

**THE INFLUENCE OF ONLINE, FINANCIAL MANAGEMENT, AND APPLICATION
TOWARDS SALES EFFECTIVENESS
(CASE STUDY ON MSMEs IN BANDUNG CITY)**

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ABSTRACT

This study aims to analyze the effect of online financial management applications on sales of MSMEs (Micro, Small, and Medium Enterprises) in Bandung. The sample in this study used 80 MSMEs with various types of businesses including those engaged in fashion, culinary, services, and trade. This research method is quantitative with a descriptive verification approach. Data processing using SPSS application version 25 with multiple linear regression testing. The results showed that the variables had an effect on sales effectiveness. Partially, application variables have no effect on sales effectiveness, while financial management variables and online variables affect the effectiveness of MSMEs sales in Bandung City.

Keywords: