact the investment decisions of millennials, and can the level of Emotional Intelligence moderate the influence of these behavioral biases?
4. To what extent can robo-advisors as financial technology moderate the relationship between psychological factors, such as Emotional Intelligence and behavioral biases, and the investment decisions of millennials?
5. Are there significant differences in investment behaviors between millennials who use robo-advisors and those who do not?

1.2. Research Objectives

This research aims to deepen the understanding of millennial investment behavior in the Indonesian capital market with a focus on the roles of Emotional Intelligence, behavioral biases, and the moderating influence of robo-advisors. In this context, this article highlights novelty by exploring how EI levels moderate the influence of behavioral biases on millennial stock trading decisions. Additionally, this research amplifies the focus on millennials in the use of robo-advisors as a moderation factor, making a significant contribution to understanding these complex interactions.

The objectives of this research are to provide in-depth insights into the preferences, tendencies, and motivations of millennial investors and to enhance the effectiveness of investment solutions through an understanding of Emotional Intelligence (EI) and the optimization of Robo Advisor utilization. With a focus on the relationship between EI,

behavioral biases, and trading decisions, this research seeks to provide practical recommendations to financial companies and investment service providers. Potential outcomes may include updates to better investment strategies and the development of more optimal Robo Advisors.

2. Method

This research employs a quantitative approach with the aim of systematically and objectively describing the phenomenon of the capital market among the millennial generation. This quantitative approach is supported by a structured data collection method, namely a survey using an online questionnaire. (Sugiyono, 2018)

The research variables involve four main aspects: Emotional Intelligence, Behavioral Bias, Stock Trading Decisions, and Robo Advisor Moderation. The use of the Lemeshow formula to determine the sample size and purposive sampling technique for respondent selection also reflects the quantitative approach.

Figure 1.frame of mind
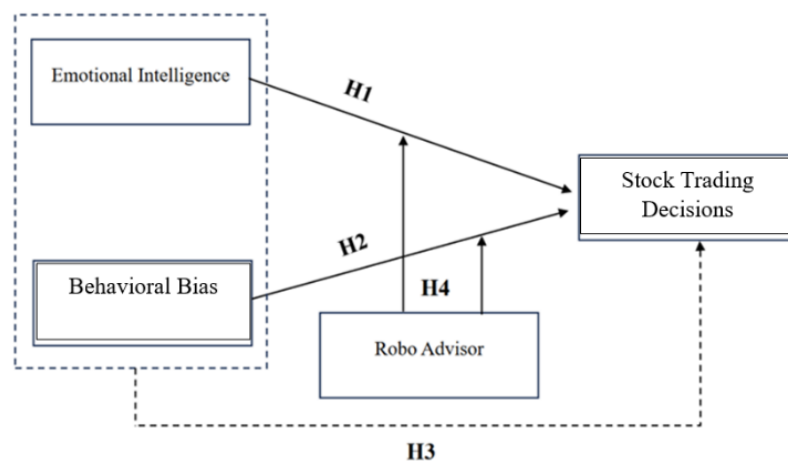
Source : Primary data, 2023

The research model is generally explained without presenting explicit hypotheses. Data analysis involves descriptive statistical tests, measurement model tests with Confirmatory Factor Analysis (CFA) for convergent and discriminant validity, and structural model tests using Partial Least Squares Structural Equation Modeling (PLS-SEM). Reliability is measured using Cronbach's Alpha and Composite Reliability methods.

The questionnaire source is adapted from a related journal titled "Using Fintech in Investment: Understanding the Batam City Community's Perception of Robo Advisors in Investment" by Oktarianto et al., 2022. The entire research model, including flowcharts or diagrams, is presented in monochrome (black and white) for visual clarity.

3. Results and Discussion /Hasil dan Pembahasan

The results of this research depict the investment behavior of the millennial generation, particularly in the context of stock trading decisions. Findings indicate the dominance of stock trading activities carried out by millennials, reflecting their high interest in the stock market, especially in seeking short-term profits. Further understanding of psychological factors became the focus of the research, with results showing that the level of Emotional Intelligence (EI) positively influences stock trading decisions, while Behavioral Bias also contributes significantly. The success of Robo Advisors as a moderation tool in this relationship provides new insights into the role of technology in guiding millennials in more rational investment decision-making.

Figure 2. Outer Model Results
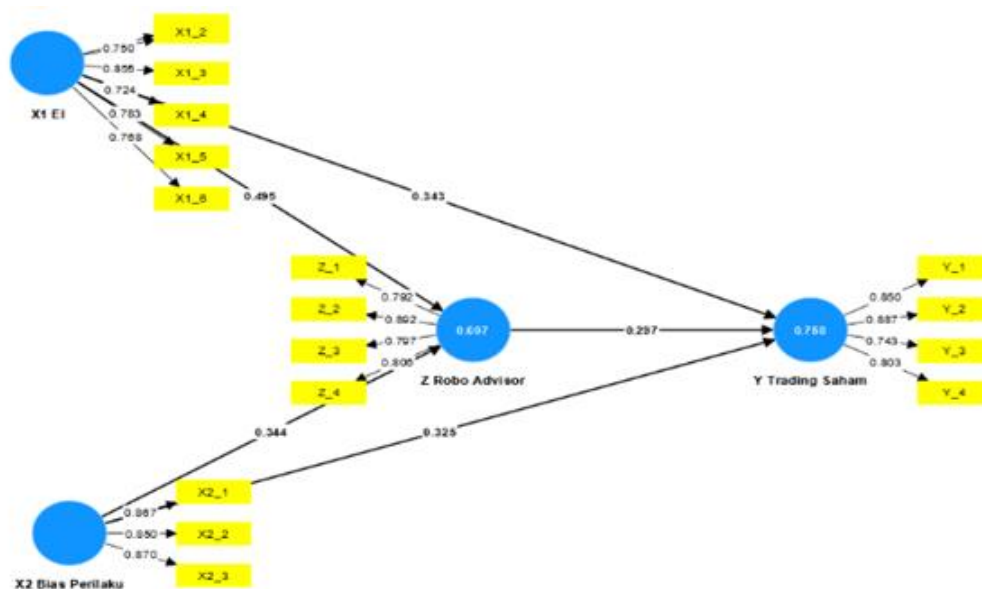
Source : Primary data processed by PLS researchers, 2023

Differences in results from previous research can be attributed to contextual factors and the continuously changing dynamics of the market, suggesting that millennials may face unique challenges and opportunities. Practical implications of this research include recommendations for investment training that consider the psychological aspects of the millennial generation and the utilization of Robo Advisors as objective investment guidance tools. Thus, this research makes a significant contribution to understanding the investment behavior of millennials and provides a foundation for the development of smarter and adaptive investment strategies.

Table 1. Path Coefficient value

Konstruk	Original Sampel (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Value
Emotional Intelligence (X1) -> Trading Saham (Y)	0,343	0,337	0,090	3,824	0,000
Emotional Intelligence (X1) -> *Robo Advisor* (Z)	0,495	0,519	0,105	4,702	0,000
Bias Perilaku (X2) -> Trading Saham (Y)	0,325	0,321	0,099	3,299	0,001
Bias Perilaku (X2) -> *Robo Advisor* (Z)	0,344	0,323	0,116	2,955	0,004
Robo Advisor (Z) -> Trading Saham (Y)	0,297	0,309	0,076	3,909	0,000

Source : Primary data processed by PLS researchers, 2023

Table 2. Indirect Effect Value

Konstruk	Original Sampel (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Value
Emotional Intelligence (X1) -> *Robo Advisor* (Z) -> Trading Saham (Y)	0,147	0,159	0,047	3,113	0,002
Bias Perilaku (X2) -> *Robo Advisor* (Z) -> Trading Saham (Y)	0,102	0,102	0,048	2,108	0,038

Source : Primary data processed by PLS researchers, 2023

Emotional Intelligence and Stock Trading: The first hypothesis is accepted as the test results show a positive and significant influence of Emotional Intelligence on Stock Trading, with a p-value of 0.000 and a t-statistic of 3.824.

Emotional Intelligence and Robo Advisor: The second hypothesis is also accepted as the test results indicate that Emotional Intelligence has a positive and significant influence on Robo Advisors, with a p-value of 0.000 and a t-statistic of 4.702.

Behavioral Bias and Stock Trading: The third hypothesis is accepted as the test results show that Behavioral Bias has a positive and significant influence on Stock Trading, with a p-value of 0.001 and a t-statistic of 3.299.

Behavioral Bias and Robo Advisor: The fourth hypothesis is accepted as the testing indicates that Behavioral Bias has a positive and significant influence on Robo Advisors, with a p-value of 0.004 and a t-statistic of 2.955.

Robo Advisor and Stock Trading: The fifth hypothesis is accepted as the test results show that Robo Advisors have a positive and significant influence on Stock Trading, with a p-value of 0.000 and a t-statistic of 3.909.

Emotional Intelligence, Robo Advisor, and Stock Trading: The sixth hypothesis is accepted as the testing indicates that Emotional Intelligence has a positive and significant indirect influence on Stock Trading through the moderation of Robo Advisors, with a p-value of 0.002 and a t-statistic of 3.113.

Behavioral Bias, Robo Advisor, and Stock Trading: The seventh hypothesis is accepted as the test results show that Behavioral Bias has a positive and significant indirect influence on Stock Trading through the moderation of Robo Advisors, with a p-value of 0.038 and a t-statistic of 2.108.

4. Conclusion

In this study, it was found that Emotional Intelligence (EI) has a positive and significant influence on Stock Trading, as well as a positive influence on the use of Robo Advisors. Additionally, Behavioral Bias also has a positive and significant influence on Stock Trading and the use of Robo Advisors. Robo Advisors have a positive and significant influence on Stock Trading. Furthermore, Emotional Intelligence and Behavioral Bias indirectly influence Stock Trading through the moderation of Robo Advisors.

These results indicate that millennials with higher levels of Emotional Intelligence tend to make better investment decisions, while Behavioral Bias can influence their investment decisions. The use of Robo Advisors also has a positive impact on the investment decisions of the millennial generation.

These findings provide a deeper understanding of the investment behavior of the millennial generation and the relevance of Robo Advisors in this context. This can be used as a basis for enhancing the effectiveness of investment strategies and the use of Robo Advisors in supporting smarter and more rational millennial investments.

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The Effect of Lifestyle, FoMO, and Self Control On Personal Financial Planning

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Article Information		Abstract
Submission date	13 Desember 2023	*Research aim:* *The purpose of the study was to examine the effect of lifestyle, FoMO, and Self-Control on Personal Financial Planning.*
Revised date	14 Februari 2024	*Design/Methode/Approach:* *This research is a type of explanatory research using a quantitative approach. The study population is Kediri City Residents. Purposive sampling techniques were used in this study so 96 respondents were used as research samples. The data analysis method used the multiple linear regression test using SPSS*
Accepted date	15 Maret 2024	

Research Finding: *The results showed that lifestyle and Self-control partially had a significant positive effect on Personal Financial Planning, while FoMO had an effect but not significant on Personal Financial Planning in Kediri City Residents.*

Research limitation: *The variables of this study are only limited to lifestyle, FoMO, and Self-Control.*

Keywords: *Lifestyle, FoMO, Self-Control, Personal Financial Planning*

Introduction

Personal financial planning has an important role as a survival requirement that must be met by all individuals, including young people. This is because young people today have a high tendency to be consumptive in everyday life. So that young people become less accustomed to saving, investing, buying insurance to making an emergency fund just in case they meet sudden or unknown needs. This is what makes personal financial planning very important for young people [3] [5] [7].

In 2020, the largest population in Indonesia was young people born in 1997-2012. Based on survey data, Alvara Research Center shows that with very rapid technological advances, young people have a very high level of consumption of the Internet. With increasingly sophisticated technology, young people can very easily access information and sites that can be accessed very easily and quickly without direct physical contact, such as easily knowing the current trends, ordering food through applications, and shopping online [9].

The impact of technological advances not only has a positive impact but also provides new problems for young people who do not have good personal financial planning. Many young people are entangled in online loans just to fulfill their desires. It is not uncommon for young people today to make online loans only for consumptive needs. Personal financial planning aims to create a balance between income and expenditure, as well as maximize the use of financial

resources for the long term.

Lifestyle is a person's life habit of expressing themselves in frequent activities, interests, and opinions [8]. Lifestyle is the way a person manages his finances and time. Lifestyle is a change in trends from time to time, and almost everyone will slowly follow these changes [10].s

In addition to lifestyle, young people today hasve the nature of Fear of Missing Out (FoMO) or fear of being left behind. It also gives rise to the feeling of wanting to always be first in everything at any time. These include fear of being left behind in today's trending lifestyles, high levels of FoMO associated with greater consumer spending, and a lack of good personal financial planning [4].

Self-control is closely related to personal financial planning among young people. As a generation that already uses sophisticated technology, young people are vulnerable to impulsive spending and FoMO behavior that can affect their finances. Therefore, having good self-control skills can help young people control their spending and prioritize their future finances through personal financial planning. This is in line with research conducted [2] [6] which shows that high self-control is positively related to personal financial planning.

Based on this background, it illustrates the importance of personal financial planning for each individual and group as well as the results of previous research tests that provide different results that are influenced by various factors such as age, socioeconomic conditions, geographical conditions, and so on. To provide empirical evidence, researchers are interested in conducting this study to provide empirical evidence of the influence of lifestyle, FoMO, and self-control on personal financial planning in Kediri City residents.

1.1. Statement of Problem

Based on the introduction previously described, the problem formulation is as follows: Lifestyle, FoMO, and Self-Control affect partial Personal Financial Planning.

1.2. Research Objectives

This study aims to: Identify the effect of lifestyle, FoMO, and Self-control on Personal Financial Planning in Kediri City Residents.

2. Method

This research is a type of explanatory research using a quantitative approach. The study population is all residents of Kediri City. Purposive sampling techniques were used in this study by setting several criteria that must be met by the sample. The criteria used are; residents of Kediri City, aged 17-28 years. The sample used is a sample that fits the criteria and following the Ancient Rao formula:

$$n = \frac{Z^2}{4\ (moe)^2}$$

$$n = \frac{(1,96)^2}{4(0,1)^2}$$

$$n = \frac{3,8416}{4(0,01)}$$

$$n = 96,04$$

The data analysis method in this study uses multiple linear regression analysis with data processing through SPSS software. The regression equation is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Infor...

Y : Personal Financial Planning
a : Konstanta
b1 : Koefisien Regresi X1
b2 : Koefisien Regresi X2
b3 : Koefisien Regresi X3
X_1 : Life Style
X_2 : FoMO
X_3 : Self-Control
e : Standart Error

3. Results and Discussion

From the results of the distribution of questionnaires, a sample of 96 respondents who met the criteria was obtained. It is known that the percentage of respondents by gender consists of 42% male and 58% female. Meanwhile, based on age, it is known that respondents aged between 17-20 years as much as 35%, ages between 21-24 years 41%, and ages 25-28 years 24%.

This research instrument is in the form of a questionnaire consisting of statements answered by respondents using a Likert scale of 1-5 given through a Google form that is disseminated through social media randomly to Kediri City residents. The results of the validity and reliability test on the research instrument, all questions in the questionnaire for all research variables consisting of lifestyle, FoMO, Self-Control, and personal financial planning were declared valid and reliable.

The classical assumption test performed has fulfilled the provisions in multiple linear regression analysis. The results of multiple linear regression analysis produced the following equation: $Y = 9,910 + 0,350 X_1 + 0,013 X_2 + 0,487 X_3$

The equation above shows that the lifestyle variable (X_1) has a positive effect on the personal financial planning variable and has a coefficient value of 0.350. The FoMO variable (X_2) has a positive effect on the personal financial planning variable and has a coefficient value of 0.013. The self-control variable (X_3) has a positive effect on the personal financial planning variable and has a coefficient value of 0.487.

Lifestyle variables can affect personal financial planning. The higher a person's lifestyle, the higher the consumptive behavior to be able to meet his needs and desires [1]. FoMO variables can affect personal financial planning but are not significant. Self-control variables can affect personal financial planning. The results of the study show that Kediri City residents have a high level of self-control, so even though they are influenced by lifestyle and FoMO, they can still apply personal financial planning well.

4. Conclusion

Lifestyle and self-control each have a significant positive effect on personal financial planning, while FoMO has an effect but is not significant on personal financial planning in Kediri City residents. Suggestions that can be given based on the results of this study for future researchers are expected to use other variables that we did not study and increase the sample size by increasing the periodization of the study so that a larger sample is obtained and provides a greater possibility of obtaining actual conditions.

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The Impact of Overtime, Career Development, and Workplace Friendly towards Turnover Intention and Emotional Exhaustion as the Mediation of Variable

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Abstract

Research aim : *This study aims to examine the impact of overtime, career development, and workplace friendliness on employee turnover intention, with emotional exhaustion serving as a mediating variable.*

Design/Methode/Approach : *Quantitative research methodology was employed, utilizing statistical analysis techniques. The population comprised all employees of Matahari Department Semarang exhibiting an intention to resign. A sample of 387 employees was selected using the Slovin formula (5% margin of error). Data collection was facilitated through a questionnaire survey administered to the respondents. Partial Least Squares Structural Equation Modeling (PLS-SEM) software was employed for data analysis.*

Research Finding : *The findings indicate that overtime significantly influences emotional exhaustion, while career development does not exhibit a significant impact on emotional exhaustion. Workplace friendliness was found to have a significant effect on emotional exhaustion. Moreover, overtime, career development, and workplace friendliness were identified as influencing factors on turnover intention. Emotional exhaustion was not directly associated with turnover intention but served as a mediator in the relationship between overtime, career development, workplace friendliness, and turnover intention. Specifically, overtime, career development, and workplace friendliness were found to influence turnover intention through their effects on emotional exhaustion.*

Keywords : *overtime, career development, workplace friendly, turnover intention, emotional exhaustion*

Introduction

In Indonesia, intense competition to provide the best service has evolved as a result of the country's booming retail industry and economic progress. A range of techniques have been explored to compete with this issue, start with improving the quality of human resources (HR) and matching retail items. Employees, often known as human resources, are the most important and valuable asset of every business. and personnel play an important role in the achievement of organizational goals by the company. Personnel must be managed well in order to have a positive impact on the organization's success. However, if employees are not adequately managed, they will be unmotivated to work, causing them to fail or resign. A high rate of employee turnover is a measurement technique that is frequently used to indicate basic organizational issues. Employee turnover can lead to insecurity and uncertainty about employee conditions, as well as increased recruitment costs. As a result, a firm must be able to retain its personnel by providing high remuneration and knowing things that can make its employees comfortable enough to continue working without hurting the company's overall performance.

Employees can improve customer pleasure and loyalty. This occurs because the position of employees has a significant impact on client loyalty and disloyalty. When serving consumers, good personnel will undoubtedly be friendlier, more pleasant, more responsive.

According to previous research conducted by (Hadi et al., 2018), overtime has a positive and significant effect on turnover intention. These results are in line with research conducted by (Fatrichia & Santosa, 2022) which states that overtime has a positive and significant effect on turnover intention. Supported by research conducted (Adittya et al., 2021) which states that career development has a positive and relevant impact on turnover intention. These results are in line with research conducted by (Akhmad Darmawan, Abdan Syakuro, 2021) stating that career development has a positive and relevant impact on turnover intention. Supported by research conducted (Yuliantoro, 2022) which states that career development has a positive and relevant impact on turnover intention (Yuningsih et al., 2021) states that workplace friendly has a positive and significant effect on turnover intention. These results are in line with research conducted by (Sudarmanto et al., 2022) which states that workplace friendliness has a positive and significant effect on turnover intention. According to (Khomsa & Rohyani, 2021), emotional exhaustion has a negative and significant effect on turnover intention. These results are in line with research conducted by (Jasmine & Martdianty, 2022) which states that emotional exhaustion has a positive and significant effect on turnover intention.

Diferent from the previous study abot the researcher of this study wants to analyze whether overtime, career development, workplace friendly, and emotional exhaustion have an influence on the high turnover intention rate at Matahari Department Store Semarang.

The objective of this study is to test and analyze the effect of overtime on the emotional exhaustion, the influence of career development on emotional exhaustion, the influence of workplace friendliness on emotional exhaustion, the effect of overtime on employee turnover intention, the influence of career development on employee turnover intention, the influence of workplace friendliness on employee turnover, the effect of overtime on employee turnover intention through emotional exhaustion, the influence of career development on employee turnover intention through emotional exhaustion, the influence of workplace friendliness on employee turnover intention through emotional exhaustion of Matahari Department Store Semarang employees.

Statement of Problem

Based on the description of the background to the problem above, it can be said that the employee turnover rate at Matahari Department Store Semarang is relatively high. It is suspected that the cause of the high turnover rate at Matahari Department Store Semarang is caused by several factors including overtime, career development, workplace friendliness, and emotional exhaustion. Therefore, the author wants to research whether overtime, career development, workplace friendliness, and emotional exhaustion have an influence on the high turnover intention rate at Matahari Department Store Semarang.

Research Objectives

Based on the background and problem formulation that has been explained, the objectives to be achieved in this research are:

1. Research and analyze the effect of overtime on emotional exhaustion of Matahari

Department Store Semarang employees.

2. Research and analyze the influence of career development on the emotional exhaustion of Matahari Department Store Semarang employees.

3. Research and analyze the effect of workplace friendliness on the emotional exhaustion of Matahari Department Store Semarang employees.

4. Research and analyze the effect of overtime on the turnover intention of Matahari Department Store Semarang employees.

5. Research and analyze the influence of career development on the turnover intention of Matahari Department Store Semarang employees.

6. Research and analyze the influence of workplace friendliness on employee turnover intention at Matahari Department Store Semarang.

7. Research and analyze the effect of overtime on employee turnover intention through emotional exhaustion of Matahari Department Store Semarang employees.

8. Research and analyze the influence of career development on employee turnover intention through emotional exhaustion of Matahari Department Store Semarang employees.

9. Research and analyze the influence of workplace friendliness on employee turnover intention through emotional exhaustion of Matahari Department Store Semarang employees.

Method

This research uses a quantitative type of research. Quantitative research is a research method based on the philosophy of positivism, which is used to research certain populations or samples, where samples are generally taken randomly, and data is collected using research instruments, then analyzed quantitatively/statistically with the aim of testing predetermined hypotheses (Abdullah, 2015). The method used in collecting data in this research was using a questionnaire. This research was conducted to determine the influence of overtime, career development and workplace friendliness on employee turnover intention, emotional exhaustion as a mediating variable which has an impact on employees' intention to resign (case study of all employees of Matahari Department Store Semarang).

Population

Population is a group of people, who have certain characteristics that will be studied. The population will be part of the generalization area of research conclusions (Purwanza et al., 2022). The population in this study were all employees of Matahari Department Store Semarang who had the intention of resigning.

Sample

The sample is part of the population. Research may only take a portion of the population for research, although the conclusions of the research results will apply to the entire population. Sampling methods are a very important part of research, especially if the researcher wants the research results to apply to the entire population. The sample taken must represent all the

characteristics found in the population to which the conclusion applies. If the sample does not represent the characteristics of the population, then the research conclusions may be different (Purwanza et al., 2022). This research used a random sampling technique. Random sampling is taking samples randomly without paying attention to strata in the population (Purwanza et al., 2022). The benchmark for sampling in this research is by using the 10% slovin formula from all 12,808 employees of Matahari Department Store The Part Mall and from the results of calculating the 10% solving

In accordance with the calculations above, the sample that will be used as respondents in this research is 387 respondents from the total population.

Results and Discussion

Research hypothesis results

Hypothesis	Effect	t- statistics	*p-values*	Explanation
H1	Effect of Overtime through Emotional Exhaustion	3.338	0.001	Accepted
H2	The Influence of Career Development on Emotionality Exhaustion	0.819	0.413	Rejected
H3	The Influence of Workplace Friendliness on Emotional Exhaustion	2.174	0.000	Accepted
H4	Effect of Overtime through Turnover Intention	1.974	0.049	Accepted
H5	The Influence of Career Development on Turnover Intention	3.645	0.000	Accepted
H6	The Influence of Workplace Friendliness on Turnover Intention	4.187	0.000	Accepted
H7	The Effect of Emotional Exhaustion on Turnover Intention	1.353	0.177	Rejected
H8	The Effect of Overtime on Turnover Intention through Emotional Exhaustion	2.027	0.043	Accepted

H9	The influence of career development on Turnover Intention through Emotional Exhaustion	3.042	0.002	Accepted
H10	The influence of Workplace Friendly on Turnover Intention through Emotional Exhaustion	3.392	0.001	Accepted

Source : Processed primary data (2023)

Discussion

Based on the results of the research data analysis above, it is stated that the results of this research are as follows:

1. The Influence of Overwork and Emotional Exhaustion

The influence of the overtime variable on emotional exhaustion in this study reveals that the P-Value is 0.001, indicating that the P-Value is 0.1, and the T-Statistics is 3.338, indicating that the T-statistics value is more than 1.96, indicating that hypothesis 1 in this study is accepted. The findings of this hypothesis are consistent with the findings of (Sumarningsih, 2020), who found that the overtime variable has a positive influence on the emotional tiredness variable. Working overtime requires not only delivering high productivity during overtime hours, but also diminishing productivity during normal working hours, resulting in emotional tiredness. As a result, overtime labor must be done in accordance with the employee's ability to sustain and feel comfortable.

2. The Influence of Career Development on Emotional Exhaustion

In this research, the influence of career development variables on emotional exhaustion shows that the P-Value is 0.413, which means the P-Value is > 0.1 and the T-Statistics is 0.819, which means theT-statistic < 1.96, so it can be concluded that hypothesis 2 in this study is rejected. The results of this hypothesis are in line with research conducted by (Agus et al., 2018) which stated that career development has no significant effect on emotional exhaustion. Busy activities and high work risks tend to cause emotional exhaustion in working individuals. Emotional exhaustion will encourage individuals to work less optimally in carrying out their duties and responsibilities. The increasingly high level of business competition at this time makes every company demand extra hard work from its employees. This shows that company leaders provide opportunities for career development, but most employees feel satisfied with their current position.

3. The Influence of a Friendly Workplace on Emotional Exhaustion

In this study, the influence of the workplace-friendly variable on emotional exhaustion shows that the P-value is 0.000, indicating that the P-value is 0.1, and the T-Statistics is 2,174, indicating that the T-statistics value is greater than 1.96, implying that hypothesis 3 was accepted. The findings of this hypothesis are consistent with the findings of (Martnez-Iigo et al., 2017), who found that the workplace-friendly variable has a favorable and significant influence on employee emotional weariness. This is related to a pleasant workplace (a supportive workplace), which can minimize the level of emotional weariness in a company's individual employees.

4. The Influence of Overtime on Turnover Intention

The influence of the overtime variable on turnover intention in this study reveals that the P-Value is 0.049, indicating that the P-Value is 0.1, and the T-Statistics is 1.974, indicating that the T-statistics value is greater than 1.96, indicating that hypothesis 4 in this research is accepted. The findings of this hypothesis are consistent with the findings of (Fatrichia & Santosa, 2022) research, which found that the overtime variable had a favorable influence on turnover intention. Employees who work overtime will feel bored and may decide to resign, which will increase turnover. This implies that the overtime variable (working overtime) has a significant impact on employee turnover intention. Working overtime and the intention of employees to resign are related in the sense that excessive workload will lead to resignation.

5. The Influence of Career Development on Turnover Intention

The influence of the overtime variable on turnover intention in this study reveals that the P-Value is 0.000, indicating that the P-Value is 0.1, and the T-Statistics is 3,645, indicating that the T-statistics value is greater than 1.96, indicating that hypothesis 5 in this study is accepted. This hypothesis's findings are consistent with research conducted by (Riantini et al., 2021), which found that career development variables have a positive and significant influence on turnover intention. This will occur if employee career development is not adequately managed in the organization because employees believe that the results of their labor receive insufficient feedback and are underappreciated, leading in intentions to resign (turnover) from the company.

6. The Influence of Workplace Friendliness on Turnover Intention

In this study, the influence of the workplace friendly variable on turnover intention shows that the P-Value is 0.000, indicating that the P-Value is 0.1, and the T-Statistics is 4,187, indicating that the T-statistics value is greater than 1.96, implying that hypothesis 6 was accepted. The findings of this hypothesis are consistent with the findings of (Khomsa & Rohyani, 2021) research, which found that workplace friendliness has a favorable and significant effect on employee turnover intention. If workplace friendliness is poor across the board, it will have an impact on employee burnout, which, if uncontrolled, will result in high

staff turnover (resignation) and disrupt the flow of human resources in the organization.

7. The Influence of Emotional Exhaustion on Turnover Intention

In this research, the influence of the emotional exhaustion variable on turnover intention shows that the P-value is 0.177, which means the P-value is > 0.1 and the T-Statistics is 1.353, which means the T-statistics value is <1.96, so it can be concluded that hypothesis 7 in this study is rejected. This shows that testing the hypothesis above with indicators of emotional exhaustion, namely easily tired and stressed, easily bored, quickly angry without reason, restless, unhappy, and feeling worthless, does not influence indicators of turnover intention, namely thinking about leaving, and looking for alternative jobs. , intention to leave, quitting because of job incompatibility, leaving a job if there is a better job and quitting because of not getting a career path. So it can be concluded that the emotional exhaustion variable does not influence turnover intention.

8. The Influence of Overtime on Turnover Intention through Emotional Exhaustion

In this research, the influence of the overtime variable on turnover intention which has an impact on emotional exhaustion shows that the P-Value is 0.043, which means the P-Value is <0.1 and the T-Statistics is 2.027, which means the T-statistics value is
> 1.96, so it can be concluded that hypothesis 8 in this study was accepted. This shows that testing the hypothesis above with overtime indicators, namely working overtime above normal hours, working overtime on official holidays, bringing office work home and overtime wages influence indicators of turnover intention, namely thinking about leaving, looking for alternative jobs, intention to leave, quitting because of job incompatibility, leaving a job because there is a better job and quitting because of not getting a career path which has an impact on indicators of emotional exhaustion, easily tired and stressed, easily bored, quickly angry for no reason, restless, unhappy and feeling like he is worthless. So it can be concluded that the overtime variable influences turnover intention which has an impact on emotional exhaustion.

9. The influence of career development on turnover intention through emotional exhaustion

In this research, the influence of career development variables on turnover intention which has an impact on emotional exhaustion shows that the P-Value is 0.002, which means the P-Value is < 0.1 and the T-Statistics is 3.042, which means the T-statistics value is > 1.96, so it can be concluded that hypothesis 9 in this study is accepted. This shows that testing the hypothesis above with career development indicators, namely work performance, exposure, loyalty to the organization and opportunities for growth, has an influence on indicators of turnover intention, namely thinking about leaving, searching alternative jobs, intention to leave, quitting because of job incompatibility, leaving a job with a better job and quitting because of not getting a career path which has an impact on indicators of emotional exhaustion, easily tired and stressed, easily bored, quickly angry for no reason, restless, unhappy and felt he was worthless. So it can be concluded that the career development variable has an influence on turnover intention which has an impact on emotional exhaustion.

10. The influence of workplace friendliness on turnover intention through emotional exhaustion

In this research, the influence of the workplace-friendly variable on turnover intention which has an impact on emotional exhaustion shows that the P-value is 0.002, which means the P-Value < 0.1 and the T-statistics is 3.042, which means the T- T-statistics value is > 1.96, so it can be concluded that hypothesis 9 in this study is accepted. This shows that testing the hypothesis above with workplace-friendly indicators, namely knowing colleagues, working collectively, free communication, organizational support, and close relationships, has an influence on indicators of turnover intention, namely thinking about leaving, looking for alternative jobs, intention to leave, quitting. due to job incompatibility, leaving a job with a better job and quitting because of not getting a career path which has an impact on indicators of emotional exhaustion, easily tired and stressed, easily bored, quickly angry for no reason, restless, unhappy and feeling like he is worthless. So it can be concluded that the workplace-friendly variable influences turnover intention which has an impact on emotional exhaustion.

Conclusion

Based on the data obtained in this research regarding overtime, career development, workplace friendliness towards turnover intention through emotional exhaustion, several conclusions can be drawn. Firstly, the study reveals that overtime significantly contributes to emotional exhaustion among employees, indicating a potential decrease in productivity during regular working hours. Secondly, while career development initiatives are offered by the company, they do not significantly impact emotional exhaustion, suggesting that employees may already feel content with their current roles. Thirdly, a positive and supportive workplace environment significantly reduces emotional exhaustion, highlighting the importance of fostering such a culture within the organization.

Moving forward, it is recommended that companies address the issue of excessive overtime by implementing measures to promote work-life balance and prevent burnout among employees. Additionally, efforts should be made to enhance the effectiveness of career development programs, ensuring that they provide meaningful growth opportunities and recognition for employees' contributions. Furthermore, prioritizing the cultivation of a friendly and supportive workplace culture can serve to mitigate emotional exhaustion and reduce turnover intention. By addressing these factors, organizations can not only improve employee well-being but also mitigate the risks associated with high turnover rates, ultimately fostering a more sustainable and productive workforce.

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Service Quality, Price Perception and Promotion Influence on Purchasing Decisions at Raxgacloth Screen Printed T-Shirt Convection

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Abstract

Research aim : *The aim of this research is to identify the influence of service quality, price perception and promotion on purchasing decisions at the Raxgacloth screen-printed t-shirt convection, either partially or simultaneously.*

Design/Methode/Approach : *The approach used in this research is a quantitative approach, causal research type, the sampling technique used was 40 respondents, and the data analysis technique used descriptive statistics, classical assumption tests, multiple linear. Regression, coefficient of determination, and hypothesis testing with SPSSv25 tools.*

Research Finding : *The research results show that there is a significant influence between service quality, price perception and promotion simultaneously on purchasing decisions.*

Keywords : Service Quality, Price Perception, Promotion, Purchasing Decisions

1. Introduction

Convection is a type of business that is very competitive. The screen printing convection business will also face increasing competition along with the increase in the number of convection companies. Business actors must pay attention to changes in consumer behavior. Therefore, innovation is very important to create screen printing products that are attractive and meet market needs. The screen printing or printing industry must implement appropriate marketing strategies to compete in increasing purchasing decisions with other companies in the same industry. Convection is a very competitive industry. Every convection production process is now easier thanks to technological advances. This makes it easier for manufacturers in the production process [1].

A purchasing decision involves choosing between two or more alternative options, meaning that individuals must have available choices or alternatives when making a decision [2]. Conversely, if consumers lack alternatives and are compelled to make a purchase, such circumstances do not qualify as decisions. Purchasing decisions involve a process wherein consumers identify a problem, seek information about a specific product or brand, and ultimately decide whether or not to purchase the product [3]. The process of facing competition is by providing good quality service. Service quality is any action or activity that can be offered by another party, which is basically intangible and does not result in

ownership. producers to fulfill customer wants and needs in order to achieve consumer satisfaction [4].

The likelihood of repurchase may be influenced by price perception. Price is the amount of money a buyer must pay to a seller to obtain goods or services provided by the seller to the buyer [5]. Price is the amount of money or other measures (such as goods and services) traded in exchange for consumers' rights to own or use those goods and services to meet consumer needs [6]. Promotion can also be influential, this is a type of marketing activity that aims to disseminate information about a company and its products with the aim of influencing, persuading and reminding the target market [7]. Competition will arise among screen printing and embroidery convection producers because their products are easily noticed or sought after by the productive age population. Raxgacloth is located in Pulorejo, Kedungrejo, Tanjunganom District, Nganjuk Regency, and is one of the small and medium convection businesses in Nganjuk Regency that produces screen-printed clothing. Bayu Adi Pratama is the owner and founder of the Raxgacloth screen-printed t-shirt convection, which was started in 2022.

The author selected this study based on scientific research from various previous studies, including one titled "Analysis of the Influence of Service Quality, Location, and Promotion on Purchasing Decisions for Broden Screen Printing Products," which indicated that service quality has a positive and significant impact on purchasing decisions [8]. Research entitled The Influence of Brand Image and Price Perception on Online Purchasing Decisions on the Shopee Application in the East Jakarta Region states that price perception has a positive and significant effect on purchasing decisions [9]. The study titled "The Impact of Product Quality, Price, and Promotion on Purchasing Decisions" indicates that promotions have a positive and significant influence on purchasing decisions [10]. Meanwhile, my research chose the research object at the Raxgacloth screen-printed t-shirt convection located in Tanjunganom District to discuss Service Quality, Price Perception and Promotion on Purchasing Decisions.

The research results stated that business process management systems, developing marketing knowledge, combining internal and external knowledge were in the low category [11]. Based on the theoretical description and explanation above, the aim of this research is to examine whether there is a simultaneous and partial influence between Service Quality, Price Perception and Promotion on Purchasing Decisions at the Raxgacloth screen-printed t-shirt convection.

1.1. Statement of Problem

This research emerged because of a critical problem regarding the impact of certain factors on purchasing decisions for Raxgacloth t-shirt screen printing in Tanjunganom District, Nganjuk Regency. The problem involves assessing the influence of service quality, price perception, and promotional effectiveness individually, as well as exploring the combined impact of service quality, price perception, and promotion on purchasing decisions.

1.2. Research Objectives

The objective of this study is to assess the factors that impact an individual's decision to buy Raxgacloth screen-printed t-shirts in Tanjunganom District, Nganjuk Regency. This research examines whether service quality, price perception, and promotion partially or simultaneously have a positive and significant effect on consumers' decisions to purchase Raxgacloth screen-printed t-shirt convection products. It is hoped that the research results

will help Raxgacloth increase its competitiveness in the local t-shirt screen printing market and help them optimize their marketing strategy.

2. Method

This study employs a quantitative research methodology focusing on establishing causal relationships. Primary data collected from 40 respondents who are consumers of Raxgacloth screen-printed t-shirt convection through researcher-distributed questionnaires forms the basis of the research. The variables under investigation encompass Service Quality, Price Perception, and Promotion impact on Purchasing Decisions. Analytical methods involve descriptive statistics, classical assumption tests, multiple linear regression, determination of coefficients, and hypothesis testing utilizing SPSSv25 software.

3. Results and Discussion

3.1 Descriptive Analysis

The data presented is derived from a questionnaire distributed by researchers to consumers of Raxgacloth Screen Printed T-Shirt Convection, comprising responses from 40 participants categorized by age and gender.

Tabel 1. Characteristics of respondents based on gender

Gender	Amount	percentage
Man	21	52.5%
Woman	19	47.5%

Source: processed with SPSSv25

Based on table 1. There were a total of 40 respondents who participated in this research, of which 21 were male respondents, reaching a percentage of 52.5%, while there were 19 female respondents, contributing a percentage of 47.5%. The number of respondents, which reached 40 people, represented a variety of backgrounds and characteristics, creating diversity in the research data. In addition, the relatively balanced distribution of respondents between men and women provides a balanced gender perspective in the analysis of the results of this research.

Tabel 2. Characteristics of respondents based on age

Age	Amount	Percentage
17	2	5.0%
18	1	2.5%
19	1	2.5%
20	7	17.5%

21	8	20.0%
22	11	27.5%
23	6	15.0%
24	2	5.0%
25	2	5.0%

Source: processed with SPSSv25

Based on table 2. The total number of respondents was 40 with 17 year olds totaling 2 (5.0%), 18 year olds totaling 1 (2.5%), 19 year olds totaling 1 (2.5%), 20 year olds totaling 7 (17.5%), age 21 totaling 8 (20.0%), age 22 totaling 11 (27.5%), age 23 totaling 6 (15.0%), age 24 totaling 2 (5.0%), aged 25 amounted to 2 (5.0%).

The subsequent description provides insights into how consumer respondents' responses are influenced by research variables, including service quality, price perception, and promotion, regarding their purchasing decisions.

Tabel 3. Descriptive Statistics of Research Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Service Quality	40	33	50	45.38	4.295
Price Perception	40	29	40	36.15	3.134
Promotion	40	34	50	44.90	4.181
Purchasing Decisions	40	39	60	53.68	5.394
Valid N (listwise)	40				

Source: processed with SPSSv25

Based on descriptive statistical tests in table 3, the total sample used was 40 consumers. The results of descriptive statistics in this research can be explained as follows.

1) Service Quality (X1)

The service quality variable ranges from a minimum value of 33 to a maximum value of 50, assessed via a 5-point Likert scale featuring 10 statement items. It possesses an average value of 45.38 and a standard deviation of 4.295. The standard deviation being lower than the average indicates a widened distribution of respondents' responses regarding service quality. Consequently, it can be inferred that Raxgacloth screen-printed t-shirt convection has indeed delivered high-quality services.

2) Price Perception (X2)

The price perception variable ranges from a minimum value of 29 to a maximum value of 40, with an average of 36.15 and a standard deviation of 3.134. With the

standard deviation lower than the average, it indicates an even distribution of respondents' responses regarding price perceptions. Therefore, it can be inferred that the pricing perception for Raxgacloth screen-printed t-shirts production has been satisfactorily addressed.

3) Promotion (X3)

The promotion variable ranges from a minimum value of 34 to a maximum value of 50, with an average of 44.90 and a standard deviation of 4.181. With the standard deviation lower than the average, it indicates an even distribution of respondents' responses regarding promotions. Therefore, it can be concluded that the promotional efforts at Raxgacloth screen-printed t-shirt convection have been effective.

4) Purchasing Decisions (Y)

The purchasing decision variable ranges from a minimum value of 39 to a maximum value of 60, measured using a 5-point Likert scale based on 12 statement items. It has an average value of 53.68 and a standard deviation of 5.394. With the standard deviation lower than the average, it indicates an even distribution of respondents' responses regarding purchasing decisions. Therefore, it can be inferred that the decision to purchase Raxgacloth screen-printed t-shirt convection was well-made.

3.2 Classic Assumption Test

The findings from the normality test in the SPSSv25 output demonstrate that the data is distributed diagonally and around its central tendency. In other words, the distribution of this variable is normal.

Tabel 4. Multicollinearity Test Results

Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	Service Quality	.381	2.628
	Price Perception	.229	4.376
	Promotion	.337	2.964

Source: processed with SPSSv25

Through tests conducted using SPSSv25, it was observed that the tolerance value for the service quality variable is 0.381, which is greater than 0.1, and the VIF value is 2.628, lower than 10. Similarly, for the price perception variable, the tolerance value is 0.229 (> 0.1), and the VIF value is 4.376 (< 10). Moreover, for the promotion variable, the tolerance value is 0.337 (> 0.1), and the VIF value is 2.964 (< 10). Consequently, multicollinearity issues have been successfully addressed and removed from the regression model.

The outcomes of the heteroscedasticity test conducted in the SPSS version 25 analysis reveal that the data exhibits a balanced distribution of points both above and below the y-axis. These results indicate that the regression model used does not experience heteroscedasticity, which means that the residual variability remains consistent across various values of the dependent variable.

3.3 Multiple Linear Regression

Tabel 5. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.103	2.223		-.946	.350
	Service Quality	.368	.070	.329	5.278	<,001
	Price Perception	.832	.123	.543	6.744	<,001
	Promotion	.201	.076	.175	2.639	.012

Source: processed with SPSSv25

The regression analysis outcomes and interpretation reveal that the constant value bears a negative sign at -2.103, implying that if service quality, price perception, and promotions are all equal to zero, purchasing decisions will decrease. The regression coefficient for the service quality variable (X1) stands at 0.368, indicating a positive effect on purchasing decisions. Similarly, the regression coefficient for the price perception variable (X2) is 0.832, suggesting a positive impact on purchasing decisions. The promotion variable (X3) holds a regression coefficient value of 0.201, signifying a positive influence on purchasing decisions.

The study findings highlight regression coefficient values for service quality (0.368), price perception (0.832), and promotion (0.201). Since 0.832 > 0.368 and 0.201, price perception emerges as the variable exerting the most dominant influence on purchasing decisions.

3.4 Coefficient of Determination

Tabel 6. Coefficient of Determination Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973[a]	.947	.942	1.154

Source: processed with SPSSv25

According to the findings presented in Table 6, the Adjusted R Square value is reported as 0.942, indicating that 94.2% of the variation in purchasing decisions can be accounted for by service quality, price perceptions, and promotions. However, 5.8% of the variance remains unexplained, suggesting that other variables not examined in this research may also contribute to purchasing decisions. Therefore, there might be additional factors influencing purchasing decisions that were not addressed in this study.

3.5 Partial Test

Tabel 7. Partial Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-2.103	2.223		-.946	.350
	Service Quality	.368	.070	.329	5.278	<,001
	Price Perception	.832	.123	.543	6.744	<,001
	Promotion	.201	.076	.175	2.639	.012

Source: processed with SPSSv25

Table 7 results indicate that the significance level for the service quality variable is 0.001, which is less than 0.05, leading to the rejection of the null hypothesis (H0). This signifies that service quality significantly impacts purchasing decisions. Similarly, the significance level for the price perception variable is 0.001, less than 0.05, resulting in the rejection of H0, indicating that price perception significantly influences purchasing decisions. Moreover, the significance level for the promotion variable is 0.033, also less than 0.05, leading to the rejection of H0, indicating that promotions have a significant impact on purchasing decisions.

3.6 Simultaneous Tests

Tabel 8. Simultaneous Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	849.681	3	283.227	150.797	<,001[b]
	Residual	67.615	36	1.878		
	Total	917.297	39			

Source: processed with SPSSv25

Table 8 reveals a significance value of 0.001, which is less than 0.05, leading to the rejection of the null hypothesis (H0). Therefore, it can be concluded that service quality, price perceptions, and promotions exert a statistically significant impact on purchasing decisions.

4. Conclusion

This study aims to investigate how service quality, price perceptions, and promotions impact purchasing decisions at the Raxgacloth screen-printed t-shirt convection. According to the findings, it is evident that service quality significantly affects purchasing decisions, indicating that the service provided aligns with consumers' preferences when buying Raxgacloth screen-printed t-shirt convection products. Similarly, price perception significantly influences purchasing decisions, underscoring the crucial role of product pricing in shaping consumer buying behavior. Price perception includes consumers' assessment of

the value of a product in relation to its price. Consumers feel that the product price is comparable or even lower than the value they receive, it is likely that consumers will be more inclined to buy Raxgacloth screen-printed t-shirt convection products. Promotion plays a significant role in influencing purchasing decisions, indicating that the promotional strategies implemented by Raxgacloth screen-printed t-shirt convection strongly impact consumer buying choices. Promotions encompass diverse marketing initiatives such as advertising, discounts, contests, or loyalty programs, all aimed at enhancing consumer awareness, generating interest, and stimulating product purchases. The F-test results, with a significance value of $0.001 < 0.05$, affirm that service quality, price perception, and promotion collectively exert a noteworthy influence on purchasing decisions.

This research makes a significant contribution to the scientific field by exploring the influence of service quality, price perceptions, and promotions on consumer purchasing decisions at screen-printed t-shirt convections, especially Raxgacloth. These findings not only enrich the academic literature but also provide practical strategic guidance for Raxgacloth and similar industries, enabling companies to increase competitiveness and strengthen relationships with customers. In addition, in the context of industrial policy, this information can be the basis for forming policies that support growth and innovation in the screen printed t-shirt convection sector, creating a conducive environment for business development and increasing market competitiveness.

The results of this research open up opportunities for further research in a similar domain, especially in the study of service quality, price perceptions and promotions. It is hoped that further research can raise new problems and expand variables to increase the level of accuracy. Additional variables such as location and product quality could be the focus of research, given their potential influence on consumer purchasing decisions. By detailing and expanding the variables, future research can make an important contribution to the understanding of consumer behavior in the screen-printed t-shirt convection industry, supporting the development of more effective marketing strategies.

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The Influence of Service Quality, Price, and Location on Purchasing Decisions at Cafe Fameliza Baron Nganjuk

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Abstract

Research aim : *The purpose of this study is to determine and analyze the effect of service quality, price, and location on purchasing decisions at café fameliza Baron Nganjuk.*

Design / Method / Approach : *This study uses a quantitative approach method with a type of causality. The population in this study is all consumers of café fameliza Baron Nganjuk whose number is infinite or uncounted. The sample used in the study was 40 respondents taken using accidental sampling technique . Data collection techniques using questionnaires. Data analysis of this study used multiple linear regression method.*

Research Finding: *The results showed that the quality of service, price and location had a significant effect on purchasing decisions at café fameliza Baron Nganjuk.*

Theoretical contribution/originality: *lies in a deep understanding of how service quality, price, and location together influence a consumer's purchasing decision-making process. This research explores the complex dynamics between these three factors and how the interactions between them can shape consumer preferences as well as influence purchasing behavior*

Practitionel/Policy implication: *This study provides practical implications for Café Fameliza Baron Nganjuk in improving purchasing decisions*

Research limitation: *The limitation of this study is that it spends too much time in sampling because it has entered the rainy season.*

Keywords : *Service Quality, Price, Location, Purchasing Decision*

Introduction

The needs of the community encourage the growth of the culinary industry to increase. Demand in the field of food continues to increase because it is the basic need of every human being, which of course will lead to an increase in the provision of food in accordance with these needs. The food (culinary) business that always gets serious attention from business people because of its relatively promising market share, especially in strategic areas. With simple thinking, where everyone definitely needs to eat, so that the business has the potential to be easily sold in the market. One of the businesses in the food sector that is quite popular today is a café.

Cafe is a place that serves ready-to-eat food and drinks with various variants, interesting atmosphere and displays a relaxing space for visitors [1]. Alongside the expanding of different bistros in Indonesia, a huge number will generally invest their energy in bistros to assemble with companions, appreciate food and beverages, or simply unwind.

Business rivalry in this cutting edge time, urges bistro money managers to do the right advertising procedure, so promoting is something essential that should be finished by each

financial specialist, since it can associate or join the presence of their items available with shoppers [2].

Buying choices are important for customer conduct, in particular the way in which people purchase, pick, and use labor and products in terms of service quality, product prices and location so as to satisfy the desires expected by consumers [3] Purchasing decision indicators include Unfaltering quality in an item, Propensities in purchasing items, Giving proposals to other people, Making rehash buys [4]

One of the important factors in influencing consumer purchasing decisions is the quality of service. Quality of service or *service quality* It needs attention for every business actor, because the quality of service has a direct relationship with the competitive ability and profit level of a business [5] Service quality indicators include Reliability, Responsiveness, Assurance or Assurance, Empathy, Physical Evidence [6] Next there is the price factor. Prices are used for promotive information until finally consumers can determine the value of a product [7] Price indicators include Benefit or utility price, Comparison of products with alternative products., Affordability, Suitability of prices with the quality of products and services [3] And next is the location factor. A strategic location also determines a customer's purchasing decision [8] Location indicators include Access, Visibility, Traffic, Environment, Spacious parking lots [9]

The object of this study is Cafe Fameliza Baron Nganjuk because there are several interesting points to be studied more deeply including the services provided by Cafe Fameliza employees can be seen from the arrangement of attractive room designs, clean eating and drinking utensils, and employee service that is always friendly to consumers. But that alone is not enough to improve consumer purchasing decisions, because consumers also need fast service in receiving their orders [10]. The price of food and beverage products at café fameliza is quite varied, with a wide selection of food and beverage menus. But this is not enough to improve consumer purchasing decisions, because consumers will decide whether or not to buy a product after they see the affordability of the price of a product [11]. The location of café fameliza is less strategic because it enters the village (enter the alley).

Previous research conducted by [12] proposes that help quality affects customer buying choices. Past examination directed by [13] Recommending that cost affects purchaser buying choices. Next is the past exploration directed by [14] states that area affects customer buying choices.

Statement of Problem

From some of the descriptions stated above, problems can be identified, namely the services provided by Cafe Fameliza employees can be seen from the arrangement of attractive room designs, clean eating and drinking utensils, and employee service that is always friendly to consumers. But that alone is not enough to improve consumer purchasing decisions, because consumers also need fast service in receiving their orders.

The prices of products offered at café fameliza are quite varied, with a wide selection of diverse food and beverage menus. But it is also not enough to improve consumer purchasing decisions, because consumers will decide whether or not to buy a product after they see the affordability of the price of a product

The location of café fameliza is less strategic because it enters the village (enter the alley).

Research Objectives

The reason for this study is "to decide how far the impact of service quality, price, and location on purchasing decisions at café fameliza Baron Nganjuk"

Method

This research uses a quantitative approach method with type causality, and uses *non probabability sampling*. With an unlimited number of populations, this research will use methods *insidental sampling*. Sampling in this study based on multivariative method, in which number of variables (both independent and dependent) is multiplied by 10. So that with 4 variables in this study, the sample to be taken amounted to 40 respondents. Then the next data collection technique is to use questionnaires with questions and statements with indicators per variable which are then distributed and answered by respondents [15]. Analysis The data used classical assumption tests, multiple linear regression, coefficients of determination, and hypothesis tests

Results and Discussion

Data Quality Test

The validity test is utilized to quantify the validity or validity of questionnaire. A questionnaire can should be significant expecting that the requests on the questionnaire can reveal something that will be assessed by the questionnaire [16]. Validity tests are performed using the application *IBM SPSS Statistics 23*. To find out whether the indicators (questions) contained in the questionnaire are valid, there are several criteria that must be met:

1) If r counts > r table and is positive, then the inquiry things in the questionnaire correlate significantly with the aggregate (valid) score
2) If r counts < r table, then, at that point, the inquiry things in the questionnaire don't correlate significantly with the all out score (invalid)

Table 1. Validity Test Results

"Service Quality Validity Test Results" (X1)

Item No.	R. Calculate	R. Tabel 5% (54)	Significance	Criterion
1	0,593	0,279	0,000	**Valid**
2	0,578	0,279	0,000	**Valid**
3	0,627	0,279	0,000	**Valid**
4	0,680	0,279	0,000	**Valid**
5	0,587	0,279	0,000	**Valid**
6	0,573	0,279	0,000	**Valid**
7	0,735	0,279	0,000	**Valid**
8	0,652	0,279	0,000	**Valid**
9	0,571	0,279	0,000	**Valid**
10	0,458	0,279	0,000	**Valid**

"Price Variable Validity Test Results" (X2)

Item No.	R. Calculate	R. Tabel 5% (54)	Significance	Criterion
11	0,745	0,279	0,000	**Valid**
12	0,717	0,279	0,000	**Valid**
13	0,599	0,279	0,000	**Valid**
14	0,575	0,279	0,000	**Valid**
15	0,676	0,279	0,000	**Valid**
16	0,599	0,279	0,000	**Valid**
17	0,515	0,279	0,000	**Valid**
18	0,770	0,279	0,000	**Valid**

"Location Variable Validity Test Results" (X3)

Item No.	R. Calculate	R. Tabel 5% (38)	Significance	Criterion
19	0,549	0,279	0,000	**Valid**
20	0,520	0,279	0,000	**Valid**
21	0,628	0,279	0,000	**Valid**
22	0,676	0,279	0,000	**Valid**
23	0,653	0,279	0,000	**Valid**
24	0,717	0,279	0,000	**Valid**
25	0,420	0,279	0,000	**Valid**
26	0,519	0,279	0,000	**Valid**
27	0,717	0,279	0,000	**Valid**
28	0,578	0,279	0,000	**Valid**

"Purchase Decision Variable Validity Test Results" (Y)

Item No.	R. Calculate	R. Tabel 5% (38)	Significance	Criterion
29	0,696	0,279	0,000	**Valid**
30	0,803	0,279	0,000	**Valid**
31	0,829	0,279	0,000	**Valid**
32	0,658	0,279	0,000	**Valid**
33	0,669	0,279	0,000	**Valid**
34	0,526	0,279	0,000	**Valid**
35	0,418	0,279	0,000	**Valid**
36	0,469	0,279	0,000	**Valid**

Based on the table above, it shows that there are three "independent variables" (X) and 1 "dependent variable" (Y) that are the material of research, of the three X variables studied have statement items of 10, 8 and 10 statements respectively. While variebel Y has 8 statement items. From each statement item on each variable, both variables, it turns out that calculated r value is greater than r table, it can be concluded the data obtained in field is declared valid.

Reliability Test

A questionnaire is considered reliable if a singular's reactions to declarations are consistent or stable for a really long time. In statistical analysis using SPSS, there is the Cronbach Alpha method to measure reliability. A construct or variable is considered reliable if it obtains a Cronbach Alpha value of > 0.60 [16] Noting that:

1) If correlation of Cronbach Alpha > 0.60, the research instrument is declared reliable
2) If correlation of Cronbach Alpha < 0.60, the research instrument is declared unreliable

Table 2. Reliability Test Results

Reliability Statistics

Cronbach's Alpha	N of Items
.959	36

Source : "Processed SPSS 2023"

Based on the table above, it shows that all variables have a correlation value of Cronbach's Alpha > 0.60, which means that all variables can be said to be reliable

Classical Assumption Test

The residual assumption of having a normal distribution can be seen in the normal probability plot. Assuming the focuses in the ordinary likelihood plot spread around the slanting line and heed the corner to corner line, it tends to be reasoned that the residuals are regularly conveyed.
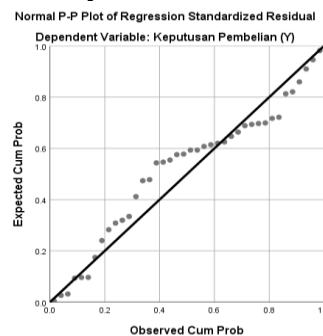
Figure 3. Normality Probability Plots
Source : Processed SPSS 2023

In light of the table of figures above, it very well may be seen that the information that has been dispersed looks normal. This can be shown by points spreading out following the inclining line and around the slanting line so it tends to be presumed that residual appropriation is typical.

Multicollinearity testing is carried out with due regard to values *variance inflantion factor* and its tolerance, it is said that there are no symptoms of multicollinearity, if the value **Tolerance > 0,100** and **VIF < 10.00** [16]**.**

Table 4. Coefficients

Coefficientsᵃ

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	2.710	2.603		1.041	.305		
	Kualitas Pelayanan (X1)	.294	.087	.332	3.393	.002	.437	2.287
	Harga (X2)	.322	.088	.371	3.661	.001	.408	2.452
	Lokasi (X3)	.804	.082	.919	9.844	.000	.481	2.079

a. Dependent Variable: Keputusan Pembelian (Y)

Source : "Processed SPSS 2023"

In view of the image above, it very well may be reasoned that:

Table 5. Multicollinearity Test Table

Variable	Tolerance	VIF	Information
Quality of Service (X₁)	0.437	2,287	**No Multicollinearity Occurs**
Price (X2)	0,408	2,452	**No Multicollinearity Occurs**
Location (X3)	0,481	2,079	**No Multicollinearity Occurs**

So based on the table above this study variable does not occur symptoms of multicollinearity
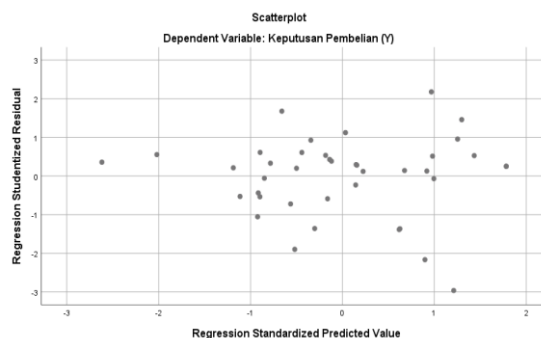
Figure 6. Scatterplots

Source : Processed SPSS 2023

Based on the figure above, the specks don't shape an unmistakable example, and the point spreads above and underneath the number 0 on Y axis meaning that data or research does not occur heteroscedacity.

Hypothesis test

Table 7. T Test (nilai Sig)
Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Say.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	BRIGHT
1 (Constant)	2.710	2.603		1.041	.305		
Quality of Service (X1)	.294	.087	.332	3.393	.002	.437	2.287
Price (X2)	.322	.088	.371	3.661	.001	.408	2.452
Location (X3)	.804	.082	.919	9.844	.000	.481	2.079

a. Dependent Variable: Purchase Decision (Y)

Source : Processed SPSS 2023

In view of the image above, it can be concluded that:

Service Quality (X_1) Affects Purchasing Decision (Y) with a significance value of 0.002 and (signification < 0.05)

Price (X2) Affects Purchase Decision (Y) with a significance value of 0.001 and (signification < 0.05)

Location (X3) Affects Purchase Decision (Y) with a significance value of 0.000 and (signification < 0.05)

Table 8. F Test (nilai Sig)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	737.440	3	245.813	67.572	.000b
	Residual	130.960	36	3.638		
	Total	868.400	39			

a. Dependent Variable: Purchase Decision (Y)

b. Predictors: (Constant), Location (X3), Quality of Service (X1), Price (X2)

Source : Processed SPSS 2023

In light of the image above, it tends to be realized that the significance of this study is 0.000, then the variables (X_1), (X2) and (X3) simultaneously or together affect the Purchasing Decision of Café Fameliza Baron Consumers.

Coefficient of Determination (R2)
Table 9. coefficient of determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.922a	.849	.837	1.907	1.926

a. Predictors: (Constant), Location (X3), Quality of Service (X1), Price (X2)

b. Dependent Variable: Purchase Decision (Y)

Source : "Processed SPSS 2023"

Based on the figure, it can be concluded that the coefficient of determination $(R2)$ between X_1, $X2$ and $X3$ to Y at Café Fameliza Baron Nganjuk Customers are **0,922 or 92.2%.**

The average Purchase Decision for Café Fameliza Baron Nganjuk Customers of 92.2% is determined by X_1, $X2$ and $X3$ and 17.8% are determined by other factors.

Multiple Linear Regression Test
Table 10. multiple linear regression

Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Say.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	BRIGHT
(Constant)	2.710	2.603		1.041	.305		
Quality of Service (X1)	.294	.087	.332	3.393	.002	.437	2.287
Price (X2)	.322	.088	.371	3.661	.001	.408	2.452
Location (X3)	.804	.082	.919	9.844	.000	.481	2.079

a. Dependent Variable: Purchase Decision (Y)

Source: "Processed SPSS 2023"

Based on the figure above, it can be seen the constant value (α value) is 2.710 for the quality of service (β value) is 0.294 for the price (β value) of 0.322, and for the location of 0.804 so that the multiple linear regression equation can be obtained as follows:

Y= a + b1x1 + b2x2 + b3x3≠ and

Y= 2.710 + 0.294x1 +0.322x2 +0.804x3 ≠ and

1. A = 2,710 indicates that the X1, X2, and X3 have a positive value
2. B1 = 0.294 indicates that the X1 variable has a positive effect, meaning that if the quality of service increases in units, the purchase decision will increase by 0.294 with other assumptions that other variables are considered cash
3. B2 = 0.322 indicates that the X2 variable has a positive effect, meaning that if the price increases in units, the purchase decision will increase by 0.322 with other assumptions that other variables are considered cash

4. B3 = 0.804 indicates that the X3 variable has a positive effect, meaning that if the location increases in units then the purchase decision will increase by 0.804 with other assumptions that other variables are considered cash

Conclusion

In light of the consequences of the exploration that has been finished, it very well may be concluded that all variables simultaneously affect the Purchasing Decisions of Café Fameliza Baron Consumers. This is demonstrated by a significance worth of 0.000 which is more modest than α = 0.05. That is, there is a significant impact between these variables on consumer purchasing decisions. This is in accordance with past explorations directed by [12] which expresses that help quality, cost, and area all the while or together impact the Purchase Decision.

The novelty of this study lies in the aspects of the variables studied. This study examines the effect of service quality, price, and location on consumer purchasing decisions. The results of this study show that these three variables simultaneously or together influence consumer purchasing decisions. This is in contrast to previous studies that only examined the influence of one or two of these variables on consumer purchasing decisions.

Based on previous research conducted by [17] Consumer purchasing decisions are influenced by competitive advantages that have been improved, including by making updates in providing superior, unique, diverse products, that are difficult to replace, have value, and product processes that are not easy to imitate. This can be attributed to the variables studied to be able to improve product novelty through X1, X2, and X3.

This research proves that service quality, price, and location are important factors that influence consumer purchasing decisions. Then several conclusions can be drawn as follows:
1. In light of the consequences of the examination directed, it can be concluded that the quality of service partially has a positive significant effect on purchasing decisions at Café Fameliza Baron Nganjuk.
2. In light of the consequences of the examination directed, it can be concluded that the price partially has a positive significant effect on the purchase decision at Café Fameliza Baron Nganjuk.
3. In light of the consequences of the examination directed, it can be concluded that the location partially has a positive significant effect on purchasing decisions at Café Fameliza Baron Nganjuk

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The Influence of *Social Media Marketing* and *Brand* Image on Buyer Decisions (Survey on *Mixue Nganjuk'*s Instagram *Account* Followers)

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Abstract

Research aim: The purpose of this study is to determine and explain the significant influence between social media marketing and brand image, both partially and stimulantly on buyer decisions on followers of Mixue Nganjuk outlet Instagram account.

Design/Methode/Approach: This study was conducted to analyze the influence of social media marketing and brand image on buyer decisions on followers of Mixue Nganjuk outlet Instagram account. This study used a quantitative approach with the population in this study all followers of the Instagram account @mixue.nganjuk which is the official social media account owned by Mixue Nganjuk. The sample was determined as many as 116 respondents taken using non-probability sampling techniques with purposive sampling. In this study using multiple linear regression to see how much influence the independent variable has on the dependent variable.

Research Findings: The result of this study is that social media marketing and brand image have a significant effect on purchasing decisions on followers of Mixue Nganjuk outlet Instagram account.

Theoretical contribution/Originality: Social media marketing can broaden the understanding of how social media as a digital marketing platform, delves deeper into the consumer's perspective in the brand image of a product to influence consumers in making purchasing decisions.

Practitionel/Policy implication: This study provides practical implications for Mixue Nganjuk in improving brand image in the influence of purchasing decisions.

Research limitation: This study discusses social media marketing and brand image as independent variables, and purchase decisions as dependent variables.

Keywords: Social Media Marketing, Brand Image, and Purchase Decision.

1. Introduction

The culinary or *food and beverage industry* is now growing and does not seem to have

decreased even after the pandemic. Especially in beverage products, every year there will be the latest beverage innovations that are targeted by all levels of society. In the beverage business, there have now been many new trends or innovations that have emerged and are rapidly expanding to Southeast Asian countries, especially in Indonesia itself, such as ice cream to tea drinks with boba for example. Currently, people like beverages with new innovations that taste in accordance with the taste buds because of the distinctive taste and attractive marketing methods so as to attract consumers to make purchases.

In the era of rapid development of information technology, business competition in the food and beverage industry is also getting tighter marked by the increasing number of entrepreneurs who open franchises both from local and foreign brands. With the large number of food and beverage businesses emerging with the latest innovations, franchises with the Mixue brand are currently expanding their wings in Indonesia. Mixue is an ice cream and boba beverage outlet from China that is in demand today, its first outlet in Indonesia is located in Cihampelas, Bandung in 2020 and Mixue in Nganjuk is one of the hundreds of branches in Indonesia (Rahman, 2022). So every beverage business today continues to compete to improve its business strategy to attract more consumers. (Hariadi, 2012).

Brand Image is the vision and trust pent up in the minds of consumers, as a reflection of associations that are held in the memory of consumers. Brand image will greatly influence consumer choice through image in the form of processed innovation, taste, *social media marketing* strategies and comfort and advantages offered. Purchasing decisions are purchasing decisions influenced by marketing stimuli consisting of products, prices, distribution and promotion. Business owners sometimes have to innovate to retain old customers and attract new ones. Therefore, it is necessary to pay attention to the main factors and supporting factors that play an important role in influencing potential consumers in making purchase decisions. Social media marketing and brand image are very important things to consider when taking purchase decisions.

The increasing development of modern society is often associated with the digital era which is increasingly easy to find information causing humans to have a soul of dependence on technology (Hermawan, 2012). Social media is a means for consumers to share text, image, audio and video information with each other and with companies and vice versa. At this time there are many business people who use social media in *the marketing strategies they use so*

that business people are competing in promoting their products using social media and taking advantage of the ease of using social media. According to the results of survey data conducted by *Hootsuite and* We Are Social *in January 2023, it shows that internet users in Indonesia reach 212 million people and there are 167 million people who actively use social media, out of the total population of Indonesia which amounts to 276 million, can be seen from figure 1.*
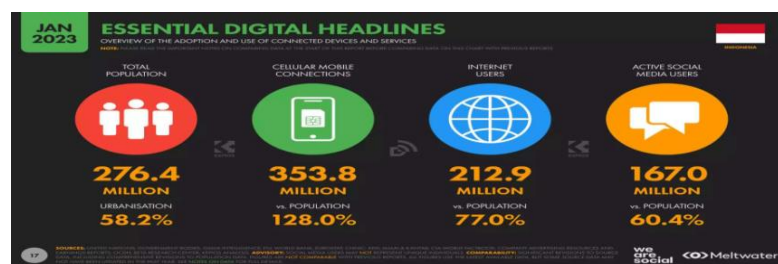

Figure 1. *Internet users in Indonesia*

Source : https://wearesocial.com/id/blog/2023/01/digital-2023/ Year 2023

In addition, from data from a survey conducted by *Hootsuite* and *We Are Social* in January 2023, Indonesia is ranked fourth in the use of *Social media* in the world. This also proves that internet users who use Social Media in Indonesia have increased and have a very large usage, as well as proving that Social Media is used by Indonesian people to find the necessary information. In another definition, social media is a new marketing tool that makes it possible to know customers and potential customers in ways that were not possible before. In addition, the function of social media as an advantage of building personal branding that does not know tricks or pseudo-popularity, because it is the contest that will determine. The results of previous research stated that social media marketing has a significant influence on purchasing decisions (Marjorie Clayman, 2017).

At this time consumers are increasingly critical in choosing a product, which is seen by consumers not only about its function but the brand owned by the product, products that are able to provide a good image also for consumers, the brand image itself represents the products produced by a company. This is supported by research conducted by Khoerul Anwar (2021) which suggests that a high Brand Image will affect buyer decisions.

Based on the interview, several problems were found, with approximately 1 year running Mixue Nganjuk, Mixue Nganjuk is still in the stage of maintaining marketing and product quality, so that later the Mixue Nganjuk branch outlet can develop in the midst of the rampant world of food and beverage business competition, the owner of Mixue also said that he has not

been able to find new types of menu innovations for consumers to try again. This is related to the idea or material obtained from the Mixue Center, so for now it is not free to add to the menu with new innovations from the owner because the Mixue franchise is still following the Mixue company in the Center / Founder. So in order to maximize sales at this Nganjuk branch of Mixue, the owner can only freely add gifts to every other discounted conditional purchase that may not necessarily exist in other Mixue branches. That is also with consideration and calculated from the benefits obtained. It cannot be said to be successful because it is still stabilizing existing income, management and marketing.

Competition in the business world is not something scary. But to survive business competition, companies must make efforts to lead the market. In business competition that occurs in the current era of globalization, companies must be able to maintain their existence. Companies must be able to plan the right strategy and continue to innovate so that the products produced still exist in the market, are in demand by consumers and can answer every consumer need. With Social Media Marketing and Brand Image that is already owned and built by Mixue Nganjuk branch outlets, it is expected to be a factor and strategy that can be used by Mixue Nganjuk to increase sales and make Mixue Nganjuk a food and beverage business that can compete and continue to exist so that Mixue Nganjuk can develop well. Therefore, Instagram is considered effective and efficient in marketing products and Brand Image that has been built by Mixue Nganjuk as a beverage outlet that serves a variety of drinks that are in demand and preferred in various ages.

Mixue Nganjuk 's *Instagram account* has 1,508 followers (December 14, 2023). In this case, *Instagram* can provide convenience for Mixue Nganjuk in order to market her products in order to reach more people in the city and from outside the city to be the main choice when traveling. Mixue Nganjuk visitors generally know the products and services offered by Mixue Nganjuk from the information provided through Mixue Nganjuk's *Instagram*. The advantages obtained by prospective buyers and buyers through Instagram social media are in the form of information about discount promos, new menus, and ongoing *events*.

Researchers want to examine the extent of Mixue Nganjuk's Social Media Marketing and Brand Image strategy to improve buyer decisions of followers or followers of Mixue Nganjuk's Instagram social media account to increase sales and can make Mixue Nganjuk develop better as a beverage and food outlet.

1.1. Problem Statement

Content on social media during intense business competition makes Mixue Nganjuk unable to attract the attention of consumers and overwhelmed to make ideas to maintain its market through the latest menu, lack of variety in published content causes boredom, can be seen on Mixue Nganjuk's Instagram account has decreased the number of *followers, likes* and *views*. The brand image in the form of mixue has been very strongly attached among consumers and potential customers, but so many branches of mixue make the quality of the products sold make a difference in taste in one outlet and another branch outlet, because each founder must have a characteristic in the management of the outlets he has even though the central mixue still monitors the quality, but consumers who feel the difference in each branch in all matters including service, product quality, and more.

1.2. Research Objectives

The purpose of this study is to find out how influential Social Media Marketing and Brand Image are on Purchasing Decisions at Mixue Nganjuk Outlets.

2. Method

This study used a quantitative approach. This research is a type of explanatory research (*explanatory rearch) aimed at* the influence between independent variables (X) and dependent variables (Y). This research in its data collection uses survey methods. Survey methods are used to obtain scientific data from certain places, but researchers in collecting data use methods such as circulating questionnaires, tests, structured interviews, and so on. The survey used in this study was conducted using an *online* questionnaire given to *followers* from *Mixue Nganjuk*'s Instagram account.

The population in this study is *followers of the* Instagram *account* @mixue.nganjuk which is the official social media account owned by Mixue Nganjuk. Because the number of populations with criteria that have made a purchase at least once is not known how much, the researchers used the formula of Machin *and* Champbell (1987: 87) in determining the number of samples. Based on the calculation of the formula, the sample obtained has a result of 115.7 and rounded up to 116 respondents.

In this study, the sampling technique used was *non-probability sampling* with *purposive sampling. Non probability Sampling.* The data in this study is using primary data. In this study, primary data was obtained from the distribution of questionnaires using the help of *google*

forms which were later disseminated through social media to respondents. The analysis technique uses classical assumption tests, multiple linear regression, coefficients of determination, and hypothesis tests.

3. **Results and Discussion / Results and Discussion**

The analysis technique used is multiple linear analysis, which aims to obtain a comprehensive picture of the independent variables, namely social media marketing and Brand Image, the dependent variable, namely Purchase Decisions in Mixue Nganjuk using the IMB SPSS for window version 24 program. So to meet the requirements specified in the multiple linear regression model, it is necessary to test the classical assumptions which are then followed by multiple linear regression and the coefficient of determination as follows.

3.1 Classical Assumption Testing

The classical assumption test was performed to account for the use of multiple linear regression analysis using SPSS *for Windows* version 24. In the classical assumption test, it is divided into three tests, namely the multicollinearity test, the normality test and the heteroscedasticity test. Here is the explanation.

3.1.1 Normality Test

The normality test is performed to determine whether the data in the resulting regression equation is normally distributed or abnormally distributed.

Table 1. Normality Test Results

Kolmogorov-Smirnov test one sample		Non-Standardized Residuals
N		116
Parameters Normala,b	Mean	,0000000
	Std. Deviations	2,15240326
The Most Extreme Differences	Absolute	,089
	Positive	,089
	Negative	-,073
Statistical Test		,089
Asim. Sig. (2-tailed)		.023c
sea fruit. The test distribution is Normal.		
b. Calculated from the data.		
c. Correction of Lilliefors Significance.		

Source : Processed primary data, 2023

Based on table 1. The significance value of the kolomogorov-smirnov test is 0.023 which is greater than 0.05. So it can be concluded that the data used in this study are normally distributed.

3.1.2 Multicollinearity Test

The Multicollinearity Test aims to test whether the regression model found a correlation between independent variables.

Table 2. Multicollinearity Test Results

Coefficient							
Pattern	Non-standardized coefficients		Standard Coefficient	T	Sig.	Collinearity Statistics	
	B	Error Std.	Beta			Tolerance	VIF
1 (Constant)	3,563	1,296		2,749	,007		
X1	,271	,059	,376	4,577	,000	,514	1,945
X2	,367	,064	,469	5,702	,000	,514	1,945

Source : Processed primary data, 2023

Based on table 2. above it is known that X1 has a Tolerance value of 0.514 which means greater than 0.10 and a VIF value of 1.945 which is not more than 10, then X2 has a Tolerance value of 0.514 which means greater than 0.10 and a VIF value of 1.945 which is not more than 10, Because all independent variables have a Tolerance value greater than 0.10 and a VIF value of no more than 10,   Then it can be concluded that the independent variable in the regression model does not occur multicolonicity.

3.1.2 Heterokedasticity Test

The heterokedasticity test aims to test whether in the regression model there is an inequality *of variance* from the residual of one observation to another.

Figure 3. Scaterplott Heterokedasticity Test Results
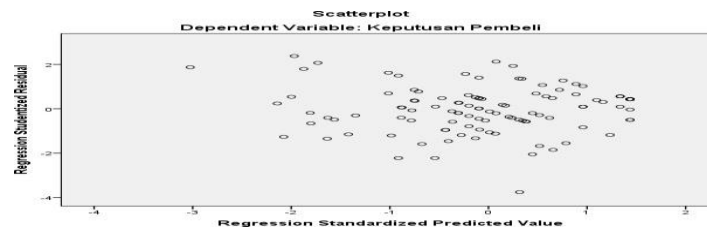
Source : Processed primary data, 2023

Based on Figure 3 above with the Scatterplot method above, it can be seen that the points do not form patterns and spread above and below the number 0, it can be concluded that in the regression model there is no heterokedasticity.

3.2 Multiple Linear Regression Analysis

Multiple Linear Regression aims to prove whether or not there is a functional relationship between two or more independent variables (X) and a bound variable (Y). The variables in this study are Social Media Marketing (X1), *Brand Image* (X2), and Buyer Decision (Y) Here are the results of the calculation of multiple linear regression models:

Table 3. Multiple Linear Regression Test Results

Variable	Non-standardized coefficients		Standard Coefficient	t Calculate	Sig.
	B	Error Std.	Beta		
(Constant)	3,563	1,296		2,749	,007
Social Media Marketing	,271	,059	,376	4,577	,000
Brand Image	,367	,064	,064	5,702	,000
Constant = 3.563, R = 0.607, adjusted R Square = *0.600*					

Source : Processed primary data, 2023

The model can be written in multiple linear regression equations which will be described as follows (Usman and Akbar, 2018; 242):

$$Y = a + b1X1 + b2X2$$

$$Y = 3.563 + 0.271X1 + 0.367X2$$

From the equation can be explained in detail as follows:

a. The constant is 3.563, that the average Purchase Decision without the *variables Social Media Marketing* (X1), Brand Image (X2), is worth 3.563.

b. B1 is the regression coefficient of the *Social Media Marketing variable has a value of 0.271 which explains that Buyer Decisions will increase by 0.271 if Social Media Marketing increases in units.*

c. B2 is the regression coefficient of the Brand Image variable has a value of 0.367 which explains that the Buyer's Decision will increase by 0.367 if the Brand Image increases in units

So it can be concluded from multiple linear results, namely *Social Media Marketing*, Brand Image, has a partial positive influence on Buyer Decisions. That way it can be said that, *Social Media Marketing,* Brand Image, increases partially so it will be followed by an increase in the variable Purchase Decision

3.3 Hypothesis testing

The function of the hypothesis is to give a statement in the form of conjecture about the tentative relationship between phenomena in research. Hypothesis testing is used to answer hypotheses that have been made. The following is presented by the hypothesis in this study:

3.3.1 Test Results t (Partial)

In the t-partial test is used for analysis or hypothesis testing if the researcher intends to know the influence or relationship of the independent variable *with the* dependent, *one of the* independent *variables is controlled or made fixed.*

Table 4. Test Results t (Partial)

Pattern		t	Sig.
1	Social Media Marketing	87.377	.000b
	Brand Image		
	Buyer's Decision		

Based on Table 4. Calculations are obtained from the results of the t test as follows:

1) *Social Media Marketing* (X1) tested a significance value of 0.000 (< 0.05) as well as a calculated t value greater than the table t (4.577$>$ 1.981). Then H0 is rejected and H1 is accepted. Or the Social Media Marekting *variable (*X1) has a significant influence on Purchase Decisions (Y).

2) Brand Image (X2) is always a significant value of 0.000 (0.000 $<$ 0.05) and a calculated t value greater than the table t (5.702 $>$ 1.981). Then H0 is rejected and H1 is accepted.

Or the Brand Image variable (X2) has a significant influence on Purchase Decisions (Y).

Based on the results of the t test described above, it can be concluded that the *variables Social Media Marketing* (X1), Brand Image (X2) have a significant influence on Purchase Decisions (Y) partially. In addition, it can be seen that the most dominant variable of influence on the Purchase Decision variable (Y) is Brand Image (X2) *with the highest calculated t value of* 5.702.

3.3.2 F Test Results (Stimultan)

The F test is used to test the significant level of influence of the independent variable simultaneously on the dependent variable (Santoso Slamet, 2014: 127).

Table 5. F Test Results (Stimultan)

Pattern		Sum of Squares	Df	Square means	F	Sig.
1	Regression	823.939	2	411.969	87.377	.000b
	Remnant	532.777	113	4.715		
	Entire	1356.716	115			

Source : Processed primary data, 23

Based on table 5. It can be seen that Social Media Marketing (X1) and Brand Image (X2) hence the significance value of 0.000 (0.000 < 0.05) and the calculated t value is greater than F table (87.377> 3.08). Then H0 is rejected and H1 is accepted. Or the variables Social Media Marekting (X1) and Brand Image (X1) have an influence simultaneously or together on the variable Purchase Decision (Y).

3.4 Test Results of Coefficient of Determination (Adjusted R2)

The function of the coefficient of determination (R2) is to measure how far the model is able to explain the variation of the dependent variable . Here are the results of the coefficient of determination test.

Table 6. Test Results of Coefficient of Determination (Adjusted R2)

Pattern	R	R Field	Customized R Square	Std. Estimation Error
1	.779a	,607	,600	2,17137
a. Predictor: (Constant), Brand Image (X2), Social Media Marketing (X1)				

Source : Processed primary data, 23

Based on table 6. It can be seen that the R square value is 0.607 or 60.7% which shows that there is a simultaneous influence between Social Media Marketing and Brand Image variables on the Buyer Decision variable of 60.7% While the rest is 39.3%.

4. Conclusion

Based on the results of the t test, it was found that the *variable Social Media Marketing* Tbk, the significance value was 0.000 (0.000 < 0.05) and the calculated t value was greater than the table t (4.577> 1.981). Then H0 is rejected and H1 is accepted. Or the *Social Media Marekting* variable has a partial positive and significant influence on the Purchase Decision variable. This means that the better the social media marketing, the more the more the purchase decision increases. **While** the results of the Brand Image t test have a significant value of 0.000 (0.000 < 0.05) and a calculated t value greater than the table t (5,702 > 1,981). Then H0 is rejected and H1 is accepted. Or the Brand Image variable has a partial positive and significant influence on the Purchase Decision.

Based on the results of the f test, it was found that the *variables Social Media Marketing* and Brand Image Xiaoxiao, the significance value was 0.000 (0.000 < 0.05) and the calculated t value was greater than the f table (87.377> 3.08). Then H0 is rejected and H1 is accepted. Or the variables Social Media Marekting and Brand Image have a positive and significant influence simultaneously on the variables of Purchase Decisions.

Based on the results of multiple regression analysis, it can be seen that the variable that has the most dominant influence on Purchasing Decisions is Brand Image because it has the highest regression coefficient of 0.367 which means if Brand Image increases, Purchase Decisions will also increase by 0.367 which means positive.

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Differentiation Of Marketing Strategies To Increase Sales Volume CGV Kediri Mall

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Article Information

Abstract:

Research aim: *This research aims to identify and analyze differentiation in marketing strategies at CGV Kediri Mall.*

Design/Method/Approach: *Using qualitative descriptive research methods, data was collected through interviews, observation, and analysis of research-related documents. In this research, the data source comes from the marketing strategy differentiation process while the research object is CGV Kediri Mall.*

Research Findings: *The findings in this research reveal how differentiation elements, especially product and customer service, in marketing strategies can increase sales of CGV Kediri Mall.*

Theoretical contribution/Originality: *This research contributes theoretically by aligning the findings with relevant marketing theories and models, providing insight into the effectiveness of differentiation strategies.*

Practitionel/Policy implications: *Practical implications include recommendations for optimizing differentiation strategies, enhancing brand image, and gaining competitive advantage.*

Research limitations: *The main focus of research is product and service differentiation in increasing sales.*

Keywords: *CGV Kediri Mall, differentiation, sales, marketing strategy.*

1. Introduction

The development of the entertainment and cinema industry in Indonesia is experiencing very rapid growth, based on data from filmIndonesia.or.id the number of cinemas reached 500 units as of January 13, 2023[1]. The large number of cinemas is also based on people's lifestyles in how they consume films. There are various ways to watch and enjoy films, namely downloading or downloading films, streaming, and watching in the cinema. However, watching films by going to the cinema is more popular, this is proven by the survey results shown in Figure 1 below.

Lebih suka menonton film dengan cara?

138 tanggapan

- Pergi ke bioskop — 102 (73,9%)
- Streaming — 65 (47,1%)
- Download film — 53 (38,4%)
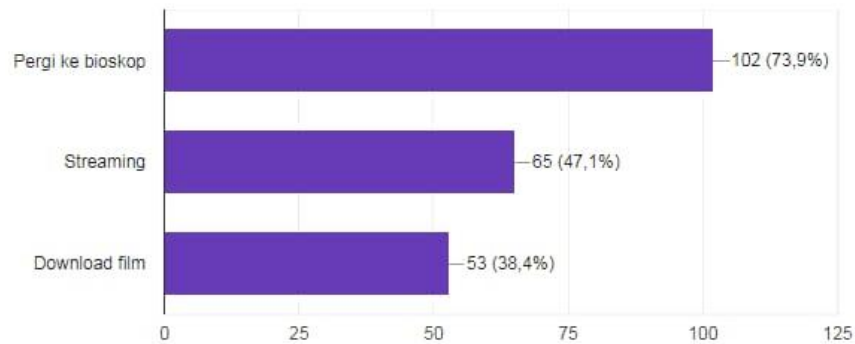
Figure 1. Viewing Survey Chart

Source: RumahMillennials.com

Based on a survey conducted by RumahMillennials.com, 138 respondents took part in a survey regarding their hobby of watching films. From the results of a survey discussing "Which way do you prefer to watch films?" as many as 73.9% choose to go to the cinema, as many as 47.1% watch by streaming, and 38.4% like to watch by downloading films[2]. From this data, it is known that watching films by going to the cinema is preferred by 73.9%. Films screened in cinemas have many genre choices, one of which is genres such as cinema, drama, horror, comedy, fantasy, thriller, animation, religion, and others. Action genre films are the most popular among film lovers as proven by the survey results in Figure 2 below.
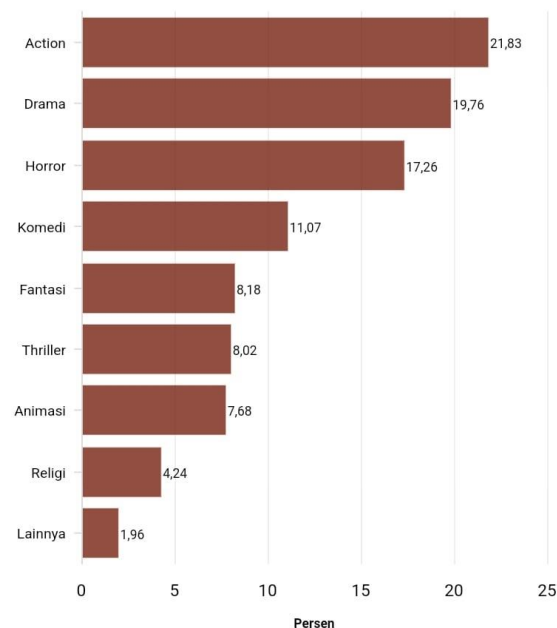
Figure 2. Film Genre Chart

Source: Databox

These results are in line with the increasing number of domestic and foreign films showing in cinemas. According to Databoks, during 2020 cinema screenings in Indonesia were dominated by action genre films with a percentage of 21.83%. In second place is the drama genre with a screening percentage of 19.76%. Then in third position is the horror genre at 17.26%. If broken down by island, the most screened action genres are as follows. Cinemas in Java with a percentage of 21.41%, in Kalimantan with 29.67%, and in Sulawesi with 24.7%.[3]. To make the viewing experience more memorable, cinemas usually provide facilities or properties that suit the genre, for example, horror films will have related properties.

Cinema companies offer various facilities to attract customers. Therefore, various cinema companies are competing to provide an unforgettable viewing experience for their customers. In the cinema, the audience will be treated to a large screen, sound effects that feel like they are in the film, and comfortable seats for watching. In the cinema, viewers will also be offered to buy popcorn, drinks, or other food that has been provided.

According to Akurat.co, there are 6 popular cinema companies in Indonesia, namely Cinema XXI, CGV, Cinepolis, Fic Cinema, Platinum Cineplex, and New Star Cineplex[1]. Each of the 6 cinemas has its advantages in attracting customers, starting from Cinema XXI which has an IMAX cinema type(Islamiati, 2022)or it could be called Image Maximum which can display films with greater resolution, CGV with 4DX cinema type[5]which provides the effects of moving chairs, wind, flashlights, fragrances, and snow, Cinepolis with a Macro experience a modern and elegant concept.

Kediri is one of the cities in East Java whose people like to watch cinemas as evidenced by the presence of 3 well-known cinemas, namely Golden, XXI, and CGV. CGV or Cultural Great Vital is present in Kediri which is located in one of the malls, namely Kediri Mall. CGV is also one of the most popular cinemas in Indonesia, with 70 cinemas spread across Indonesia [6].

In this increasingly fierce competition, CGV is required to think creatively, innovatively, and differently. If these three factors are not implemented properly, there will be a risk of bankruptcy and loss of competitiveness. When new competitors emerge in the market it should not be ignored, as their high level of knowledge and increased market accessibility, can help them enter the market easily and outperform incumbent players.

CGV must design an effective marketing strategy. Efforts to achieve marketing goals start from within the company, especially through improving the products offered by CGV. In this context, the appropriate strategic choice is product differentiation, which refers to the process of adding meaningful and valuable differences to CGV products to differentiate them from other products provided by competitors.

Kotler[7]indicates that product differentiation is a company strategy to offer products with better, faster, and more economical advantages compared to competitors' products, to create higher value for consumers. In Kotler's view [7]. Differentiation is an effort to design significant differences to differentiate a company's offerings from competitors' offerings. Moreover, Kotler[7]emphasizes that companies can differentiate in five dimensions, namely products, services, personnel, marketing channels, or image. The importance of differentiation lies not only in the differences themselves but also in the sustainability of these differences over a long time [8].

Differentiation marketing strategy is an approach in which a company creates and offers products or services that have uniqueness or differences that consumers consider valuable. One of the goals of differentiation is to create an image for the company that makes it different and better than others[9].

By creating advantages recognized by the market, companies hope to differentiate themselves and build a strong brand image. Differentiation can cover various aspects, including product quality, features, design, brand image, customer service, and other elements that provide added value[7]. The success of a differentiation marketing strategy depends on a company's ability to create differences that consumers can recognize and appreciate, thereby creating a preference for their products or services compared to competitors. Entertainment companies have quite tight competition as evidenced by the number of cinemas in 517 locations with 2,145 screens spread across 115 locations in Indonesia.[10]. With this number of cinemas, companies must form an effective marketing strategy.

The main goal of implementing product differentiation is to create and retain customers[11]. In connection with building this customer base, CGV must conduct an in-depth analysis of the value its products provide to consumers. The concept of

customer value is important in marketing because buyers will choose products that they believe offer the greatest value compared to other options. This customer value includes product quality, service level, and price offered.

With the presence of three large cinemas in Kediri, each company has its differentiated marketing strategy. In facing increasingly fierce competition in the cinema industry, CGV Kediri Mall needs to develop a marketing strategy that can differentiate itself from its competitors. Differentiation strategy includes various aspects such as product offerings, customer service, promotions, and unique visitor experiences[8].

Population growth, increasing purchasing power, and people's interest in entertainment make the cinema business an attractive potential. Therefore, in increasing sales at CGV Kediri Mall, you must have a differentiated product marketing strategy to increase sales.

The indicator that determines the success or failure of marketing a product can be seen from the level of sales achieved by the company in the following period. In general, if sales are low, profits will also be low. There is a direct correlation between a company's sales and earnings[12].

Research result[12]proves that marketing strategies that can adapt to the market can increase sales. Marketing differentiation strategy research influences the purchasing decision process so that it can increase sales[13]. Then similar research regarding differentiation marketing has a significant effect on purchasing decisions[11].

1.1. Statement of Problem

The problem taken in this research is the differentiation elements used by CGV Kediri Mall in its efforts to differentiate the company from its competitors in the Kediri cinema market and then to what extent the differentiation strategy implemented by CGV Kediri Mall has an impact on increasing sales.

1.2. Research Objectives

The research objective is to identify and analyze the differentiation elements implemented by CGV Kediri Mall to differentiate itself from its competitors in the Kediri cinema market and to measure the impact of this differentiation strategy on increasing sales. Thus, this research provides an important contribution to understanding the dynamics of the cinema market in Kediri as well as the effectiveness of differentiation strategies in achieving competitive advantage.

2. Method

This research uses a descriptive qualitative approach. Data was collected through in-depth interviews with related parties at CGV Kediri Mall, direct observation of different marketing practices, and analysis of documents related to the marketing strategies that have been implemented. A purposive sampling technique was used to select informants who had a deep understanding of marketing strategy and its impact on sales performance.

Data was obtained from several informants, namely Key informants who provide comprehensive information about problems including CGV Kediri Mall management and marketing staff who have direct understanding and experience related to planning and implementing marketing strategies. The second group or main informants are the main actors, namely visitors or consumers who have significant experience in choosing CGV Kediri Mall as an entertainment destination. Meanwhile, the third group or supporting informant is someone who can provide additional information to complement the analysis, namely, including other individuals recommended by the initial informant or identified through snowball sampling techniques to obtain diverse and in-depth perspectives from the various parties involved. or influential in the research context[14]. The following is the informant data:

Table1. Research informant data

No.	Name	Age	Position	Information
1	Chicha Wahyuningtias	31 years	CGV Management	Key Informant
2	Devi Fabiola Putri	24 years old	CGV employees	Supporting Informant
3	Alia Putri	23 years	CGV Customers	Main Informant
4	Alfan Dzikri Ja'mian	23 years	CGV Customers	Main Informant

Source: Author's personal documents 2023

In addition, data triangulation was carried out by comparing findings from various sources to increase the validity and reliability of the results. Data analysis was carried out through reduction, presentation and drawing conclusions in accordance with the qualitative approach applied in this research.

3. Results and Discussion
3.1 Results

In Kediri City there are 3 cinemas with different cinema companies and they are also located in malls. CGV Kediri Mall is one of the cinemas in Kediri City. The location of the cinema is at Kediri Mall Jala Hayam Wuruk No. 46, precisely on the 7th floor. CGV Kediri Mall has 5 studios with a total seating capacity of 700 seats[15]. Ticket prices at CGV vary from Rp. 25,000 for Monday - Thursday, Rp. 30,000 for Friday, and Rp. 40,000 for Saturdays and Sundays as of December 2023.

To be able to compete in the cinema market in Kediri, CGV Kediri Mall must implement a differentiated marketing strategy. Differentiation is a marketing strategy carried out by companies to make products or services different from their competitors[16]. This strategy is very important for companies to be able to create competitive advantages and attract consumer attention. To obtain data regarding marketing strategy differentiation, interviews were conducted with several sources who know CGV Kediri Mall, namely, CGV Management, employees, and customers. The following are the indicators in the research in Table 2:

Table2. Indicators in research

No.	Indicator	Information
1.	Customer Service Differentiation	Includes service implementation, innovation, special training, and customer satisfaction related to service.
2.	Product Differentiation	Includes facilities, product variations, and advantages over competitors.

Source: Author's documents 2023

After the indicators and questions for the resource persons were prepared, a direct interview was carried out. The results of interviews conducted with managers and employees of CGV Kediri Mall provide a comprehensive picture of the differentiation strategy implemented in services and products by this cinema. The manager explained that CGV Kediri Mall focuses on customer service that pays attention to needs, such as customer health with the readiness of first aid equipment. An emphasis on employee appearance and special training is also implemented to create friendly and differentiated service.

Service innovation is the main highlight of CGV Member registration and, the use of WhatsApp and Instagram groups to provide information to customers. This creates a more personalized and interactive customer experience. Special training in implementing services is also recognized as an effort to maintain consistent service quality.

In terms of facilities, CGV Kediri Mall differentiates itself from other cinemas by offering smoking areas, disabled toilets, booster seats, close parking, and sweet boxes for watching together. This facility is designed to increase customer comfort and provide more diverse choices.

Product variety is also a focus, especially in the types of films offered, such as Korean films, anime, Indian films, and concerts. Food and beverage products also have a striking variety, including popcorn with various flavors, fried snacks, heavy meals, and fresh drinks. All of this aims to provide a different and satisfying viewing experience.

From interviews with visitors, it appears that different services and unique film variations are factors in satisfaction. The use of special smoking rooms and differences in air conditioning temperatures are recognized as significant differences. The choice of films that are not available in other cinemas, such as K-pop films, is the reason for choosing CGV Kediri Mall.

Overall, the marketing differentiation strategy implemented by CGV Kediri Mall, both in services and products, was successful in creating a unique experience and increasing customer satisfaction. The facilities provided, innovation in service, and product variations are the key points that differentiate CGV Kediri Mall from its competitors in the local cinema market.

3.2 Discussion

The successful implementation of a differentiation strategy by CGV Kediri Mall is important in shaping its brand image and differentiating itself from competitors in the cinema market. Increasing customer satisfaction through differentiated services and products can provide a significant competitive advantage in the entertainment industry. The concept of differentiation strategy has long been studied in marketing literature as an approach to creating added value for consumers and differentiating oneself from the competition. According to differentiation theory, companies can achieve a competitive advantage by offering products or services that are considered unique and valuable to consumers[17].

In an article published in the journal Marketing Science, Porter[17]emphasizes the importance of differentiation strategy as an effort to create a perception among consumers that the company's products or services have unique advantages, whether in terms of quality, features, or user experience. In the context of CGV Kediri Mall, the differentiation approach in customer service by paying attention to consumer health and comfort, as well as innovation through membership programs and communication via WhatsApp, is a direct implementation of the differentiation concept. Not only through the WhatsApp application, CGV Kediri Mall also communicates with its consumers via Instagram social media.

As in research conducted by Subagyo[18] social media such as WhatsApp and Instagram can have a significant positive influence on purchasing decisions. Communication with customers via social media in the form of promotions can make a real contribution to increasing sales volume, this is also proven in research conducted by Subagyo[19]. The impact of social media on companies can reach more consumers while attracting new consumers and building consumer trust[20].

In addition, according to Kotler[21], quality and differentiated customer service can create customer loyalty, increase satisfaction, and provide a better experience. The implementation of differentiated marketing strategies at CGV Kediri Mall which produces customer satisfaction is in line with modern marketing theory which emphasizes the importance of customer experience as the key to winning the competition.

Further support for the concept of product differentiation can be found in research by Zhang[22], which highlights the importance of product variety in creating added value for consumers and differentiating ourselves from competitors. In the context of CGV Kediri Mall, the variety of film, food, and merchandise products offered are key factors in differentiating themselves from other cinemas in the local market.

Additionally, Homburg[23], in the journal Journal of the Academy of Marketing Science stated that product differentiation produced by companies can be a source of sustainable competitive advantage. In this case, CGV Kediri Mall succeeded in creating product differentiation through the various facilities offered, such as smoking areas, disabled toilets, booster seats, close parking spaces, and sweet boxes for comfort for two, which contributed to creating their competitive advantage in the cinema market. local.

The service differentiation approach to consumer health and comfort also receives support from marketing theory as proposed by Parasuraman[24]. With the servqual model. According to this model, aspects of comfort and attention to consumer needs are important elements in assessing service quality. Implementation of first aid equipment, attention to employee appearance, and special facilities for group viewing (sweet boxes) can provide significant added value in attracting and retaining customers.

In the context of customer satisfaction, this concept is also proven through research conducted by Zeithaml[25]which shows that differentiated service quality can significantly influence customer satisfaction. The positive response from visitors to CGV Kediri Mall regarding friendly service and adequate facilities can be explained through the concept of customer satisfaction.

Based on the theoretical review above and the results of the research that has been conducted, it can be concluded that the implementation of the differentiation strategy in customer service and products at CGV Kediri Mall has had a positive impact on customer satisfaction and increased the company's competitiveness in the local cinema market. By ensuring that the services and products they offer have added value and can differentiate themselves from competitors, CGV Kediri Mall can continue to maintain and improve its position in the competitive market.

4. Conclusion

Based on the results of research and data analysis related to the implementation of differentiation strategies by CGV Kediri Mall in customer service and products, several conclusions can be drawn. First, CGV Kediri Mall succeeded in implementing a differentiation strategy with a focus on customer service. Attention to customer health, comfort, innovation through WhatsApp memberships and groups, and attention to employee appearance are key elements in providing a unique experience to customers.

Furthermore, product differentiation is also an important aspect of CGV Kediri Mall's marketing strategy. Various facilities such as smoking areas, disabled toilets, booster seats, closed parking spaces, and sweet boxes show their commitment to providing variety and comfort to visitors. The variety of film, food, and merchandise products also supports the success of CGV Kediri Mall in creating a significant difference in the local cinema market.

Both aspects of differentiation, both in services and products, receive support from marketing theories such as Michael Porter's differentiation concept, Parasuraman's servqual theory, and Zeithaml's customer satisfaction approach. Implementation of this differentiation strategy provides a significant competitive advantage, strengthens brand image, and increases customer satisfaction.

In the context of modern marketing, where customer experience is considered key, CGV Kediri Mall's success in creating a comfortable and different atmosphere proves that differentiation strategies are not only effective but also relevant. Therefore, the main conclusion is that the implementation of the differentiation strategy by CGV Kediri Mall has had a positive impact, strengthening its position in the local cinema market, and creating positive relationships with customers while increasing sales.

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Institutional Human Resources Challenges and Quality Assurance in Universities in The Gambia

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Abstract

Research aim: *This study aims to evaluate the Institutional Human Resources Challenges and Quality Assurance in Universities in The Gambia.*

Design/Methode/Approach: *The study adopts a descriptive survey design, utilizing a mixed method approach involving the use of questionnaires (self-administered, online surveys, Google Forms) and conducting interviews. The sampling technique employed is proportional to size with a sample size of 248.*

Research Finding: *The research findings reveal that there is adequate human resource capacity for quality assurance in universities in The Gambia. However, the findings also indicate inadequate financial resources in these universities to support quality assurance procedures. Furthermore, the research findings provide insights into how problems with institutional human resources affect the university systems selected to ensure the quality of higher education. Additionally, the study uncovers challenges in managing human resources at universities, including managing employee relations, retaining qualified workers, providing strong leadership support, fostering a positive work environment, promoting diversity and inclusion, and empowering university leaders.*

Theoretical contribution/Originality:
The theoretical contribution of this study is to strengthen understanding of how human resource issues impact university capacity in ensuring effective quality assurance.

Practitioner/Policy implication: *The practical and policy implications of this study underscore the need for greater attention to human resource issues in Gambian universities to enhance the effectiveness of quality assurance processes.*

Research limitation: *Limitations of this study include sample size constraints, limitations in the methodology employed, and geographic constraints in research coverage.*

Keywords: *Human Resources, Institutional, Quality Assurance*

Introduction

The pivotal role of quality assurance in The Gambia's higher education, specifically at institutions like the University of The Gambia (UTG), International Opened University (IOU), and American International University, West Africa (AIUWA) cannot be undervalued for the fact the university education in The Gambia is still young. It underscores the multifaceted nature of quality assurance, addressing continuous improvement, stakeholder satisfaction, and human capital integration. The challenges faced by these institutions, such as budget constraints, human capital and capacity issues are highlighted, along with the evolving perspectives on quality in higher education. The narrative stresses the significance of strategic tools like SWOT analysis for quality maintenance and the importance of these measures in ensuring educational standards and effective resource allocation. Overall, the research issue centers on implementing quality

assurance in The Gambia's higher education, acknowledging its vital role in sustaining educational excellence and stakeholder confidence.

According to Materu and Peter (2007), anything that is appropriate for its purpose, complies with, or is in conformity with, general standards as set forth by an institution organization, a quality assurance body, and significant academic and professional communities, constitutes quality in higher education. In higher education institutions, management efficiency, governance, and leadership are key determinants of quality assurance (Materu & Peter, 2007). An institution's human resources, or its staff, directly affect the institution's quality assurance and quality control.

Human resources issues such as a diverse and female labor force, layoffs, changes in regulatory requirements, globalization of technology, and the start of change processes all have an impact on quality assurance in higher education institutions (Hashim & Hameed, 2012). Quality in any higher educational institution means that the institutions or academic community set a goal to always be the best, by always being at the top and achieving better outcomes than others (Parri, 2006). Better quality outcome of institutions can only be attained by better input of the institution.

Human resources are the workforce of an institution, and its management is the process of hiring, deploying and the management of the institution's workforce or the employees (Chai & Sutner, 2017).

A major human resource challenge affecting proper quality assurance in the higher educational sectors is the politicalizing of its appointments including the vice chancellors, communal consideration, favoritism, and corruption most especially in public universities (Singh, 2011).

. Mgaiwa and Ishengoma (2017) found out from their study 'Institutional Constraints Affecting Quality Assurance Processes in Tanzania's Private Universities which used a descriptive survey design, four key institutional constrains affecting quality assurance in universities which are Insufficient funding for the implementation of quality assurance processes by the institutions, lack of qualified human resource capacity in quality assurance, lack of good institutional framework and proper policies on quality assurance, and poor academic leadership style and lack of familiarity among academic staff and the issues surrounding quality assurance. These findings indicate that university stakeholders are not fully involved in designing and implementing quality assurance related programs. Yang (2011) as cited in Mgaiwa and Ishengoma (2007) identified that poor unsuccessful implementation of quality assurance policies a result of lack of knowledge, skills, value, and empowerment of stakeholders. As also cited by Mgaiwa and Ishengoma (2007), Watty (2003) discovered that inadequate training on assessment and peer review to improve the academic staff skills has effects on the implementation of self-evaluation in private Universities.

Mgaiwa and Ishengoma (2007) concluded that the first constrain that institutions face in trying to implement quality assurance policies is that the process affects the effectiveness of managing the quality of higher education provided, this is so because some of the quality assurance processes which are integral to the accreditation process and constraints participate to a mismatch between the expectations of universities making it difficult to regulate and supervise quality. Another conclusion drawn from this study is that the constrains facing these institution's quality assurance processes deeply affected the length at which private universities effectively conduct the quality assurance processes which can consequently undermine not only quality education but also the accreditation of the university. Finally, Mgaiwa and Ishengoma (2007) concluded that, to remedy the challenges of quality assurance in universities, intervention

measures in both the university level and the body responsible for higher education in that country putting into consideration the required budget. Unavailability of financial resources, expert personnel and facilities can challenge quality assurance and the transformation of service delivery approach of a university when it is needed most, for that reason, the issue of quality assurance budgeting and financial support should be respected by universities to ensure there are materials and resources needed to implement quality assurance policies (Kilonza, Onkware, Oloo & Omare, 2021).

Empirical evidence from Sawaneh and Fatajo (2022) on the topic "Assessment of Monitoring and Evaluation Instruments for Quality Assurance at The Gambia College" which used a qualitative research design indicates that NAQAA requires The Gambia College to adopt monitoring the assessment quality which demands quality assurance practitioners to be in line with the assessment criteria, learner performance, standardization of assessment criteria, examination questions, moderation, and measuring of learner's achievement of learning outcomes and to attain success in this processes there is need for continuous evaluation and quality audit shortly before assessments periods such as question moderation. And even though Moderation procedures are attained to strengthen NAQAA's recommendations, it is not fully implemented to improve assessment quality, or it is not a measure of attainment of the key performance indicator.

Student learning processes such as curriculum-based monitoring tests, frequent evaluations, and formative assessments whose processes determine the extent of minimum skills and knowledge gained or transferred in a particular course. These were also indicators of quality assurance in Gambia college. The performance of each student in every question should be systematically analyzed to help figure out where improvement or emphasis is required. In other words, a continuous analysis of student performance is necessary in each course by each lecturer in each semester (Sawaneh & Fatajo, 2022).

According to the theory of limited supply, asserts that expensive and comprehensive schools are of great quality, while others assert that extremely selective universities, universities with a national reputation, and universities with outstanding resources are the universities with the best quality (Bogue, 1998). The theory of quality in higher education as supported by Bogue and Saunders (1992) claimed that quality should be in accordance with the mission and goals achievement of the institution and the quality should be monitored by accepted standards of accountability and integrity. Similarly, Diana Green asserted that an institution with high quality standards is an institution that clearly defined its mission or purpose, and such an institution is usually efficient and effective in achieving its goals.

Statement of Problem

This study on Institutional Human Resources Challenges and Quality Assurance in Universities in The Gambia aligns National Accreditation and Quality Assurance Authorities in The Gambia agenda which of late discovered gaps related to quality issues in institutions of higher education in The Gambia.

The overarching concern is the inadequacy of quality assurance measures across departments, falling short of National Accreditation and Quality Assurance Authority (NAQAA) standards. The distinctions between public and private universities are acknowledged, emphasizing the financial advantages of private institutions, but it is underscored that all universities, regardless of their status, should adhere to a minimum acceptable quality standard. The challenges outlined encompass insufficient funding, poor infrastructure, lack of staff commitment to internal quality

assurance, and political involvement in administrative appointments, all of which contribute to hindrances in delivering quality education.

Furthermore, the specific challenges faced by UTG, including inadequate staff competence, lack of training and development initiatives, and bureaucratic inefficiencies, paint a detailed picture of the human resource issues affecting quality. The influence of political appointments on leadership dynamics and bureaucratic inefficiencies adds complexity to the quality assurance challenges. Similar difficulties are noted in AIUWA and IOU, with both institutions facing hurdles in human resource capacity, academic staff shortages, and dependency on non-resident staff for essential roles. Overall, the identified challenges underscore the urgent need for strategic planning and systemic improvements to enhance human resource management and ensure quality delivery across Gambian universities.

Research Objectives:

The specific objectives of the study are to:

1. Assess the human resource capacity of universities for quality assurance in The Gambia.
2. Determine the effect of institutional human resource challenges on quality assurance in the selected universities in The Gambia; and
3. Investigate the human resource challenges facing universities for quality assurance in The Gambia.

Method

The research investigates human resource challenges affecting quality assurance in universities in The Gambia employing using a quantitative approach. A descriptive survey research design is chosen, aiming to delve into the experiences of participants. The methodology incorporates self-administered online survey questionnaires and interviews, recognizing the diversity of staff literacy levels and roles, especially among auxiliary personnel. The study's focus is on universities in The Gambia, with specific attention given to the University of The Gambia, American International University West Africa (AIUWA), and the Internationally Opened University (IOU). The population consists of 701 staff members from these universities, and a proportionate distribution was applied to determine the sample sizes for each institution. A sample size of 248 was determined using Cochoran's (1960) formula. A total of 248 questionnaires were distributed among the three universities.

Results and Discussion

The findings of the study on objective one which is to assess the human resource capacity of universities for quality assurance in The Gambia revealed that there is adequate human resource capacity for quality assurance in universities in The Gambia. 42.2% of the respondents also revealed that there is not enough money in their universities to support the quality assurance procedures.

The same study by Gede, 2014 also revealed that the quality of education provided at higher learning institutions in Ethiopia directly depends on the pre-university preparation of students. The policies and processes of the MoE of Ethiopia, despite having a weak foundation in their academic studies, many students were enrolling at public institutions.

The findings of the study on objective two indicate that issues with institutional human resources may have an effect on university quality assurance. Several significant aspects point to potential difficulties:

The analysis showed that, 16.8% of the respondents were unsure of the vision, purpose, and

values of their university. This ambiguity makes it difficult to create the precise goals and objectives that are required for efficient quality assurance.

Also, the findings revealed that 43.4% of respondents expressed uncertainty about whether employees, students, and external stakeholders were adequately represented in university governance. Lack of representation can result in decision-making procedures that do not sufficiently consider the variety of viewpoints required for quality control.

Furthermore, 51.8% of respondents expressed uncertainty over staff awareness of quality assurance policies and the provision of sufficient resources to support university programs. Effective quality assurance techniques can't be implemented if there aren't enough resources or awareness.

In addition, 65.5% of respondents noted a lack of program coordinators and program alignment with institutional goals and vision. It becomes difficult to guarantee consistent and high-quality program delivery without sufficient coordination and alignment.

The analysis further showed that, 54.4% of respondents expressed uncertainty regarding student and alumni participation in curriculum review as well as whether teaching and learning strategies considered the needs and difficulties of all students. Inadequate student engagement and disregard for different learning styles can impact the quality of education.

Therefore, the lack of clarity, representation, awareness, resources, coordination, and student involvement, among other human resource issues, can collectively obstruct the efficient implementation of quality assurance processes in universities.

In comparison, a study by (Kilonza, Onkware, Oloo & Omare, 2021) discusses the reliance on individual efforts rather than university management for innovating pedagogy in higher education.

The findings of the study on objective three revealed that 28.3% of respondents weren't sure if their university had a plan in place to keep qualified staff employees, suggesting a possible difficulty in doing so, Many respondents (35.8%) expressed doubts about their university's ability to provide strong leadership that supports quality assurance, raising the possibility of a struggle in assuring such support, sizable percentage of respondents (47.8%) weren't sure whether the general working environment at their university fosters an environment for raising the caliber of instruction and learning.

Also, a substantial proportion (28.3%) of respondents were unsure whether their university had a plan in place to keep skilled staff employees, indicating a potential challenge, many respondents (35.8%) indicated skepticism about their university's capacity to offer strong leadership that supports quality assurance, suggesting that securing such support may prove challenging.

Moreover, a substantial portion of respondents 47.8%) were unsure of whether their university's overall working environment creates a culture that encourages enhancing the standard of instruction and learning. Many respondents (28.8%) expressed uncertainty about whether their university encourages diversity, equity, and inclusion, suggesting a possible difficulty in creating a varied and inclusive atmosphere within the university community. A sizable portion (38.5%) of respondents weren't sure whether their university's human resource department gave leaders the information, tools, and assistance they needed to succeed, indicating a potential difficulty in effectively empowering and supporting university leaders.

And finally, many respondents (51.3%) didn't know whether their human resources department taught leaders to listen more than they spoke, which suggests that building strong communication and listening skills among university executives may be difficult. And a sizable

portion (39.8%) of respondents were unsure of whether or not their university effectively manages employee relationships to encourage good coexistence in the workplace, highlighting a potential challenge in fostering wholesome relationships and a peaceful workplace.

These issues with human resources add up to significant barriers that Gambian institutions may have in assuring the quality assurance of their educational programs. A similar study by Gede, 2014 on Quality assurance policy in Higher Education showed that regarding to leadership commitment to quality learning in the universities, there existed limited professional knowledge and skills as to what it takes to integrate quality assurance systems in the institutional culture. The lack of vision and enthusiasm to do the groundwork on the part of the leadership seemed to have weakened efforts to put in place functional institutional quality assurance systems. The low participation of students and academic staff in quality assurance affairs was regarded as the main weakness of the HEIs under study. The teachers had a pivotal role to play in the development and implementation of QA.

A similar study was conducted in Kenya by Kagodu and Marwa (2017) and a comparison of that study to this one revealed the following:

According to the findings from objective one of this study carried out in The Gambia, universities have sufficient human resource capacity for quality assurance. However, issues with insufficient finance, a lack of physical infrastructure, and uneven access to resources and support were brought up. To improve these institutions' overall capacity for quality assurance, additional measures are recommended.

Table 1. Result Test

Assessment of the Human Resources Capacity of Universities in The Gambia for Quality Assurance

Assertions	I don't Know f and (%)	No f and (%)	Yes f and (%)	Descriptive Statistics N=226 Mean Value	Standard Deviation
Does your university have the human resource capacity in quality assurance issues?	58 (25.7)	55 (24.3)	113 (50)	2.24	0.84
Does your university have adequate funding of quality assurance processes?	74 (32.7)	100 (44.2)	52 (23)	1.90	0.74
Does your institution have sufficient lecture and office spaces for courses and programs?	174 (77)	4 (1.8)	48 (21.2)	1.44	0.82
Do lecture halls in your university have internet access and projectors and are well maintained and secured to allow for power point presentation	143 (63.3)	10 (4.4)	73 (32.3)	1.69	0.93
Does your university have adequate laboratory facilities?	182 (80.5)	12 (5.3)	32 (14.2)	75.33	69.15
Do academic and administrative staff have access to computer resources and the internet?	27 (11.9)	11 (4.9)	188 (83.3)	1.34	0.71
Do students have access to electronic library resources to support teaching and learning?	62 (27.4)	55 (24.3)	109 (48.2)	2.71	0.69
Does your facility department provide you with the right services to ease your work at your university?	95 (42)	24 (10.6)	107 (47.3)	2.21	0.85
Does your university provide training to capacitate its employees on their different roles?	99 (43.8)	40 (17.7)	87 (38.5)	2.05	0.95
Does your university usually experience unnecessary absenteeism from employees which might negatively affect the labor turnover?	41 (24.6)	62 (37.1)	32 (19.2)	1.95	1.050

Source: Field Survey (2023)
NB: *f*=Frequency*; %=*Percentage

Conclusion

The findings of the study on objective one showed that while the universities in the Gambia have some capacity in terms of human resources for quality assurance, there are also areas of concern, such as inadequate funding, a lack of adequate physical infrastructure, and varying degrees of access to resources and support. To increase the total quality assurance capability in these colleges, additional steps might be required.

The result of study on objective two showed that the lack of clarity, representation, awareness, resources, coordination, and student involvement, among other human resource issues, can collectively obstruct the efficient implementation of quality assurance processes in universities. Finally, the result of the study on objective three showed that the lack of good employee retention strategy, leadership, working conditions, financial resources, staff motivation, employee involvement in decision making, human resource department support, leadership training for active listening, employee relationship management and diversity, equity and inclusion in these selected universities can create huge barriers for these institutional for quality assurance.

The implications of these conclusions are: Gambian universities can overcome barriers, enhance quality assurance practices, and ultimately provide a higher quality education to their students. It requires a concerted effort from all stakeholders, including university leadership, faculty, staff, students, and external partners, to create a culture of continuous improvement and excellence.

In summary, the study's outcomes affirm the initial hypothesis that human resource issues significantly impact the provision of quality assurance in Gambian Universities. These issues have a detrimental effect on both the delivery of education and the overall quality assurance processes. The findings underscore that a range of challenges related to human resources collectively impede the universities' capacity to ensure effective quality assurance. The study, therefore, underscores the intricate interplay between human resource challenges and their extensive ramifications for quality assurance and employee satisfaction within Gambian universities. Addressing these challenges through targeted strategies, such as improving resource allocation, enhancing communication, promoting leadership development, and fostering a supportive and inclusive work environment, is imperative for enhancing the quality of education and organizational effectiveness.

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The Influence of Brand Equity, Life Style, and Product Variety on Purchase Decisions for Aerostreet Shoes

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Abstract

Research aim : *Aims to determine the influence of brand equity, life style, product variations both partially and simultaneously on the decision to purchase Aerostreet shoes.*

Design/Methode/Approach : *The purpose of this study was to examine the influence of product variations, lifestyle factors, and brand equity on decisions to buy Aerostreet shoes. This study is cause-and-effect in nature and employs a quantitative methodology. The population in this study refers to all Aerostreet product users, regardless of how many there are in the count. Using random sampling techniques, a sample of 40 respondents was selected for analysis. Multiple linear regression is used in this study to determine the degree to which the independent variable affects the dependent variable.*

Research Finding : *This research shows that brand equity, life style, and product variety have a significant influence on the decision to purchase Aerosreet brand shoes in generation z..*

Theoretical contribution/Originality : *Brand equity is the identity of a product that can be trusted to influence consumer behavior and purchasing decisions. Measuring the impact and preferences of consumers on life style, and digging deeper into product variations from a consumer perspective influences purchases.*

Practitionel/Policy implication : *This research provides practical implications for Aerostreet Shoes in improving purchasing decisions.*

Research limitation : *This research only discusses brand equity, life style, and product variety as independent variables. There are still other variables that influence the dependent variable that need to be researched further.*

Keywords : *Brand Equity, Life Style, Product Variety and purchasing decisions.*

1. Introduction

The development of the global fashion industry in Indonesia is increasing every year. There are always lots of new trends and they are getting more and more interesting. making people always appear up to date and contemporary, one of which is wearing local brand shoes. A brand is an additional identity of a product that not only differentiates it from competing

products, but is a promise from the manufacturer to consumers that the product will always be able to provide the value that consumers need from a product. [1]. Even though the global shoe industry has existed for a long time, the innovations made by the local shoe industry have produced various types of shoes, resulting in an increasing number of shoe fans. Innovation encompasses any type of knowledge, ideas, perspectives, customs, and principles that were not previously known to the community and that are subsequently adopted and made available to the larger community for use in altering existing things or creating new ones that enhance performance or [2]. In Indonesia itself, many new shoe brands have emerged. To attract consumers, local shoe manufacturers are competing to come up with various variations of new shoes with attractive and contemporary models. It is not uncommon for the local shoe industry to now be able to compete with foreign shoe brands. Because they can choose to buy something or not, or just spend their time, consumers are in a position to make decisions. [3]. To attract the interest of consumers, manufacturers prioritize several important things such as brand equity, life style and product variety in purchasing decisions.

In determining purchasing decisions there are several stages of pre-purchase, consumption and buyer evaluation [4]. The pre-purchase process occurs in all activities before the purchase transaction and product selection process occurs. Consumers make purchasing decisions based on whether or not a product satisfies their requirements and wants. The buying decision requires the individual managing the issue to be able to select from a number of solutions. When presented with two possibilities, a person has the ability to determine whether or not to buy, and he ultimately chooses to buy. The purchasing decision is also a stage that consumers carry out before purchasing a product [5]

Based on the hypothetical portrayal over, analysts are curious about inquiring about the impact of brand value, life fashion and item varieties on obtaining decisions for Aerostreet brand shoes. Aerostreet may be a neighborhood shoe brand that was established in 2015 in Klaten, Central Java. Adhitya Caesarico is the proprietor of Aerostreet shoes which has the trademark "presently everybody can purchase a products shoe" with this motto making the proprietor create quality shoes at reasonable costs.
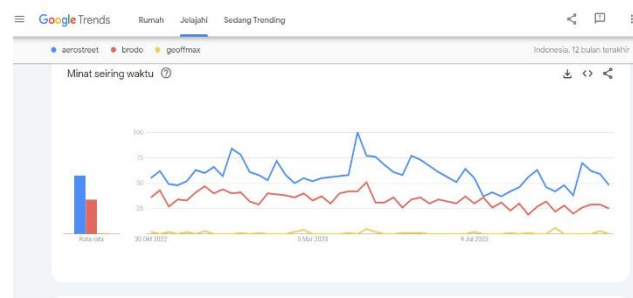

Figure 1. Trend graph for purchasing several shoe products from brands

Local Source: (Google Trends, 2023)

Based on the graph above, we can see that there are more people interested in products from the Aerostreet brand compared to the two competing brands, namely Brodo and

Geoffmax. With the strategy carried out by Aerostreet in raising the name of its products, consumer interest in Aerostreet products is increasing. This greatly influences the decision to purchase Aerostreet brand shoes for Indonesian people. Analyzing or identifying requirements and preferences, gathering information, evaluating sources, choosing amongst purchases, and acting upon those purchases are all steps in the problem-solving process that goes into making purchases. [6]. Brand Equity is one of the important things in determining purchasing decisions. Brand Equity is the added value provided to a product or service, and is reflected in the way consumers perceive and act towards it [7]. When making purchasing decisions, the current generation or generation Z always prioritizes a contemporary and attractive appearance by using Aerostreet shoes which have their own advantages in terms of fashion.

Generation Z is a generation born between the 1980s - 2000s or known as young people currently aged 17-37 years who are synonymous with using technology and social media or are often called the internet generation [8] . Aerostreet considers people's current lifestyles as a way to approach consumers to meet the increasingly fashionable lifestyle of generation Z. Lifestyle is part of secondary human needs which can change depending on the times or a person's desire to change their lifestyle [9]. Lifestyle is also defined as a model of daily behavior for a group of people in society. Apart from considering lifestyle, product variety is also no less important.

To make a product more competitive, a brand needs to increase its product variety. Product variations are something that companies must pay attention to to improve product performance. If the product is not diverse then the product will certainly be unable to compete with other products [10]. The existence of good product variations can attract consumers to make purchases. Things that must be considered by a product are how to make various decisions about the product mix produced now and for the future.

1.1. Statement of Problem

Brand Equity Aerostreet Shoes is a reference for consumers to buy and use Aerostreet products, but Aerostreet products are only known to certain groups, especially Gen Z. Consumers' life style is a reason to buy Aerostreet products even though the shoe designs are less varied.

1.2. Research Objectives

The purpose of this research is to find out how much influence Brand Equity, Life Style, and Product Variety have on Gen Z's purchasing decisions for Aerostreet Shoes.

2. Method

This research uses a quantitative approach and is casual relationship research. The quantitative data used in this research is the result of questionnaire processing [11]. A questionnaire is a tool used to collect data through a series of questions that have been designed with the aim of measuring research variables [12]. The subjects in this research were countless consumers of Aerostreet products. The objects in this research are Brand Equity, Life Style, Product Variations, and Purchasing Decisions. This ponder employments multivariate testing, which is based on increasing the whole number of factors (autonomous + subordinate) by 10. This think about will utilize the coincidental examining approach since it takes a non-probability test from an interminable populace. The test for this think about comprises of 40 respondents since there are 4 factors in it. Whereas essential information is the source of this investigate, quantitative information was utilized in this consider. A survey is used as the information collecting device to induce the fundamental data. The analysis method makes use

of coefficient of determination, multiple linear regression, classical hypothesis testing, and hypothesis testing.

3. Results and Discussion

Numerous straight examination is the explanatory procedure utilized, and its objective is to urge a total see of the subordinate variable—the item range—and the autonomous variables—brand value and way of life. choosing to purchase Aerostreet tennis shoes whereas utilizing Windows form 23 of IMB SPSS. According to the conditions given within the numerous straight relapse show, numerous direct relapse and the coefficient of assurance must come to begin with, at that point classical theory testing.

3.1 Classical Assumption Testing

Essential information is the accentuation of the investigate information source, and the different straight relapse strategy is the explanatory instrument utilized. When utilizing straight relapse models, it is as often as possible required to test conventional presumptions in arrange to fulfill the prerequisites. A test utilized to decide whether or not the information given veers off from classical suspicions is known as a classical speculation test. The multicollinearity test and the commonality test are the two tests utilized within the default test. The comes about of the ordinariness test show whether or not the utilized information is ordinarily dispersed.

Finding out in the event that the autonomous variable, subordinate variable, or both take after a ordinary conveyance is the point of this test. The Kolmogorov-Smirnov test, ordinary likelihood bend, and histogram investigation can all be utilized to appear that a conveyance is typical. On the off chance that the information shows a chime design in a histogram, the nearness of a ordinary dissemination can be appeared. By analyzing the dissemination of focuses encompassing the corner to corner line, which speaks to the fittingness of the information conveyance, typical likelihood plots can too affirm that the information conveyance is ordinary.
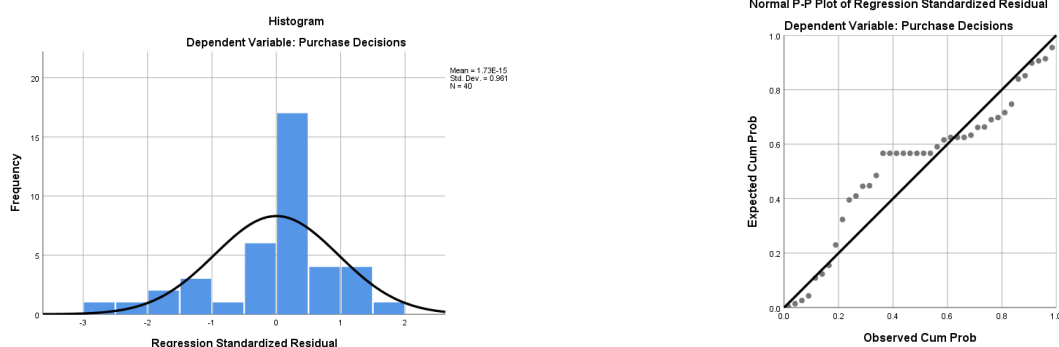

Figure 2. Normality Test Results

Source: Processed by SPSS 2023

It is clear from the typicality test comes about based on Figure 2 that the inspected information contains a typical dissemination. The coming about bell-shaped histogram picture shows changing information. Meanwhile , the information or focuses are scattered along the

corner to corner line and take after its heading, agreeing to the comes about of the ordinary likelihood plot.

Testing whether a relapse show identifies a relationship between free factors is the objective of the multicollinearity test. There shouldn't be any relationship between the autonomous factors in a better than average relapse demonstrate. A strategy for distinguishing multicollinearity is the Change Swelling Figure, or VIF. The table shows the discoveries from the multicollinearity test of the relationship lattice between the autonomous factors, resistance values, and VIF.

Table 3. Multicollinearity Test

Coefficients^a

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
(Constant)	1.316	3.588		-.367	.716		
Brand Equity	.327	.159	.303	2.055	.047	.311	3.214
Lifestyle	.465	.173	.321	2.691	.011	.475	2.107
Product Variations	.468	.195	.340	2.400	.022	.337	2.969

a. Dependent Variable: Purchase Decisions

Source: Processed by SPSS 2023

Multicollinearity is a phenomenon where two or more independent variables or exogenous constructs are highly correlated, causing poor model performance. The VIF value should be < 5, because if > 5 then the construct is collinear. From the results of the multicollinearity test in Table 3, it is known that the tolerance value is > 0.10 and the VIF value is < 10.00. Good regression models are homoscedastic and heteroscedastic. The results of the heteroscedasticity test using a scatter plot are shown in Figure 3.
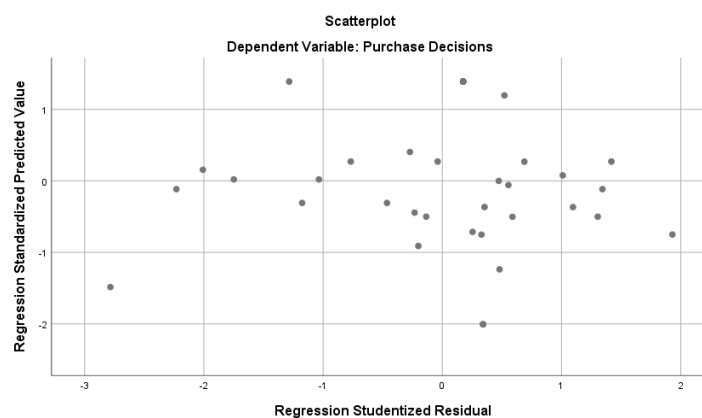
Source: Processed by SPSS 2023

Figure 3. Heteroscedasticity Test Results

Figure 3's dissemination outlines how the dabs are scattered haphazardly, without any recognizable design, and both over and underneath the zero on the Y pivot. This shows that the relapse show does not show heteroscedasticity. Subsequently, it is set up that heteroscedasticity does not exist within the relapse show.

3.2 Multiple Linear Regression Analysis

Table 4 multiple linear regression

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	1.316	3.588		-.367	.716		
Brand Equity	.327	.159	.303	2.055	.047	.311	3.214
Lifestyle	.465	.173	.321	2.691	.011	.475	2.107
Product Variations	.468	.195	.340	2.400	.022	.337	2.969

a. Dependent Variable: Purchase Decisions

Source: Processed by SPSS 2023

As can be seen from the above table, it is double linear; the standard value (α value) is 1.316, the β value for Brand Equity (0.327), the β value for Lifestyle (0.465), and the β value for Product Variety (0.468). The following is how to generate the regression equation:

The following multiple linear regression model or formula is used in this analysis. The following is the multiple linear regression analysis model:

$Y = a + b_1x_1 + b_2x_2 + b_3x_3 \neq e$

$Y = 1,316 + 0,327x_1 + 0,465x_2 + 0,468x_3 \neq e$

a = 1.316 indicates that brand equity, lifestyle and product choice have a positive value.
b_1 = 0.327 which shows that the brand equity variable has a positive effect, which means that when brand equity increases by unit, purchasing decisions increase by 0.327, with the other assumption being that the variable is considered constant.
b_2 = 0.465 indicates that the lifestyle variable has a positive effect, meaning that if lifestyle increases by one unit, purchasing decisions increase by 0.465. Assuming other variables are considered constant.
b_3 = 0.468 indicates that the product variable has a positive influence, meaning that if the product variation increases by one unit, purchasing decisions increase by 0.468 with other assumptions remaining constant.

3.3 Determination Coefficient Analysis (Adjusted R2)

This coefficient indicates the extent to which the dependent variable accounts for the variation in the independent variable utilized in the model. Modified $R^2 = 0$ indicates that even the slightest differences in the independent variables do not account for variations in the

method's independent variables. Conversely, if Adjusted R2 = 1, then all of the variation in the dependent variable can be explained by changes in the independent variable employed in the model.

Table 5 below shows the results of three independent variables - brand equity, lifestyle and coefficient of determination of product variety.

Table 5. Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.870^a	.757	.737	1.427	1.824

a. Predictors: (Constant), Product Variations , Lifestyle , Brand Equity

b. Dependent Variable: Purchase Decisions

Source: Processed by SPSS 2023

Based on this table, it can be concluded that the coefficient of determination (R2) for purchasing decisions for Aerostreet Shoe Products (Y) for the Brand Equity (X1), Lifestyle (X2) and Product Variety (X3) variables is 0.870 or 87.0%. Or in the guidelines for interpreting the coefficient of determination in this study it is classified as very strong. The average purchasing decision for Aerostreet footwear consumers is 87.0% based on brand equity (X1), lifestyle (X2), and product variety (X3), with 13% determined by other factors not researched.

3.4 Hypothesis test

The following hypothesis is tested in this study using the T and F tests: Table 6 displays partial test results using a t test with compared values at a significance level of 0.05.

Table 6. T Test (Partial Test)

Coefficients^a

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
(Constant)	1.316	3.588		-.367	.716		
Brand Equity	.327	.159	.303	2.055	.047	.311	3.214
Lifestyle	.465	.173	.321	2.691	.011	.475	2.107
Product Variations	.468	.195	.340	2.400	.022	.337	2.969

a. Dependent Variable: Purchase Decisions

Source: Processed by SPSS 2023

As can be seen from the t test discoveries within the over table, Ha is acknowledged and H0 is rejected since the brand value variable's importance esteem is 0.047, which is less

than 0.05. This shows that the choice to purchase Era Z Aerostreet shoes, Mojoroto Kediri Locale, is to some degree impacted by the brand value variable.

Table 6's computation comes about appear that the way of life variable's noteworthy esteem is 0.011, which is less than 0.05, meaning that Ha is acknowledged and H0 is rejected. This shows that the choice to purchase Era Z Aerostreet shoes, Mojoroto Area, Kediri City, is altogether affected by the way of life calculate in portion.

The item variety variable's critical esteem is 0.022, which is less than 0.05 based on the computation comes about in Table 6, meaning that Ha is acknowledged and H0 is rejected. This demonstrates that choices around what to purchase are altogether impacted by the item variety variable. From Kediri City's Mojoroto Area, Era Z Aerostreet Shoe Items.

The F test is outlined to look at the concurrent (combinatorial) impacts of item differing qualities, brand value, and way of life on the subordinate variable, which is obtaining choice. The likelihood values' results can be compared to decide the F test. The comes about of the concurrent test with the F test are appeared underneath; Table 7 appears a comparison of the test values at the 0.05 noteworthy level.

Table 7. F test (Sig value)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	228.323	3	76.108	37.391	.000[b]
	Residual	73.277	36	2.035		
	Total	301.600	39			

a. Dependent Variable: Purchase Decisions

b. Predictors: (Constant), Product Variations , Lifestyle , Brand Equity

Source: Processed by SPSS 2023

As can be seen from the above table, the variables Brand Equity (X1), Lifestyle (X2), and Product Variety (X3) all have simultaneous influences, both individually and together, with a significant value of $0.000 < 0.05$. impact the choice to buy Aerostreet Shoe Products.

4. Conclusion

The aim of this research is to determine the influence of brand equity, lifestyle and product variety on purchasing decisions for Aerostreet brand footwear products. Based on the data analysis carried out, it can be concluded that the variables Brand Equity (X1), Lifestyle (X2) and Product Variety (X3) simultaneously or jointly influence the decision to purchase Aerostreet shoe products in generation Z. This is shown as the F value. The total is 37.391 with a significance value of 0.000 smaller than $\alpha = 0.05$. This means that there is a significant influence between these variables on purchasing decisions. This research contributes to the development of science, especially in the field of marketing. This research shows that brand equity, lifestyle and product variety are important factors that influence consumer purchasing decisions for Aerostreet shoes.

The comes about of this ponder cannot as of now be connected to all Aerostreet clients in all districts of Kediri city due to a number of imperatives, one of which is that it was restricted to the Mojoroto neighborhood. Since this think about fundamentally utilizes essential information from shopper overviews, respondent subjectivity may have an affect on the discoveries. Owing to the imperatives of this consider, a number of other inquire about plans, counting considers that may well be carried out all through numerous Indonesian cities, can be recommended. The analysts offer exhortation and suggestions to businesses on how to keep enhancing and developing so that Aerostreet brand shoes become Indonesians' first choice and draw in more clients. It would be ideal for following analysts to require into consideration more factors. For occasion, progressing the steadfastness of the item and its changing highlights. with the trusts that more investigate may surrender more prominent comes about.

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Analysis Of The Influence Of Marketing Techniques And Ways Of Business Management On The Income Level Of Micro Small And Medium Enterprises (MSME's) In Kediri City

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Abstract

Research aim: *This study aims to analyze the influence of marketing techniques and business management methods on the income level of Micro, Small, and Medium Enterprises (MSMEs) in Kediri City, focusing on Tahu Village in Tinalan District.*

Design/Methode/Approach: *Quantitative research methods were employed for this study, utilizing observation, interviews, and questionnaires for data collection. Statistical analyses, including hypothesis testing, coefficient of determination, t-test, and F-test, were conducted using SPSS 25.*

Research Finding: *The research revealed that both marketing techniques and business management methods significantly influence the income levels of MSMEs in Tahu Village. Marketing techniques were found to have a coefficient value of 0.149, while business management methods had a coefficient value of 0.309. The F-test indicated a joint positive influence of these variables on income levels.*

Theoretical contribution/Originality: *The study contributes to existing literature by demonstrating the significance of marketing techniques and business management methods in enhancing MSME income. It aligns with previous research emphasizing the importance of factors such as price, place, promotion, and product quality in marketing success.*

Practitioner/Policy implication: *The findings underscore the importance of implementing effective marketing strategies and sound business management practices for MSMEs to thrive. Policy implications suggest the need for targeted assistance and training programs to enhance MSMEs' understanding and implementation of these techniques.*

Research limitation: *This study was limited to Tahu Village in Tinalan District, Kediri City, thus its generalizability to other contexts may be constrained. Additionally, the sample size was small, potentially limiting the representativeness of the findings.*

Keywords: *Marketing techniques, Business management methods, Income level*

Introduction

Micro, Small and Medium Enterprises or often MSMEs are stand-alone productive business units, which are carried out by individuals or business entities in all economic sectors (Trisnawati, 2019). MSMEs have also been regulated in Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs). MSMEs can be one of the businesses that can survive in the midst of a pandemic or global crisis, so that they receive attention from the government so they can increase their ability to develop their business. Apart from that, according to Widyayanti & Insiatiningsih, 2021 MSMEs will also have quite an important role in the economy because MSMEs absorb labor, increase Gross Domestic Product (GDP) income, increase the value of exports and national investment.

MSMEs are simple and traditional businesses, both in terms of organization, management, production patterns, technology, workforce, products and business location. The products produced are also simple, such as statues, carvings, furniture and others. Apart from that, MSMEs also make goods for consumption purposes such as food and drinks, apparel and household furniture. The products produced have their own marketing area by serving certain groups of buyers, the general public and some also penetrate the global market.

In their efforts to develop MSMEs, MSME actors still often experience various kinds of problems so that this causes their MSME development to not be able to run optimally. In this case, as explained by Minarni & Santi, in 2022 the government has made various efforts to optimize and help MSMEs. One of the ways used by the government to encourage the development of MSMEs is through assistance and training provided to MSME players with the aim of ensuring that MSME players can understand well how to manage a business with appropriate marketing techniques. Marketing techniques are needed to make their products attractive to customers so that customers are interested in using the product. With good marketing techniques, you can not only attract buyers' interest but also increase the income of MSMEs. According to Elys Sastika Tambunan, 2020 Good and appropriate marketing techniques are supported by competent marketers so that great opportunities will be created to get maximum results. Not only marketing techniques, but the right way of managing a business will also help MSMEs develop their business and increase their income.

Based on the description above, researchers are interested in conducting research on the efforts of the government and MSME players to increase their business income, which in this case is related to marketing techniques and how to manage their business. It is hoped that this research can help MSMEs develop their business and find out the impact on increasing their business income. This research is entitled **"Analysis of the Influence of Marketing Techniques and Business Management Methods on the Income Level of Micro, Small and Medium Enterprises (MSMEs) in Kediri City (Case Study in Tahu Village, Tinalan District, Kediri City)"**

Research Theory
Marketing Techniques

Marketing strategy (marketing techniques) according to Kurniawan (2020), namely marketing logic and based on it, business units are expected to achieve their marketing targets. According to Lestari & Latifah, 2022 Marketing strategy consists of making decisions about the company's marketing costs, marketing mix, and marketing allocation. Marketing facilitates the process of exchange and developing relationships with consumers by carefully observing consumer needs and desires, followed by developing a product that satisfies consumer needs, offering the product at a certain price and distributing it to make it available in various places. place) which is the market for the product in question. For this reason, it is necessary to carry out a promotion or communication to create consumer awareness and interest in the product concerned. This process is called the marketing mix or marketing mix which consists of elements, namely: *product, price, place (distribution) and promotion,* which is abbreviated as "four Ps" (Morissan, 2010: 5).

How to Manage a Business

According to Murti, 2022 Business management is a business activity carried out by individuals or companies in their business in establishing a business, preparing financial budgets, and running a company related to aspects of production, marketing, human resources and financial management. This way of managing a business will also have a positive impact on business people if it is managed in the right way. However, not everyone can manage their business well, so this causes the level of income in the business to decline. Business management as explained by Tinneke, 2020 includes several stages, starting from planning, organization, mobilization and also supervision or control which is Syambudi's theory.

Many business actors cannot manage their businesses well and one of them is Micro, Small and Medium Enterprises (MSMEs). The problems faced by MSMEs in the way they manage their business are caused by several factors, as stated by (ARTINI, 2019), namely the lack of human resource capacity to organize and manage their business, the low level of education of human resources, the lack of technological understanding for business actors. and so forth. According to Amalia, in 2018, adaptive efforts that MSMEs can use during the pandemic are by participating in training activities, carrying out product innovations and strengthening online marketing. By carrying out these efforts, it is hoped that it can increase the knowledge and experience of MSME players to be able to manage their businesses well and increase the income of the businesses they run.

Income

The Indonesian Institute of Accountants (2019:22) reveals that in the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) it defines Income as income that arises in the implementation of ordinary entity activities and is known by different names such as sales, fees, interest, dividends, royalties and rent. . According to Harini, 2022 wrote that income is "an increase or increase in assets and a decrease or decrease in company liabilities which is a result of operational activities or the procurement of goods and services to the public or consumers in particular. According to Wibawa, 2021 income can be interpreted as the amount of input obtained for services provided by a company which can include the sale of products and/or services to customers obtained in a company's operational activities to increase the value of assets and reduce liabilities arising in the delivery of goods or services.

According to Fatin Laili & Hendra Setiawan, 2020 A business's income, apart from being obtained from its main activities, can also be obtained from other transaction activities. Income itself is divided into two (2) groups, namely, Operational Income (Operating Revenue) and Non-Operating Income (Non Operating Revenue). Operating income is the result obtained directly from the operational activities of a company as a result of the main business carried out by the company. Operating income is a measure that shows how much a company will make a profit. According to Arinda, 2012, non-operating income is income received by the company which has nothing to do with the main business carried out by the company in its activities.

There are four bases for assessing income, namely historical costs, current costs, realization or completion value, and present value, as follows:

a. Historical Cost, that is, assets are recorded at the expense of cash (or cash equivalent) paid at the fair value of the consideration given to acquire the asset at the time of acquisition.

b. Current Cost, namely, assets valued in the form of cash (or cash equivalents) that would have to be paid if the same or equivalent assets were acquired now.

c. Realization or Settlement Value (Realization/Settlement Value), that is, assets are stated in the amount of cash (or cash equivalent) that is the same or equivalent to current assets by selling the assets in a normal disposal.

d. Present Value, that is, assets are stated at net cash inflows in the future discounted to the present value of items that are expected to provide results in the normal course of business.

Statements of Problem

From the background discussion above, a number of problems can be identified that will later be carried out as research, namely:

1. Knowing the effect of marketing techniques applied to MSMEs on the income of Micro, Small and Medium Enterprises (MSMEs)

2. Find out how much influence business management has on the income of Micro, Small and Medium Enterprises (MSMEs)

Apart from that, based on the background of the problem described above, the problem formulation in this research is:

1. What is the influence of marketing techniques on the income level of Micro, Small and Medium Enterprises (MSMEs) in Kediri City?

2. How does business management influence the income level of Micro, Small and Medium Enterprises (MSMEs) in Kediri City?

Research Purposes

Based on the problem formulation above, the objectives of this research are:

1. To analyze the influence of marketing techniques on the income level of Micro, Small and Medium Enterprises (MSMEs) in Kediri City

2. To determine the influence of business management methods on the income level of Micro, Small and Medium Enterprises (MSMEs) in Kediri City

Research Objectives

In this research, the researcher took the research object as the income level of the Tahu Village MSMEs in Tinalan Village, Pesantren District, Kediri City. The aim of this research is to determine the influence of the use of business capital, marketing techniques, reducing MSME tax rates and business management methods on the income level of Tahu Village MSMEs in Tinalan Village, Kediri City.

Research Methods

This research uses quantitative research methods. Quantitative research is often referred to as a scientific or scientific method because it meets scientific principles, namely

concrete, empirical, objective, measurable, rational, and systematic. Meanwhile, for data collection methods, researchers used observation, interview, and questionnaire data collection methods. Observation is a direct observation carried out by researchers at the location of the research being carried out. Interviews are a method used by researchers to meet informants directly to obtain information from many questions asked at the research location related to the research being researched. Meanwhile, questionnaires are carried out by providing a list of questions or statements that will be answered by the respondent. In this case, the qualifications of the respondents and their number are determined by the sampling method.

Result and Discussion

Hypothesis Testing

Analysis of The Coefficient of Determination

According to Ghozali (2017: 21) the coefficient of determination aims to measure how far the model can explain variations in the dependent variable. A small R^2 value means that the ability of the independent variables to explain variations in the dependent variable is very limited. There are assumptions regarding the coefficient of determination as follows:

The R^2 value is between 0 and 1 or $(0 < R^2 < 1)$, so:

1. An R^2 value that is close to 1 means that the independent variable provides almost all the information needed to predict variations in the dependent variable
2. An R^2 value that is close to 0 means that the ability of the independent variable to provide information about variations in the dependent variable is very limited.

F Test and t Test

In research, hypothesis testing uses partial tests (t tests) and simultaneous tests (f tests). This partial test (t test) aims to test how far the influence of one independent variable has on the dependent variable by assuming the other independent variables are constant (Ghozali, 2017:23). This partial test uses the t distribution. This is done by using the SPSS statistical tool by comparing the calculated significant value with the significant $\alpha = 5\%$. If the calculated significance is $\leq \alpha$ (5%), then H0 is rejected and Ha is accepted, meaning that the independent variable has an effect on the dependent variable.

Simultaneous test (f test) is carried out to find out whether all independent variables have the same influence on the dependent variable. The hypothesis for the F test, the null hypothesis (H0) is accepted and the alternative hypothesis (Ha) is rejected, meaning that there is no influence between the independent variables (X1 and X2) together on the dependent variable (Y).

The alternative hypothesis (Ha) is accepted and the null hypothesis (H0) is rejected, meaning that there is an influence between the independent variables (X1 and X2) together on the dependent variable (Y).

Discussion

The coefficient of determination is used to detect the extent of the relationship and the ability of the regression model to explain the dependent variable.

Table 1 Coefficient of Determination Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,898[a]	,970	,951	,12986

a. Predictors: (Constant), X1, X2

Based on the results of the table above, it can be seen that the R square value is 0.898. This shows that 89.8% of the increase in income in MSMEs in Tahu Tinalan Village was influenced by independent variables, namely marketing techniques and business management methods. Meanwhile, the remaining 1.1% is influenced by other variables not examined in this research.

T Test Results

The T test is basically used to find out how much influence each independent variable (X) has on the dependent variable (Y). The T test is carried out by comparing the calculated t value with the t table with a significance level of 5%. If the calculated t value > t table then H0 is rejected and Ha is accepted, meaning there is a significant influence between each independent variable and the dependent variable. If the calculated t value < t table then H0 is accepted and Ha is rejected, meaning there is no significant influence between each independent and dependent variable.

Table 2 T Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	12,555	,602		21,009	,000
	X1	,149	,048	,599	2,889	,021
	X2	,309	,041	1,301	8,799	,001

a. Dependent Variable: Y (Pendapatan)

1) Influence of marketing technique variables (X1) on increasing income (Y)

From the results of the partial t test analysis, the sig value of the marketing technique variable (X1) is 0.021 < 0.05 and the calculated t value is 2.889 > t table 1.812, so it can be concluded that partially H0 is rejected and Ha is accepted, which means there is a significant influence between marketing techniques to increase income.

2) The influence of the business management variable (X2) on increasing income (Y)

From the results of the partial t test analysis, the sig value of the business management variable (X2) is 0.001 < 0.05 and the calculated t value is 8.799 > t table 1.812, so it can be concluded that partially H0 is rejected and Ha is accepted, which means there is a significant influence between how to manage a business and increasing income.

F Test

The F test is used to show whether all the independent variables in this regression have a joint influence on the dependent variable.

Table 2. 3 F Test Results

ANOVAᵃ

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3,701	3	1,322	61,454	,000ᵇ
	Residual	,129	7	,018		
	Total	3,699	10			

a. Dependent Variable: Y

b. Predictors: (Constant), X1, X2

Based on the table above, it is known that the significant value for marketing techniques (X1) and business management methods (X2) together at the income level (Y) is 0.000. It is also known that the calculated f is 61,454 and the f table value is 3.708, so the calculated f is 61,454> f table 3.708 with a significance value of 0.000 < 0.05, so H0 is rejected and Ha is accepted. It can be concluded that X1 and X2 together have a positive effect on income levels.

The results of this research are based on filling out a questionnaire by 11 respondents which was carried out with the help of the SPSS 25 program. It can be seen that marketing techniques and business management methods have a significant influence, both partially and simultaneously, on increasing MSME income in Kampung Tahu, Tinalan District, Kediri City.

Effect of Marketing Techniques on Income Levels

The results of this research show that the marketing technique variable is declared significant with a significance value greater than 0.05 for the level of income as indicated by a coefficient value of 0.149 and the hypothesis in this research is accepted because the statistical results of the t test show that the t count is 2,889and the t table is 1.812 which is means t count is greater than t table. This shows that there is a significant influence between marketing techniques on the income level of MSMEs in Kampung Tahu, Tinalan District, Kediri City.

The results of this research are in accordance with research conducted by Evi Rosalina Widyayanti and Insiatiningsih (2021) which shows that marketing techniques have a positive and significant influence on the income level of MSMEs. This is supported by the theory of Morissan (2010) which states that good marketing techniques must pay attention to factors such as price, place, promotion and product quality. Research conducted on MSMEs in Kampung Tahu, Tinalan Subdistrict, Kediri City shows that by fulfilling the factors in marketing

techniques, it has been proven to be able to increase the income obtained from the business that has been run.

Influence of Business Management Methods on Income Levels

The results of this research show that the business management method variable is declared significant with a significant value of greater than 0.05 on the level of income as indicated by a coefficient value of 0.309 and the hypothesis in this research is accepted because the statistical results of the t test show that the t count is 8,799 and the t table is 1.812 which is means t count is greater than t table. This shows that there is a significant influence between the way business is managed on the income level of MSMEs in Kampung Tahu, Tinalan Subdistrict, Kediri City.

The results of this research are in accordance with previous research conducted by Novalien Carolina Lewaherilla, Victor Ernest Huwae, Agusthina Risambessy (2021), which stated that good business management means having knowledge and internal motivation as well as planning carried out before running a business. This is supported by Syamsi's (2018) theory which states that a good way to manage a business is to fulfill the criteria, namely planning, organizing, mobilizing and controlling or evaluating. With this research, it has been shown that the factors of business management have been fulfilled as a positive influence in increasing income.

Influence of Marketing Techniques and Business Management Methods on Income Levels

From the results of the F test, the calculated f is 61,454, where the calculated f value is greater than the f table, namely 3.708 (61,454 > 3.708). This shows that jointly or simultaneously business capital assistance, marketing techniques and business management methods have a positive and significant influence on increasing MSME income in Kampung Tahu, Tinalan District, Kediri City.

The results of this research are in accordance with previous research conducted by Elys Sastika Tambunan (2020) which shows that the variables of business capital assistance, marketing techniques and business management methods simultaneously influence income levels.

Conclusion

Based on the results of the research that has been carried out, the researchers concluded that the influence of marketing techniques and business management methods in Kampung Tahu, Tinalan District, Kediri City is as follows:

1. Based on partial testing (t test), the research results prove that the marketing technique variable (X1) has a significant influence on the dependent variable, namely income level (Y).
2. Based on partial testing (t test), the research results prove that the business management variable (X2) has a significant influence on the dependent variable, namely income level (Y).

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The influence of Product Quality, Product Innovation and Electronic Word of Mouth on Repurchase Intention is mediated by Customer Satisfaction in the Marketplace(Case study of Indomaret Semarang branch employees)

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Article Information		Abstract

Research aim : This research was conducted to test the influence of product quality, product innovation and electronic word of mouth on repurchase interest mediated by customer satisfaction in the marketplace.

Design/Methode/Approach : Approach in this case the research uses quatitative with primary data types and data collection using literature studies and data obtained from distributing Googleform questionnaires. The population in I was employees of the semarang branch of Indomaret, totaling 2.792 people. In this study, it was calculated using the slovin formula to obtain a score of 350 employees. The technique used is a probability sampling technique with a simple random sampling method and the criteria are employees of semarang branch of Indomaret who are marketplace uses. The data analysis technique in this research uses (SEM) structural equation modeling or SmartPLS.

Research Finding : Based on research that has been conducted, it was found that product quality has no effect on repurchase interest, product innovation, electronic word of mouth and customer satisfaction have a positive and significant effect on repurchase interest, product quality has no effect on customer satisfaction, product innovation and electronic word of mouth have a positive and significant effect on customer satisfaction, product quality and product innovation heve no effect on repurchase interest which is mediated by customer satisfaction, electronic word of mouth has a positive effect on repurchase interest which is mediated by customer satisfaction.

Research limitation : Limitations in time and energy so that this research not maximal.This research is far from perfect, so further researchwill be carried out hopefully better than before.

Keywords : Product Quality, Product Innovation, Electtronic word of mouth, Repurchase interest, Customer Satisfaction.

Introduction

The development of communication technology and the internet is vary rapid in this global era, cultural changes encourage community activities, especially in the economi. Activities in online business are increasingly global, processes are carried out using the internet. Using the internet can access various information and needs via cellphone. The online business that is currently developing in Indonesia is online buying dan selling site. Recently, the use of online buying and selling has become increasingly popular and people are more interested. With the increasing use of the internet to carry out online business activities, the term marketplace has emerged, where there are various online shops. Marketplace itself is a third party platform that connects sellers and buyers. The marketplace that people currently use, such as : Lazada, Shopee, Tokopedia, etc. are portable internet applications makes it easier for consumers to find, sell and buy directly using mobile phones.

Competition makes sellers on various marketplace platforms compete too offer quality and affordable products, for example in thebeauty category, namely skincare products. The diversity of beauty products today encourages consumers to identify interest before making a purchasing decision. The lates skincare product developments have their own fans choosing which brand to buy on their preferend marketplace platform. In Indonesia, various skincare brands are stratung to develop rapidly, based on compass.co.id, 2022 skincare sales for the September period from two large companies, namely Shopee and Tokopedia, there are five best-selling brands from online sales, one of the five best-selling local skincare brand is brand Somethinc. Brand somethinc is in the top position with total sales 64.800 products. These sales illustrate that competition is tight in the Indonesia beauty and care industry.

Repurchase interest is a consumer's desire and behavior that arises as a response to a product to make a repeat purchase (Kotler & Keller, 2009). Consumer's repurchase interest is a feeling of statisfaction with the product they have purchased in term of price and product quality. Product quality is one of the main promotional tools for marketers and has the ability of a product to demonstrate its function and overall durability, reliability, accuracy, ease of operation, product attributes and other product repairs according to (Kotler et al., 2008). The influence of product innovaytion very important in a purchasing decision. Tight competition is characterized by the emergence of new companies and technological advances that are increasingly becoming business competitors. The key to minning competition is through ne innovation. The factor of statements, review or comments made online, which is called electronic word of mouth, is a dynamic and continuous process of exchanging information throught online media that involves consumers who have tried a product, brand and company (B. D. Prasetyo et al., 2018). The assessment of feelings of consumers after using a product with their hopes and needs met according to (Daryanto & Setyabudi, 2014).

Previous research was conducted (Resa, 2021) entitled the influence of product quality and service quality on purchase interest in scarlett product on E-Commerce Shopee states tahat product quality has a significant influence in repurchase intention. Research entitled the influence of product quality, price, design and brand image on interest in repurchasing adidas shoe product states that product quality simultaneously has a significant effect on repurchase interents in adidas shoe product. Previous research entitled the influence of price and product quality on repurchase interents with customers satisfaction as amediating variable (Saga et al., 2019) stated that customer satisfaction can mediated product quality on repurchase intention.

1.1. Statement of Problem

Differences in the results of previous research, based on the background that has been described, the problem analyzed is the influence of product quality, product innovation and electronic word of mouth on repurchase interest which is mediated by customer satisfaction.

1.2. Research Objectives

The purpose of this research is to determine the significant influence between product quality, product innovation and electronic word of mouth on purchasing interest which is mediated by customer satisfaction.

2. Method

This research uses quantitative research with primary data, data that comes from respondents answers regarding the description of variabels through distributing questionnaires to opinion respondents' (Sugiyono, 2018). The distribution of primary data questionnaires was obtained from respondents, namely employees of the Semarang branch of indomaret with population of 2.792 people. The sampling approach uses a probability sampling technique, namely a simple random sample method, in which sampling provides equal opportunities for the entire population to become a sample. The samples taken from this research used the slovin formula calculation which obtained a sample of 350 people. Distribution of questionnaires to obtain information and respondents' answers was distributed using googleform which is in the form of an internet-based form. The data analysis used in this research is structural equation modelinf (SEM) or partial least squares (PLS) also called SmartPLS. This analysis has two sub models, namely the outer model (test validity and reliability) and the inner model (Rsquare and path coefficients). The following

is a picture of the empirical research model :
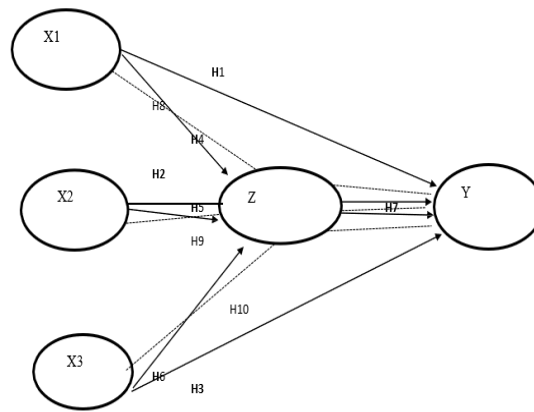
3. Results and Discussion /Hasil dan Pembahasan

Hypothesis testing results

Hypothesis	Research hypothesis	P values	T statistic	Significance	Information
H1	Product quality on repurchase interest	0.829	0.216	0.05	Rejected
H2	Product Innovation on Repurchase Intention	0.004	2,910	0.05	Accepted
H3	*Electronic word of mouth*(EWOM) on Repurchase Intention	0,000	6,717	0.05	Accepted
H4	Product Quality on Customer Satisfaction	0.324	0.986	0.05	Rejected
H5	Product Innovation on Customer Satisfaction	0.100	1,647	0.05	Rejected
H6	*Electronic word of mouth*Towards Customer Satisfaction	0,000	23,649	0.05	Accepted
H7	Customer Satisfaction on Repurchase Intention	0,000	6.126	0.05	Accepted
H8	Product Quality on Repurchase Interest Through Customer Satisfaction	0.322	0.991	0.05	Rejected

H9	Product Innovation Against Repurchase Interest Through Customer Satisfaction	0.124	1,540	0.05	Rejected
H10	*Electronic word of mouth* Against Repurchase Interest Through Customer Satisfaction	0,000	6,063	0.05	Accepted

The Influence of Product Quality on Repurchase Intention

Based on the research results, the relationship between product quality and repurchase intention has no significant effect, which shows a T statistic value (0.216) and a P value of 0.829 > 0.05. These results show that product quality does not have a significant effect, because whether or not the quality of some products is good does not affect repurchase interest. Quality at medium to high prices makes consumers reluctant to repeat purchases because some consumers feel that the quality is expensive. Factors that influence respondents' indicators are suitability for skin type and packaging. The results are in line with research conducted by(Andhini, 2017)entitled the influence of Price, design and product quality on consumer buying interest in original All-Star shoes, stating that product quality does not influence repeat buying interest.

The Influence of Product Innovation on Repurchase Intention

Tests in this research show that the relationship between Product Innovation and Repurchase Intention has a positive and significant effect with the results of the T statistic value (2.910) and P value 0.004 < 0.05. This shows that somethinc products have innovated products from time to time, creating new variants for various skin types, attractive and unique packaging, becoming a local brand that is loved by young people. Product innovation in creating new products and product development is also a strategy for the Company. Consumers feel interested if some products have new variants, such as new products with new ingredients, purchasing new products and getting prizes. The results of this research are in line with those carried out by(Aditi, 2017) entitled analysis of the influence of Product Innovation, price and halal certification on Repurchase Interest through Consumer Satisfaction of MSMEs in the city of Medan, stated that in his research product innovation affected repurchase intention. Research was also carried out by(Ahcmady & Wardhani, 2022)entitled brand image, product innovation on repurchase interest in ice cream in Sidoarjo, states that product innovation influences repurchase interest. Research also carried out by(Yuda Sedana Putra, 2021)entitled the influence of

innovation and product quality on consumers' Repurchase Interest, Breadtalk Lombok Epicentrum Mall, stated in their research that product innovation influences repurchase interest.

The Influence of Electronic Word of Mouth on Repurchase Intention

Based on the results of research on the relationship between eWOM and repurchase interest, it has a positive and significant effect, which shows the statistical T value (6.717) and P value 0.000 <0.05. From the results of this research, eWOM is very influential in repurchasing on the marketplace, many people know that in making purchases via marketplace. To find out whether somethinc products are good or not, look at the reviews submitted on the marketplace. The results of this research are in line with research conducted by(Putu Novi Sri Ariani et al., 2023)entitled the influence of experiential marketing, electronic service quality, electronic word of mouth on repurchase interest among Lazada users in Bandung district, states that eWOM research has an influence on repurchase intention. Research also conducted by(A. Prasetyo & Suryamugraha, 2023)The influence of electronic word of mouth and brand awareness on repurchase interest at KL Coffee Bandar Lampung, states that EWOM influences repurchase interest. Research was also carried out by(Afriani et al., 2022)entitled electronic word of mouth, celebrity endorsement and customer trust in repurchase interest on the Shopee online site with customer satisfaction as an intervening variable for Shopee application users, stated in research that EWOM influences repurchase interest.

The Influence of Product Quality on Customer Satisfaction

Based on the research results, the relationship between product quality and customer satisfaction does not have a significant effect with the results of the T statistic value (0.986) and P value 0.324 > 0.05. This research states that product quality is not only good ingredients but suitability for skin type, texture, durability and consumer expectations in choosing somethinc products because a sense of satisfaction will arise when the product suits consumers and they choose to repurchase somethinc products. The results of this research are in line with those carried out by(Izzuddin & Muhsin, 2020)entitled the influence of product quality, service quality and location on consumer satisfaction, states that product quality has no effect on customer satisfaction. On the other hand, in research conducted by(Haryanto et al., 2022)entitled the influence of product and service quality on repurchase intention through customer satisfaction as an intervening variable at the F3 Situbondo store, states that product quality influences customer

satisfaction. Research was also carried out by(Mariansyah & Syarif, 2020)entitled the influence of product quality, service quality and price on consumer satisfaction at Kabalu Café, stated in his research that product quality did not have a positive and significant effect on customer satisfaction.

The Effect of Product Innovation on Customer Satisfaction

The research results showing the relationship between product innovation and customer satisfaction do not have a significant effect with the T statistic value (1.647) and P value 0.100 > 0.05. This shows that the product innovation carried out by somethinc can make customers feel satisfied and try new variants, as well as innovations in purchases that include prizes. So customer satisfaction is an important thing given to customers. The results of this research are in line with those carried out by(Aditi, 2017)entitled analysis of the influence of Product Innovation, price and halal certification on repurchase intention through consumer satisfaction of MSMEs in the city of Medan, stated that in his research product innovation affected customer satisfaction. Research was also carried out by(Sukarmen et al., 2013)entitled Analysis of the influence of product innovation on customer satisfaction with Competitive Advantage as an intervening variable in the eleven granulated sugar products (Gulpas) of the reckless sugar factory PTP Nusantara XI (Persero), states that product innovation has an effect on customer satisfaction. Research conducted by(Fadhli et al., 2021)entitled the influence of service and product innovation on customer satisfaction CV. Afco group Jombang stated that product innovation influences customer satisfaction.

The Effect of Electronic Word of Mouth on Customer Satisfaction

The research results show that the relationship between ewom and customer fit has a positive and significant effect with a T statistic value (23.649) and a P value of 0.000 < 0.05. This eWOM can influence customer satisfaction, the more often and more positively consumers use social media, the higher the level of customer satisfaction. The results of research are in line with those carried out by(Azzahra & Nainggolan, 2022)entitled the influence of social media, EWOM, brand image, service quality on customer satisfaction at R Hotel Rancamaya, states that EWOM has an influence on customer satisfaction. Research was also carried out by(Elvira, 2022)entitled the influence of electronic word of mouth, price perception, and service quality on customer satisfaction, virtual office users at Tripleso Central Jakarta, stated that EWOM has an influence on customer satisfaction. Research was also carried out by(Khofifah et al., 2023)entitled the influence of electronic word of mouth on consumer satisfaction of cosmetic products among STIKP PGRI Jombang students, states that eWOM has an influence on consumer satisfaction.

The Influence of Customer Satisfaction on Repurchase Intention

Based on research, it shows that the relationship between customer satisfaction and

interest in repurchasing certain products has a positive and significant effect with a T statistic value (6.126) and a P value of 0.000 < 0.05. This states that satisfaction has an influence on repurchase interest, if the product purchased matches what they want, consumers will make continuous purchases. This research is in line with the results of research conducted by(Kusumadewi & Saraswati, 2020)entitled customer satisfaction towards repurchase interest at the Scarlett official store on Shopee and Tokopedia, which states that customer satisfaction influences repurchase interest. Research was also carried out by(Haryanto et al., 2022)entitled The influence of product and service quality on repurchase interest through customer satisfaction as an intervening variable at the F3 Situbondo store, states that customer satisfaction influences repurchase interest. Research was also carried out by(Suryawan et al., 2020)entitled the role of customer satisfaction mediating the influence of product quality on repurchase interest at the Bali Jayanti jegeg in Bandung district, states that customer satisfaction influences repurchase interest.

The Influence of Product Quality on Repurchase Intention Through Customer Satisfaction

Based on the research results, it shows that the relationship between product quality and repurchase intention through customer satisfaction does not have a significant effect with the T statistic value (0.991) and the P value 0.322 > 0.05. This states that product quality has no effect on repurchase intention mediated by customer satisfaction, stating that the quality provided in some aspects of satisfaction does not match the purchase, reward expectations are also inappropriate and cause consumers to be dissatisfied with repurchases. This research was carried out by(Haryanto et al., 2022)entitled the influence of product and service quality on repurchase interest through customer satisfaction as an intervening variable at the F3 Situbondo store, states that product quality does not influence repurchase interest through customer satisfaction. On the other hand, in research conducted by(Suryawan et al., 2020)entitled the role of customer satisfaction mediating the influence of product quality on repurchase interest at the Bali Jayanti jegeg in Bandung district, states that customer satisfaction mediates product quality on repurchase intention. Research was also carried out by(Saga et al., 2019)entitled the influence of price and product quality on repurchase interest with customer satisfaction as a mediating variable, states that customer satisfaction mediates the influence of product quality on repurchase intention.

The Influence of Product Innovation on Repurchase Intention Through Customer Satisfaction

Based on the research results, it shows the relationship between product innovation and repurchase interest through customer satisfaction with the results of the T statistic value (1.540) and the P value 0.124 > 0.05 having no significant effect. This states that innovation does not have a level of satisfaction and results in a decrease in repeat purchases. While some product variations do not have an impact on the rise and fall of repurchase interest. Research conducted by(Aditi, 2017)entitled analysis of the Influence of product innovation, price and halal certification on repurchase interest through consumer satisfaction of MSMEs in the city of Medan, stated that in his research product innovation affected repurchase interest mediated by customer satisfaction. Research was also carried out by(Firmansyah, 2021)entitled the influence of product quality, product innovation, price on repurchase interest in e-commerce at Tokopedia Surakarta through customer satisfaction as an intervening variable, states that customer satisfaction mediates the influence of product innovation on repurchase intention. And also research(Widyanita & Rahanatha, 2022)The role of customer satisfaction in mediating the influence of product innovation on intention to repurchase Lanakila brand clothing products in Bali, states that customer satisfaction can mediate the influence of product innovation on intention to repurchase.

The Influence of Electronic Word of Mouth on Repurchase Intention Through Customer Satisfaction

Based on the research results, it shows the relationship between eWOM and repurchase interest through customer satisfaction with the T statistic value (6.063) and P value 0.000 < 0.05, which has a positive and significant influence. This states that EWOM has an influence in making innovations to provide positive reviews and have a good effect on potential buyers. The impact of reviews on social media has a good influence on repeat purchases and satisfaction. This research was carried out by(Sugiyanto & Maryanto, 2021)entitled The Influence of Product Quality, Brand Image and Word of Mouth on Repurchase Intention Through Consumer Satisfaction among Esa Unggul Students who use iPhones, states that customer satisfaction mediates the influence of eWOM on repurchase intention. Research was also carried out by(Apritama & Ihwan Susila, 2020)entitled Analysis of the Influence of Brand Image, Customer Service, and ewom on Repurchase Intention with Customer Satisfaction as a Mediating Variable, states that customer satisfaction can mediate the influence of ewom on repurchase intention. Research was also carried out by(Mufashih et al., 2022)with the research title The Influence of Product Quality, Electronic Word of Mouth and Brand Image on Repurchase Intention in Coffee To Go Shops with Customer Satisfaction as an Intervening Variable, stated in the research that there is a positive influence between e-dom on repurchase intention through customer satisfaction.

CONCLUSION

Based on the results of the tests that have been carried out, it can be concluded that: Product quality does not have a positive effect on interest in repurchasing some products. Product

innovation, electronic word of mouth and customer satisfaction have a positive and significant effect on interest in repurchasing some products. Product quality and product innovation do not have a positive effect on customer satisfaction [there are some products. Electronic word of mouth has a positive and significant influence on customer satisfaction with some products. Product quality and product innovation do not have a positive effect on repurchase interest through customer satisfaction with some products. Electronic word of mouth has a positive and significant effect on repurchase intention through customer satisfaction with certain products. It is hoped that further research can develop other variables such as providing incentives such as giving special discounts and can provide additional encouragement for consumers to make purchases. Adding new, unexplored variables and expanding the scope of the study can draw out hypotheses.

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The Effect of Live Streaming, Cashback and Online Customer Review on Purchasing Decisions on the Shopee Application (Case study of students of Pondok Pesantren Al-Ma'ruf Kedunglo Kediri)

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Abstract

Research aim : This research was conducted to determine and analyse the effect of live streaming, cashback and online customer reviews on purchasing decisions partially or simultaneously.

Design/Methode/Approach : This research uses a quantitative research approach with causality techniques with multiple linear regression analysis data analysis techniques..

Research Finding : on the subject of santri Pesantren Al-Ma'ruf kedunglo kediri shows that online customer reviews are an important consideration in making online purchases rather than live streaming and cashback.

Theoretical contribution/Originality : the results of this study indicate that live streaming and cashback have no effect on purchasing decisions in contrast to the results of research that has been conducted previously by other researchers. In addition, the results showed other factors that caused the research results to be different because the research subject used Al-Ma'ruf Kedunglo Kediri santri, whose daily lives are of course different from the general public.

Practitionel/Policy implication : This research can be utilised by sellers to attract interest in buying money products on the shopee application. This is supported by a large enough opportunity that can be utilised considering that the number of santri in Indonesia reaches 3.4 million based on statistical data from the Ministry of Religion of the Republic of Indonesia dated 5 April 2022.

Research limitation : This research, of course, still has many shortcomings, one of which is the cooperation between researchers and research subjects..

Keywords : live streaming, cashback, online customer review

1. Introduction

Online shopping is one of the activities of utilizing technology that cannot be separated in people's lives. Many marketplaces have sprung up which are a substitute for markets, shops and even supermarkets to carry out shopping activities. Online shopping is considered more effective and efficient because it can be done anytime and anywhere so that people from various circles can access the store more easily. One of the groups of people who often make online purchases is santri who are studying religious knowledge at boarding schools,

where it is known that these santri spend most of their time studying religious knowledge. Various activities including shopping activities are difficult to do due to time constraints and fairly strict regulations. Al-ma'ruf Kedunglo Kediri boarding school is one of the boarding schools that has strict regulations on access in and out of the boarding school and a fairly busy schedule of activities. This makes santri certainly do not have the freedom to do activities outside the cottage including shopping for needs. In addition, Al-Ma'ruf Kedunglo Kediri boarding school is one of the boarding schools that allows its students to use electronic media such as cellphones or laptops so as to strengthen the reasons for santri of Al-ma'ruf Kedunglo Kediri boarding school to use marketplaces that have mushroomed in Indonesia to shop for various needs..

One of the online shopping applications that is often used by santri is shopee, which has been famous since 2016. Shopee is the most frequently used e-commerce compared to other e-commerce. This e-commerce is under the auspices of SEA Group, an internet company in Southeast Asia known as the parent company of SeaMoney and Garena. Shopee is a place where merchants or usually called sellers and buyers meet without having to do face to face. Shopee also offers security in transactions in order to increase user confidence from both the seller and buyer sides. In addition, shopee also offers various features that can be utilized to avoid various unwanted things. Even though shopee is an e-commerce that is widely used by Indonesians, it does not guarantee 100% security in preventing losses that can be caused due to shopee's imperfections as a meeting place for two interested parties. This imperfection is caused by several individuals who utilize shopee to be a place of fraud that can harm various parties for personal gain. Although shopping online is considered more practical, the risk of fraud cannot be avoided perfectly.

Shopee's imperfection in ensuring security in online shopping makes the santri of Pondok Pesantren Al-ma'ruf Kedunglo Kediri often experience fraudulent incidents that harm the santri. Fraud that often occurs is goods that do not match what is ordered, ranging from different sizes to even types of goods that do not match. The losses of the santri vary from those that are felt to those that are not felt. For this reason, the santri of Pondok Pesantren Al-ma'ruf Kedunglo Kediri are required to be more careful in conducting shopee transactions so that it is necessary to ensure security by improving and updating features that can help prevent fraud cases.

To reduce the risk of fraud, Shopee has developed various features to make it easier for Shopee users to distinguish between honest and dishonest sellers. These features include live streaming, online customer review and online customer rating. Live streaming is a live broadcast that is shown to many people at the same time as the original event (1). The live streaming feature on shopee allows sellers to create live streaming sessions to promote stores and products directly to buyers while attracting enthusiasts so that more buyers visit their stores so that live streaming becomes one of the attractors of product purchase interest that sellers can use to increase sales. In research conducted by (2) proves that live streaming has a significant influence on purchasing decisions, however, it is different from the research conducted by (1) stated that live streaming does not have a significant influence on purchasing decisions. Online customer review is a feature where buyers freely write opinions or reviews about the products or services they receive (3). One of the considerations for purchasing decisions by buyers on shopee is when buyers read reviews that have been left by

previous buyers to ensure the products they will buy. In the research researched by (4) *Online customer reviews* have a significant effect on purchasing decisions.

These features are often used as a benchmark for choosing a store or item to be purchased based on reviews and ratings left by previous buyers. Most santri utilize these features in making purchasing decisions to avoid the risk of fraud that often occurs in online purchases. Purchasing decisions are one of the stages in the purchasing decision process before post-purchase behavior. Purchasing decisions are influenced by 2 factors, namely internal factors such as emerging motivations, perceptions, learning, beliefs and attitudes while external factors include culture, social class and membership in a group (5).

. The santri of Pondok Pesantren Al-ma'ruf Kedunglo Kediri mostly purchase a product besides being influenced by the features in shopee to reduce the risk of fraud is also caused by external factors, namely social class, economic conditions. Santris often purchase products that have a lower price, there is a price cut promo or cashback that can reduce the burden on the santri's expenses. This is due to the economic situation of the santri who can be said to have a frugal mindset in the pesantren. Although not all santri come from the lower middle class, most santri have quite limited money. Most of the boarding school life has been covered from food costs to housing costs so that the parents of the santri usually only give enough pocket money because they think that the daily life of the santri is guaranteed and there are limitations on entry and exit which makes it difficult for students to make transactions that are not really needed. Therefore, purchasing decisions are also influenced by promotions carried out by shops or sellers such as discounts and cashback that can benefit santri. Cashback is a benefit that can be obtained when the customer has finished making purchases at the store and gets benefits in accordance with the T&Cs that apply. In research conducted by (6) states that cashabck has a significant influence on purchasing decisions.

For this reason, researchers want to conduct research related to the influence of Live Streaming, Cashback and Online Customer reviews on purchasing decisions (Case study of santri Pesantren Al-Ma'ruf Kedunglo Kediri).

1.1. Problem Identification

Based on the introduction described above, there are problems that can be identified as follows:

a. Frequent cases of fraud experienced by santri in online shopping which requires santri to be more careful.
b. The santri who utilize shopee features such as live streaming and online customer reviews before deciding to buy a product at shopee.
c. The financial situation of the santri is usually very limited so it is not uncommon for santri to take advantage of various promotions offered by sellers such as cashback.

From the various problems above, this can be utilized by sellers in attracting buying interest to buy products sold on the shopee application. This can be a considerable opportunity considering that the number of santri in Indonesia reached 3.4 million based on statistical data from the Ministry of Religion of the Republic of Indonesia as of April 5, 2022. For this reason, researchers want to examine the influence of live streaming, cashback, and online customer reviews on purchasing decisions.

1.2. Research Objectives

Based on the problem identification above, this research was conducted with the following objectives:

a. To determine and analyze the effect of live streaming on purchasing decisions at shopee
b. To determine and analyze the effect of cashback on purchasing decisions at shopee
c. To determine and analyze the effect of online customer reviews on purchasing decisions at shopee
d. To determine and analyze the effect of live streaming, cashback and online customer reviews on purchasing decisions at Shopee.

2. Metode

This study applies the concept of a quantitative causal approach, where this study analyzes the causal relationship between independent variables such as live streaming, cashback and online customer reviews with the dependent variable, namely the decision to purchase a product. In this study, the subjects were santri of the Al-Ma'ruf Kedunglo Islamic boarding school in Kediri. The total research population is 200 santri. Determination of the number of samples using the slovin formula with the following calculations:

$$N = \frac{n}{1 + n(e)^2}$$

$$N = \frac{200}{1 + 200(0,1)^2} = 66,66$$

The sample used was 66 samples. Purposive sampling was used for sampling techniques. The criteria used are as follows:

a. Ever used the shopee app
b. At least 20 years old

In this study, validity and reliability testing were used as instrument development. A Likert scale questionnaire was used as a data collection instrument, with scale 1 meaning 'strongly disagree', scale 2 'disagree', scale 3 'neutral', scale 4 'agree' and scale 5 'strongly agree'. The questionnaire was based on the indicators of each variable as follows:

1. Indicators of purchasing decisions according to (7)
   a. Product Selection
   b. Brand Selection
   c. Seller Selection
   d. Purchase Quantity
   e. Purchase time
   f. Payment method
2. Live streaming indicators according to (8)
   a. Interaction

  b. Real-time

  c. Promotion tools

3. Cashback indicators according to (9)

  a. Amount of refund

  b. Appropriateness of promise

  c. Refund speed

4. Online customer review according to (7)

  a. Perceived benefits

  b. Source credibility

  c. Quality of argument

  d. Valensi

  e. Volume of view

Data analysis in this study used regression analysis, namely multiple linear regression.

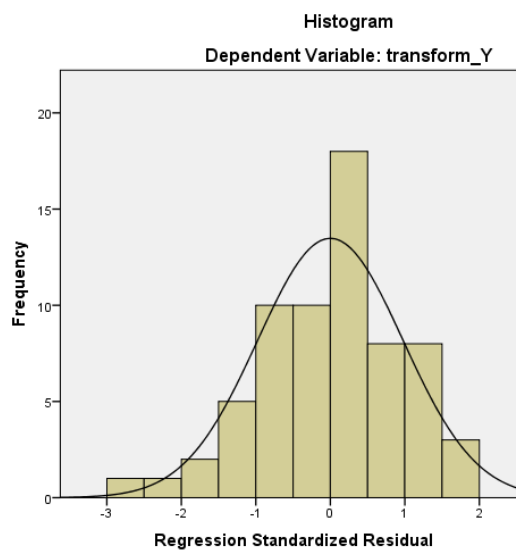## 3. Results and Discussion
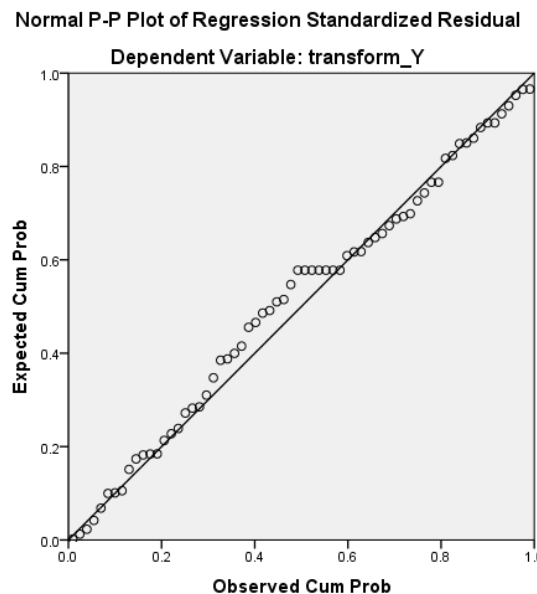### Classical Assumption Test
a. Normality Test

Image 1
Histogram

Image 2
Normal P Plot

If the histogram is bell-shaped, the data will be said to be normally distributed. If the data is in the form of a curve that tends to balance the Y axis, the data is not normally distributed. However, judging from the histogram and normal P-Plot, it can be seen that there are indications that the data is not normally distributed so that to further confirm whether the research data is normal or not, the Kalmogrov-Smirnov statistical test is carried out with a siginfication of 0.05.

Table 1. Kolmogrov Smirnov Before Data Transformation

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		66
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.65590332
Most Extreme Differences	Absolute	.110
	Positive	.031
	Negative	-.110
Test Statistic		.110
Asymp. Sig. (2-tailed)		.046[c]

Source: SPSS Output Results 2023

The normality test using this statistical analysis shows that the residual data managed is an abnormal distribution because in the sig table. 2-tailed is smaller than

0.05, to imenormalise the managed data it is necessary to transform the data using root transformation (Square Root).

Table 2 Kolmogrov Smirnov after data transformation

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		66
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.28849880
Most Extreme Differences	Absolute	.095
	Positive	.039
	Negative	-.095
Test Statistic		.095
Asymp. Sig. (2-tailed)		.200[c,d]

Source: SPSS Output Results 2023

b. **Multicolonierity Test**

Multicolonierity is the occurrence of a perfect or close linear relationship between independent variables in the regression model (10). A regression model is said to have multicoloniериty symptoms when there is a perfect linear function in some or even all of the independent variables in the variable function. The purpose of the multicolonierity test is to determine whether the independent variables studied have the same elements or not.

Table 3 Multicollinearity Test Results

Coefficients[a]					
				Collinearity Statistics	
	Model	t	Sig.	Tolerance	VIF
1	(Constant)	1.006	.318		
	Live streaming	1.908	.061	.281	3.558
	Cashback	1.336	.187	.252	3.971
	Online Customer Review	5.540	.000	.344	2.911

Sumber: Hasil Output SPSS 2023

Based on the table above, transform_X1 is variable X1, namely live streaming and followed by other variables. The tolerance value obtained by the independent

variables is X1 of 0.281; X2 of 0.252; and X3 of 0.344, where the three variables above are greater than 0.10. While the VIF value obtained by the independent variables is X1 of 3,558; X2 of 3,971 and X3 of 2,911 which means greater than 10. Based on the tolerence and VIF values above, it can be concluded that there is no multicollinearity in the regression equation model. So it can be concluded that the regression model above does not have the same elements between the independent variables.

c. Heterocedacity Test

Heterocedacity is the occurrence of unequal variance of residuals for all observations in the regression model. There are two ways to test heterocedacity, namely by looking at the scatterplot graph and looking at the predicted value of the dependent variable with the residual error (11).
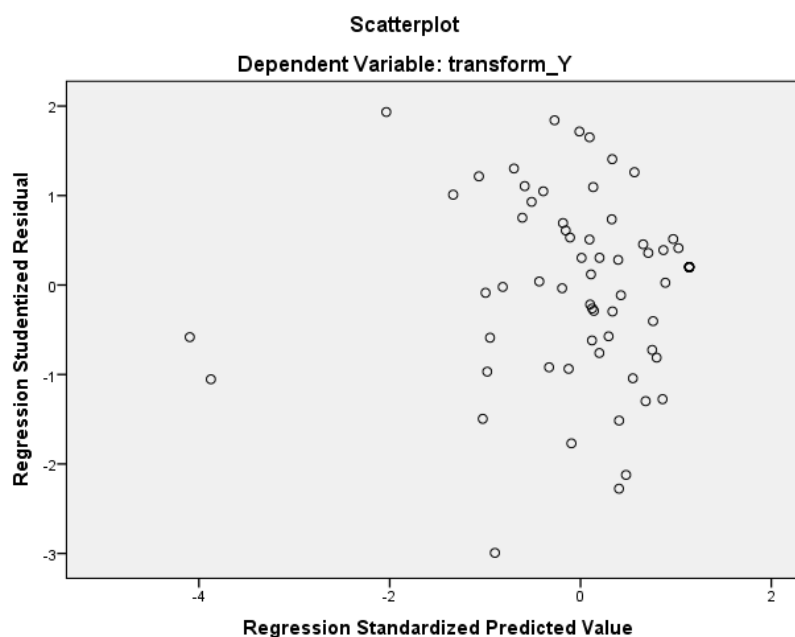
Image 3
Scatterplot

In the picture above is a scatter plot which is the result of transforming data using square root. It can be seen that there is no clear pattern and the pattern of dots scattered above and below zero which means that there is no heterocedacity or it can be interpreted that there is no bias or deviation in the regression model.

Analysis of Multiple Linear Regression

Table 4. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	.312	.310	
	Live Streaming	.217	.114	.216
	Cashback	.155	.116	.159
	Online Customer Review	.614	.111	.566

Source: SPSS Output Results 2023

Based on the table above, the multiple linear regression equation is as follows:

Purchase Decision = 0,312 + 0,217 (X1) + 0,155 (X2) + 0,614 (X3)

The multiple linear regression equation above can explain the effect of the independent variables live streaing (X1), cashback (X2) and online customer review (X3) on purchasing decisions (Y). The constant value of 0.312 means that the independent variable live streaing (X1), cashback (X2) and online customer review (X3) does not change the constant or = 0, then the coefficient of the dependent variable, namely the purchase decision, is 0.312 units. The live streaming regression coefficient value is 0.217, which means that each addition of the live streaming coefficient of 1 unit, assuming other variables do not change (constant), increases by 0.217. The cashback regression coefficient value is 0.155 which means that each additional cashback coefficient of 1 unit, assuming other variables do not change (constant), increases by 0.155. The online customer review regression coefficient value is 0.614 which means that each additional online customer review coefficient of 1 unit, assuming other variables do not change (constant), increases by 0.614.

Coefficient of Determination

Table 5. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882[a]	.777	.767	.29540

Source: SPSS Output Results 2023

Based on the table above, it can be seen that the value of adjested R2 Square is 0.767, which means that 76.7% of purchasing decisions can be explained by the 3 independent

variables in this study, namely live streaming (X1), cashback (X2) and online customer reviews (X3). And the remaining 23.3% is explained by other factors.

Hypothesis Test
Test t

Table 6. test results t

Model		t	Sig.
1	(Constant)	1.006	.318
	Live Streaming	1.908	.061
	Cashback	1.336	.187
	Online Customer Review	5.540	.000

Source: SPSS Output Results 2023

Based on the table above, it shows that the independent variables live streaming (X1) and cashback (X2) have a significant value greater than 0.05, which means that live streaming (X1) and cashback (X2) have no significant effect on purchasing decisions (Y), while the independent variable online customer review (X3) has a significant value smaller than 0.05, which means that online customer review (X3) has a significant effect on purchasing decisions (Y).

Test F

Table 7. test results F

ANOVA\u1d43

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.903	3	6.301	72.209	.000\u1d47
	Residual	5.410	62	.087		
	Total	24.313	65			

Source: SPSS Output Results 2023

Based on the table of F test results above, it shows that the value of live streaming (X1), cashback (X2) and online customer review (X3) has a significance value of less than 0.05, namely 0.000 so that the result of this test is HO rejected and Ha accepted. Thus the independent variables live streaming (X1), cashback (X2) and online customer review (X3) together have an influence on the dependent variable purchasing decisions (Y).

Discussion

The Effect of Live Streaming on Purchasing Decisions

Based on the results of the hypothesis testing discussed earlier, it is evident that live streaming (X1) does not have a significant influence on purchasing decisions (Y) which is indicated by the significant value of the live streaming variable (X1) greater than 0.05 so it can be concluded that the hypothesis of this study is H0 accepted and Ha rejected. The results of this study are not in line with research conducted by (2) which states that live streaming has a significant effect on purchasing decisions but is in line with research conducted by (1) which states that live streaming has a significant effect on purchasing decisions. In this study, live streaming has no effect on purchasing decisions on the shopee application because not many santri use live streaming like the general public to see or confirm the product before deciding to buy. This happens due to the limited time that santri have in using mobile phones, even though the santri of the Al-ma'ruf Kedunglo boarding school in Kediri are one of the boarding schools that allows santri to use electronic devices at certain times, it does not mean that santri are free to use them. With this limited time owned by santri, santri tend to prefer to do everything outside of pesantren activities effectively and efficiently. While live streaming is done directly which of course is done with a long duration. Not to mention that the interaction between sellers and buyers does not occur intensively due to the large number of other viewers who want to interact. So it can be concluded that live streaming is not a consideration for purchasing decisions.

The Effect of Cashback on Purchasing Decisions

Based on the results of the hypothesis testing discussed earlier, it is evident that cashback (X2) has no significant effect on purchasing decisions (Y) which is indicated by the significant value of the cashback variable (X2) greater than 0.05 so that it can be concluded that the hypothesis of this study is H0 accepted and Ha rejected. The results of this study are not in line with research conducted by (6) stated that cashabck has a significant influence on purchasing decisions. Cashback is not an important consideration in making purchasing decisions by santri of Pesantren Al-Ma'ruf Kedunglo kediri because cashback is not of much benefit to the santri. Based on the observations made, the santri are more interested in free shipping or discount promotions to make purchases than cashback. In addition, cashback cannot be cashed or withdrawn in cash if collected after making a purchase. Cashback is mostly in the form of coins that can be collected to be exchanged, but it is not uncommon for cashback to be cashed out if you use a special cashback collection application to withdraw the balance.

The influence of online customer reviews on purchasing decisions

Based on the results of the hypothesis testing discussed earlier, it is proven that online customer review (X3) has a significant influence on purchasing decisions (Y) which is indicated by the significant value of the online customer review variable (X3) which is smaller than 0.05 so that it can be concluded that the hypothesis of this study is H0 rejected

and Ha accepted. This research is in line with research conducted by (4) Online customer reviews have a significant effect on purchasing decisions. Seeing online customer reviews is the most effective and efficient way that buyers, especially the santri of the Al-Ma'ruf Kedunglo Kediri boarding school, can use to consider whether to buy a product or not or assess whether the product can be trusted for the quality offered or vice versa. Based on the results of this study, the first thing that santri do when going to shop online is to look at online customer reviews in shopee to make important considerations and then other factors such as discounts or free shipping offered. For this reason, with this research it can be concluded that even online customer reviews are an important consideration when the santri of the Al-Ma'ruf Kedunglo kediri Islamic boarding school.

The Effect of Live Streaming, Cashback and Online Customer Reviews on Purchasing Decisions

Based on the results of the research above, it shows that the fourth hypothesis is H0 rejected and Ha accepted. This is because the siginfikan value of the independent variables Live Streaming (X1), Cashback (X2) and Online Customer Review (X3) on Purchasing Decisions (Y) is smaller than 0.05 so it can be concluded that Live Streaming (X1), Cashback (X2) and Online Customer Review (X3) have a significant effect together on purchasing decisions (Y), even though Live streaming and cashback have no significant effect.

4. Conclusion

Based on the results of the above research, it shows that of the three independent variables studied, only one has a significant effect on purchasing decisions at the santri of the Al-Ma'ruf Kedunglo Pondok pesanren kediri. Although only one of the three independent variables has a significant effect, simultaneously the three independent variables have a significant effect. For this reason, it can be concluded that of the four hypotheses proposed, only 2 are accepted by the online customer review variable (X3) and simultaneously the three independent variables have an effect on purchasing decisions.

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The Effect Of Financial Literacy And Economic Literacy On The Financial Management Of Youth In Sumberejo Village

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Abstract

Research aim: This study investigates the potential influence of financial and economic literacy on the financial management of adolescents in Sumberejo Village.

Design/Methode/Approach: A quantitative approach is employed, utilizing purposive sampling techniques for the selection of adolescent participants. Data analysis is conducted using t-tests, F-tests, and coefficient of determination testing with the assistance of SPSS software version 23.

Research Finding: After analyzing the data, the study reveals a Fcount of 92,251, suggesting that there is a simultaneous impact of both financial and economic literacy on the financial management of adolescents residing in Sumberejo Village. Moreover, financial literacy and economic literacy account for a contribution of 0.569 and 56.9%, respectively, towards financial management.

Theoretical contribution/Originality: -

Practitioner/Policy implication: -

Research limitation: -

Keywords: Digital Literacy, Financial Literacy, Economic Literacy, Financial Management

Introduction

The 21st century is marked by a significant change, where access to information via the Internet and digital technology is necessary for daily living. Literacy involves not only the capacity to read and write, but also the comprehension and use of information technology. Literacy empowers individuals to adjust to change, continuously learn, and maintain relevance in a constantly evolving environment. In the contemporary era of globalization and economic complexity, possessing financial and economic literacy skills is of utmost importance to individuals.

Financial literacy is a crucial component for functioning in today's globalized world and carrying out economic activities. Financial literacy is the amalgamation of a person's comprehension of financial products and services, as well as the capacity to pursue financial prospects and take risks. This ability assists in making accurate decisions and maintaining robust financial stability [1]. Financial literacy refers to a specific set of skills or knowledge that can be applied, as well as perceived knowledge, sound financial behavior, or even financial experience [2]. Financial literacy encompasses the necessary knowledge, abilities, and behaviors that advance financial management, leading to informed decision-making and overall well-being [3]. Making informed financial decisions in diverse situations can enhance the economic prosperity of individuals and communities while achieving financial inclusion in society. Comprehensive knowledge of personal finance, or financial literacy, aims to facilitate the best use of financial resources to achieve individual financial objectives without hindering

an enjoyable life [4].

Financial literacy is an essential part of living a prosperous and fulfilling life [5]. Financial literacy empowers young people to navigate globalization and adjust to the complexities of modern financial systems and developments [6]. Understanding how to manage money to capitalize on current opportunities and achieve future prosperity is achieved by becoming financially literate [7]. Understanding fundamental financial concepts, such as managing a budget, making investments, and identifying financial risks, constitutes a significant aspect of financial literacy. The significance of financial literacy has escalated due to cyclical transformations in the global financial system, which offer an array of resources to aid individuals in making financial decisions, and the increasing number of financial services that necessitate individuals to possess competence in handling them effectively. The collection of methods and information that facilitate an individual's ability to manage personal finances is known as financial literacy.

In addition to effective financial management skills, financial literacy promotes advantageous financial practices like savings, investments, and timely payments [8]. Individuals who possess a high level of financial literacy have the capability to avoid a variety of financial risks due to their ability to make more intelligent financial decisions, including making wiser investments and managing debt more effectively. Financial literacy is considered a reliable indicator of how individuals will handle their financial affairs, while also minimizing the potential for negative issues such as mistrust [9].

Financial literacy is closely related to economic literacy because both are about managing and understanding financial and economic issues. Financial literacy helps with personal money management, while economic literacy explains how macroeconomic factors can affect a person's financial decisions. Understanding macro- and microeconomic concepts that can influence financial decisions is a component of economic literacy. Individuals need to manage their money wisely and adapt their financial decisions to ever-changing economic conditions in order to live a fulfilling life [10]. A better understanding of how the economy works in society allows individuals to make logical choices and helps prevent bad ones from being made [11]. For individuals or groups, possessing a robust grasp of economics is crucial as it can facilitate making informed financial decisions and foster more rational financial conduct [12]. Improving financial and economic literacy among young people is essential in shaping their perceptions of global economic conditions and how these conditions affect their personal financial decisions.

Such literacy is fundamental to ensuring stable financial conditions in the future [13]. In theory, economic literacy is a tool for achieving financial goals; however, not everyone possesses strong economic literacy skills in reality [14]. A strong comprehension of finance and economics is imperative for effectively managing personal finances and attaining a balance between expenditure and income [15]. These proficiencies are anticipated to promote the expansion of the country's economy and bolster the monetary security of individuals [13].

The wide range of economic activities and the low level of economic literacy present a fundamental problem within the community's social life. To enhance economic literacy, the application of mental models and educational opportunities is critical. Understanding economic issues will inevitably result in a comprehension of dynamic economic issues [16]. Individuals lacking economic literacy tend to be more prone to irrational spending habits [17]. People need to be economically literate to be able to plan and make financial decisions that will help avoid impulse buying [18].

All individuals must confront the task of managing their finances daily. In order to maintain a balance between income and expenses, fulfill basic needs, and avoid debt, effective financial management is crucial [4]. Financial management is one of the financial management activities, including how to get money, spend it, and manage capital and assets in line with financial goals [3]. The field of financial management investigates how social, cognitive, and emotional factors impact financial decision-making [19]. In the field of finance, identifying, acquiring, allocating, and utilizing financial resources are key components. Responsible financial management is one of the central tenets of this discipline [20]. Where this responsibility becomes part of the way to handle money in a way that is deemed more efficient [21].

Financial management refers to the act of managing funds carried out by each individual or group to achieve financial well-being [22]. All measures taken to acquire, distribute, and use funds with effectiveness and efficiency, including financial management [23]. A person who practices good money management and is firm in curbing his or her desires is less likely to waste money on items that are unnecessary or of lesser value [24].

Financial management skills should be introduced to adolescents at an early age to decrease spending, enhance their quality of life, and enable them to make intelligent financial decisions in their daily lives. Adolescents who exhibit rational behavior consider the costs and benefits of their choices along with how they impact the environment and others, allowing them to make wise and sound decisions [25]. Adolescent financial management should be developed early on to prevent wasteful behavior and improve quality of life while enabling wise financial decision-making in daily living.

Initial research observations indicate that teenagers in Sumberejo Village spend money to satisfy wants, rather than just needs, in their pursuit of a glamorous, fun, and self-indulgent lifestyle. Teenagers may struggle with managing their finances due to poor financial management techniques, lack of discipline with money, and the end of parental allowances. Consequently, this may unintentionally worsen their financial situation later in life. Such financial illiteracy can make it difficult for teenagers to effectively understand and manage their finances.

Based on the conditions observed in the field, this study aims to investigate the relationship between financial literacy, economic literacy, and individual capacity to manage personal finances. The study investigates the influence of financial and economic literacy on the ability of youth in Sumberejo Village to manage their finances effectively. The researchers conducted a study entitled "**THE EFFECT OF FINANCIAL LITERACY AND ECONOMIC LITERACY ON THE FINANCIAL MANAGEMENT OF YOUTH IN SUMBEREJO VILLAGE**".

Method

The research was conducted in Sumberejo Village, Ngasem District, Kediri Regency. A quantitative methodology was utilized to quantify and analyze the data employing statistical techniques. Primary data was collected from the original source [26]. The research instrument employed in this study was a questionnaire administered to 143 adolescents in Sumberejo Village who were purposively sampled. The research instrument employed in this study was a questionnaire administered to 143 adolescents in Sumberejo Village who were purposively sampled. The questionnaire used a Likert scale with answer options ranging from strongly disagree to strongly agree, assigning a value range of 1 to 5 [27].

Data processing in research uses the help of SPSS software to analyze the data collected and determine whether the research hypothesis is valid. Data analysis was carried out using the t test, F test, and coefficient of determination test. The T test (partial test) was applied to find out how the partial effect of variable X on variable Y [28]. The F test is utilized to determine the overall level of influence of the independent variable (X) on the dependent variable (Y). Additionally, an analysis was conducted using the coefficient of determination, which represents the percentage of data variability determined through a statistical model. R^2, the ratio of the variability of the modeled value to the variability of the original data value, is used as a measure of the coefficient of determination [29]. The coefficient of determination is fundamentally utilized to quantify the extent of the impact of the independent variable on the dependent variable [30].
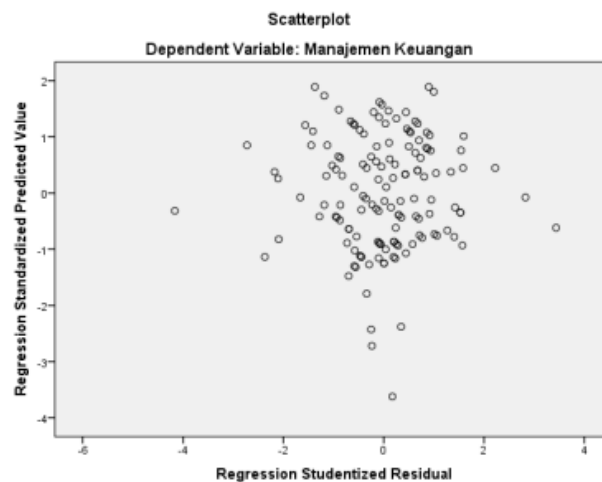
Results and Discussion

Figure 1. Heteroscedasticity Test Scatterplot
Source: Processed SPSS Version 23 Output, 2023

The image above depicting the heteroscedasticity test confirms that the regression model demonstrates no heteroscedasticity, resulting in the points being randomly distributed above and below the number 0 on the Y axis.

Table 1. Results of the t-test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,082	2,917		1,742	,084
	Literasi Keuangan	,406	,065	,415	6,286	,000
	Literasi Ekonomi	,484	,072	,444	6,731	,000

a. Dependent Variable: Manajemen Keuangan
Source: Processed SPSS Version 23 Output, 2023

The coefficients analysis, conducted using SPPS software version 23, yielded the following results:

1. The t-test conducted on the financial literacy variable returned a result of 6.286, which is greater than the threshold of 1.977. This implies the rejection of H0 and the acceptance of H1, thus indicating that financial literacy impacts financial management.
2. The t-test for the financial literacy variable yielded a result of 6.731 > 1.977. This result led to the rejection of H0 and the acceptance of H2, indicating that economic literacy has an influence on financial management.

Table 2. F Test Results
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1823,709	2	911,855	92,251	,000[b]
	Residual	1383,829	140	9,884		
	Total	3207,538	142			

a. Dependent Variable: Manajemen Keuangan
b. Predictors: (Constant), Literasi Ekonomi, Literasi Keuangan
Source: Processed SPSS Version 23 Output, 2023

The data analysis using ANOVA, presented in the table above, indicates that financial literacy and economic literacy have a simultaneous influence on financial management, with an Fcount of 92.251 as the measure of significance for the independent variable.

Table 3. Determination Coefficient Results
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,754[a]	,569	,562	3,144	1,891

a. Predictors: (Constant), Literasi Ekonomi, Literasi Keuangan
b. Dependent Variable: Manajemen Keuangan
Source: Processed SPSS Version 23 Output, 2023

The coefficient of determination in this study yielded an R Square value of 0.569 or 56.9%, indicating that financial and economic literacy significantly impact financial management. 43.1% of the variance in financial management, however, can be attributed to unexamined variables.

Based on the research results, the effect of each variable is:
Effect of Financial Literacy on Financial Management

Partial tests on financial literacy variables on financial management in this study obtained results of 6.286> 1.977 where the tcount> ttable value so that H0 was rejected, and H1 was accepted.

The results of this study are in line with the research [31] where financial literacy has a significant effect on financial management, with a path coefficient of 0.371 and a significance (p) of 0.001 < 0.05. The results of research conducted by [32] Financial literacy strongly influences personal financial management practices; path coefficient = 0.432 and P-Values = 0.000 < 0.05 indicating a positive and significant relationship between the two variables.

Financial literacy is crucial in managing one's finances as it aids in comprehending

fundamental concepts such as spending, investing, and debt. Mastery of financial literacy enables individuals to make wise financial choices, handle risks, and plan effectively for their financial future. Additionally, it serves as a preventive measure against long-term ramifications of poor financial decisions. One's adeptness in financial management is largely dependent on their level of financial literacy. Individuals with strong financial literacy are typically better prepared to make intelligent and judicious financial decisions. They can effectively handle budgets, comprehend investment risks, and create long-term financial strategies. Conversely, a deficiency in financial literacy can lead to subpar financial management, such as unevaluated risk-taking or a lack of comprehension of investments. Consequently, enhancing financial literacy can facilitate progress in personal or corporate financial administration.

The Effect of Economic Literacy on Financial Management

Partial tests on economic literacy variables on financial management in this study obtained results 6.731> 1.977 where the tcount> ttable value so that H0 was rejected, and H2 was accepted.

Economic literacy can significantly impact an individual's financial management. Those with a high level of economic literacy are better equipped to comprehend economic concepts, including the fundamental principles of financial management. This enables them to make more informed financial decisions, effectively manage budgets, and grasp investment risks and opportunities. A deficiency in economic literacy can hinder comprehension of financial information, investment concepts, and risk management strategies. Consequently, it may render making poorly informed investment decisions or planning for the financial future difficult, thereby negatively impacting personal financial management. Improving economic literacy enhances one's ability to manage their finances, mitigate financial risks, and achieve their financial objectives.

The Effect of Financial Literacy and Economic Literacy on Financial Management

The concurrent analysis in this research revealed an F count of 92.251, indicating that financial literacy and economic literacy variables have a simultaneous impact on financial management. Both financial literacy and economic literacy are crucial to developing an individual's financial management abilities.

Financial literacy helps individuals comprehend fundamental personal finance concepts, like managing budgets, investing, and handling debt. Economic literacy facilitates comprehension of economic factors that affect financial decisions. The combination of financial literacy and economic literacy enhances an individual's ability to make informed financial decisions, manage risk, optimize financial resources, and achieve long-term financial stability. Understanding economic principles enables one to respond effectively to changes in the global economy that can impact personal finances. Overall, financial literacy and economic literacy are mutually reinforcing and offer a dependable basis for astute and sustainable financial management.

Conclusion

Based on the presented research results, it can be inferred that financial literacy and economic literacy both partially influence adolescent financial management. The t-test results reveal that financial literacy has an impact with a value of 6.286 > 1.977, while economic literacy's impact

is even greater with a value of 6.731 > 1.977. Additionally, both financial literacy and economic literacy together have a significant influence on financial management, with an Fcount of 92.251. 4) The study yielded a coefficient of the determination result with an R Square value of 0.569, or 56.9%.

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Comparative Literature Study On Resource Based View And Dynamic Capability Of The Firm

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Abstract

Corporate strategic management theory is always developing dynamically towards the formation of Resource-Based Theory, which emphasis on resource gaps and has been widely used in many organizations in various industries. Over time, contemporary views of the firm have emerged to broaden the scope of the development of firm theory. Current company theory focuses more on the theory of the company's dynamic capabilities in carrying out product innovation accompanied by a high ability to act responsively, quickly and flexibly in using external competencies effectively. This paper attempts to provide a literature review regarding the importance of resource-based company theory and dynamic capability-based company theory as the main priority for organizational development.

Keywords : resource based view, dynamic capability

Introduction

1. Introduction

Strategic management theory always develops along with organizational developments from time to time. This discussion of literature regarding organizational development theory based on resources and knowledge provides support that organizations must secure a position in the market to continue to be able to compete in the future. When an organization has to face an economic situation that is very dynamic and full of all forms of uncertainty, the organization must be able to create added value to improve organizational performance. This requires data, information and knowledge from various sources. Transforming this data and information into knowledge and organizational learning processes is the main lever in organizational development. Based on this background, the author feels it is important to discuss literature studies on Resource Based View and Dynamic Capability.

2. Resource-Based View (RBV)

2.1. Discussion and Basic Assumptions

Resource-based view (RBV) is the most widely accepted strategic management theory. RBV is a theory that explains why companies can survive (Coase 1937). Resource Based View (RBV) views the company as a collection of assets or resources historically tied to the company on a semi-permanent basis (Wernerfelt 1984).

The basic assumption of RBV is that resources in a company combine into one (bundles) and the capabilities underlying production are not the same as each other. Companies that own and use resources and capabilities efficiently have greater opportunities to operate more economically and/or better satisfy customers. Diversity (heterogeneity) shows indirectly that a company that has various capabilities can compete and the minimum results it obtains are at least breakeven. While companies with marginal resources can only hope to break even, companies with superior resources will earn rents.

RBV is a dynamic theory, although some literature expresses its concept statically (Priem & Butler, 2001). There is a missing link between resource ownership and its use. Mahoney and Pandain (1992) reminded researchers that companies can achieve performance not because they have resources, but rather are determined by unique competencies in utilizing their resources.

Theoretical approaches in RBV:
1. Barney's VRIO (valuable, rare, inimitable, non-substitutable) framework, a company also needs to be managed in such a way that it can utilize its resource potential optimally to achieve competitive advantage.
2. The type of process a company uses to utilize resources → dynamic capabilities framework (Teece, Pisano, & Shuen, 1997).

Dynamic capabilities are seen as a company's ability to integrate, build, and reconfigure internal and external competencies to anticipate environmental changes.

2.2.   Background to Theory Development

In the nineteenth century, there was a lot of competition among companies, but most did not know how to achieve competitive results. Adam Smith revealed that there is an "invisible hand" that moves the market and is beyond the power of individual companies. This theory became increasingly apparent in the mid-nineteenth century, when the US began to build interstate railroads, and a mass market occurred where access to capital and credit became increasingly open. Gradually market forces became clearer with the presence of a manager in the company, Alfred D. Chandler Jr. call it the "visible hand". Since then, companies have begun to emerge that are vertically integrated and have many divisions (M-form), so that a formal approach to company strategy is needed. This was initially expressed by Alfred Sloan (chief executive of General Motors from 1923 – 1946). Cherter Barnadr also said that companies need to pay attention to strategic factors and not only rely on personal or organizational actions.

2.3. Main Characters and Proposed View Theory

Edith Penrose (1959) was one of the researchers who first introduced the importance of resources to a company's competitive position. Penrose stated that company growth, both internally and externally through mergers, acquisitions and diversification is related to the use of resources. Penrose & Rubin, Wernerfelt, in their research stated that using the RBV strategy is appropriate because for companies, resources and products are two sides of a coin. A company's performance is determined directly by its products, and indirectly (ultimately) by the resources used in the production process. Research on RBV is also characterized by publications:

- **Prahalad & Hamel (1990)**, The Core Competence of the Corporation, HBR: an important task of management is to create radically new products supported by the exploitation of the company's core competencies.
- **Barney (1991)**, Firm Resources and Sustained Competitive Advantage, Journal of Management: first formal form which then fragmented the resource-based literature into a comprehensive theoretical framework (and empirical testing). Jay Barney, who is the Father of The Modern Resource-based View, stated that RBV is related to strategic choices, assigning company managers with the important task of identifying, developing, and using key resources to maximize results. Barney based his articulation of the RBV on two basic assumptions, namely: (1) resources (and capabilities) are heterogeneously distributed among companies, and (2) these resources move imperfectly. Companies that have valuable and rare resources will gain competitive and performance advantages in the short term. Barney (1991) also believes that the description given by Dierickx & Cool (1989) is that to maintain this advantage in the long term, resources must also have inimitable and non-substitutable criteria. Barney's conceptual model can be seen in the following scheme:
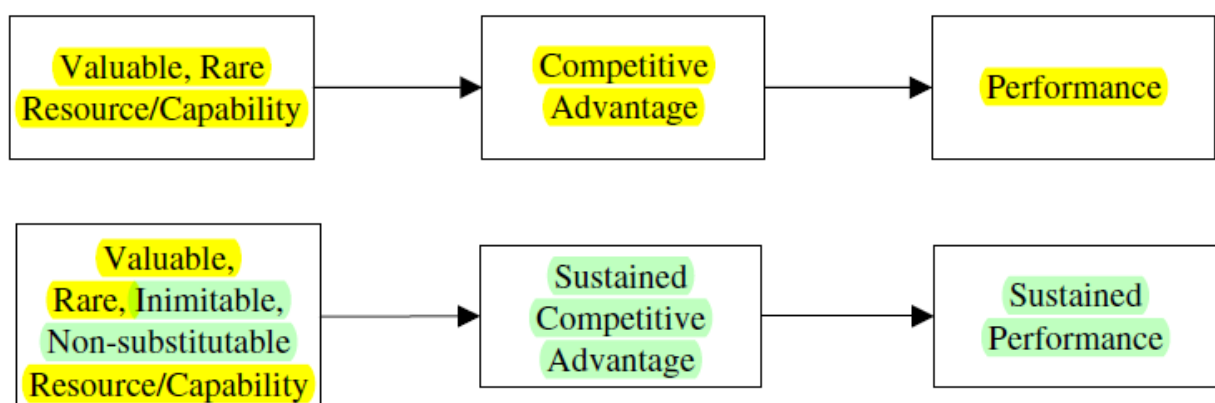

Figure 1. Barney's (1991) conceptual model

2.4. Theory Applications

Strategy is basically intended to fulfill two vital needs, the first is related to positioning relative to the company's external environment which requires an understanding of the

environment in which the company is located. Second, to align the company's internal environment which includes all activities and investments. With strategy, each business unit's profits can be separated into two components: the industry average level of profit and a separation of that average applied to the competitive advantage (or disadvantage) resulting from the strategy in that industry.

RBV is one of the business level strategies that aims to gain Sustainable Competitive Advantage. Sustainable Competitive Advantage differs from Competitive Advantage in several ways. Sustainable Competitive Advantage when rival companies are no longer able to imitate or create substitutes for the resources of the company that has Competitive Advantage.

The Resource Based View states that company revenues can be above normal if they have much better resources and these resources are protected by some kind of isolation mechanism preventing their spread. These resources must also be valuable, difficult to imitate, have no substitutes and be rare. (Here the company's role is to ensure that it is not imitated or transferred to competitors). The order is as follows:

1. Identify and study resources that are critical to the company
2. Determine capabilities (a collection of resources to be jointly used to complete a task)
3. Determine competitive advantage (a company's ability to outperform its rivals)
4. Determine areas within the industry (or other industries) where the company can leverage its strengths to take advantage of existing opportunities
5. Strategy formulation and implementation to gain profits.

One example of this theory's application is companies providing services on a small scale or service industries on a large scale. Considering the characteristics of services, strategies for achieving resource-based excellence need to pay attention to pitfalls, such as differences in expectations and needs of various customers at the same time. A successful strategy is basically the result of how all company exponents carry out their responsibilities, regardless of what level they are in, or whether the company is equipped with technology or not. Resource management as a basis for business strategy in companies and service industries requires an interface between strategy and operations, because this affects the customer service experience.

3. **Dynamic Capability**

3.1.   Discussion and Basic Assumptions

A fundamental question in the field of strategic management is how companies achieve and maintain competitive advantage. The implementation of "best practices" will help companies to survive in a turbulent environment, but if best practices are widely used by many companies, they cannot simply make the company generate profits in a competitive market situation. Likewise, mere discovery and innovation will not be enough to make a company successful.

Dynamic Capabilities include company capabilities that are difficult to imitate and require the ability to adapt to changing consumers and technological opportunities. The purpose of developing the Dynamic Capabilities theoretical framework is none other than to explain how companies achieve a level of competitive advantage in terms of resources in a sustainable manner, and to provide guidance for managers to avoid zero profit conditions

that result when homogeneous companies compete in perfectly competitive markets.

The basic assumption of dynamic capabilities theory is that a company's basic competencies should be used to modify short-term positions to build long-term competitive advantages.

Special characteristics of companies that have dynamic capabilities:

1. The environment is open to international trade and opportunities as well as threats.
2. Technical change itself is systemic.
3. A growing global market for product exchange.
4. The business environment is characterized by poor market development in its technological and managerial exchanges.

The foundation for a company's success today rests little on a company's ability to be optimistic about the limits of knowledge, or to apply economies of scale to its production.

3.2. Background to Theory Development

Dynamic Capability theory emphasizes competitive resilience rather than the long-term competitive advantage proposed by the Resource Based View theory. This is motivated by the current conditions of economic development which are full of competition so that companies are required to survive (competitive survival). According to Dynamic Capability theorists, competitive advantage alone is not sufficient to survive, for example in the case of Nokia. Companies need to study how competitor companies behave, then build dynamic capabilities accordingly. When a company does not have a strong competitive advantage, the company can influence the steps taken by opponents by signaling. This is one part of games theory used in the Dynamic Capability approach.

3.3. Main Characters and Proposed View Theory

The dominant paradigm in the field of dynamic capabilities in the 1980s was the competitive forces approach developed by Porter (1980) which emphasized actions that companies could take to create a defensive position against competitive forces. There are two strategic model approaches in the field of dynamic capabilities, namely a strategy model that emphasizes the exploitation of market power, and an approach that emphasizes efficiency.

The strategy model that emphasizes the exploitation of market forces consists of the competitive forces paradigm and the strategic conflict paradigm. According to the competitive forces paradigm, the essence of forming a competitive strategy is 'connecting the company with its environment, where the main aspect of the company's environment is the industry or industries in which it competes'. There are five models of competitive forces: (1) entry barriers, (2) threat of substitution, (3) bargaining power of buyers, (4) bargaining power of suppliers, and (5) rivalry among industry incumbents. Thus, in the market a monopoly system applies where the company that controls the competitive power receives "rents" from other companies.

The second paradigm is the strategic conflict paradigm. This paradigm was marked by the publication of the article 'The Theory of Business Strategy' by Carl Shapiro in 1989. This paradigm uses game theory tools to analyze competition between companies. Competition between companies is analyzed by looking at how the behavior of a company influences the

behavior of its rivals and ultimately influences the market, so that company profits can be achieved through market manipulation. Companies that have a lot of costs and other competitive advantages like opposing companies will not be affected by the steps taken by opponents. When competitors do not have a strong competitive advantage, the steps of other competitors can be formulated using games theory. The point is, building a dynamic perspective on the business environment can help companies create strategies that can assist practitioners in building long-term competitive advantages and flexibility (this is something that is not present in the previous two theories).

The strategy model that emphasizes efficiency consists of a resource based perspective and a dynamic capabilities approach. According to the resource-based perspective, companies that have superior systems and structures gain profits not because they engage in strategic investments, but because they have lower costs. The company obtains profits not because of the product's strategic position in the market, but because of the company's scarce resources. Learned et al (1969) stated that companies have strengths and weaknesses, it is important to recognize them and differentiate them from other companies (competence that is truly distinctive). This theory is supported by Cool and Schendel (1988), Rumelt (1991), Jacobsen (1988), Hansen and Wernerfelt (1989).

According to the dynamic capabilities approach, competitive battles in the technology industry show the need for a paradigm to understand how to achieve competitive advantage. Strategies that prioritize resource superiority alone (as expressed in the RBV theory) are sometimes inadequate. Often the winners of the competition are companies that innovate products and are accompanied by a high ability to act responsively, quickly and flexibly, accompanied by the management ability to coordinate and use external competencies effectively. The ability to achieve this competitive advantage is dynamic capabilities. What is meant by dynamic is the capacity to update competencies and achieve harmony with a constantly changing business environment, while capabilities are management's main role in adapting, integrating, reconfiguring skills, resources and functional competencies both internally and externally to adapt to a changing environment. . One of the strategic problems in the competitive business world is finding hard-to-imitate internal and external competencies that can support valuable products and services.

3.4. Theory Applications

Dynamic capabilities theory is widely used in marketing practice, marketing theory, and marketing research. In marketing practice, it helps companies face new challenges. Companies and their employees need the ability to learn quickly and build strategic assets. New strategic assets such as capabilities, technology, and consumer feedback must be integrated into company activities. Existing company assets also need to be transformed and configured.

4. CONCLUSION

The strategy model that emphasizes efficiency consists of a resource based perspective and a dynamic capabilities approach. According to the resource-based perspective, companies that have superior systems and structures gain profits not because they engage in strategic

investments, but because they have lower costs. The company obtains profits not because of the product's strategic position in the market, but because of the company's scarce resources. Meanwhile, according to the dynamic capabilities approach, competitive battles in the technology industry show the need for a paradigm to understand how to achieve competitive advantage.

Strategies that prioritize resource superiority alone (as expressed in the RBV theory) are sometimes inadequate. Often the winners of the competition are companies that innovate products and are accompanied by a high ability to act responsively, quickly and flexibly, accompanied by the management ability to coordinate and use external competencies effectively. The ability to achieve this competitive advantage is dynamic capabilities. One of the strategic advantages in the competitive business world is finding hard-to-imitate internal and external competencies that can support valuable products and services.

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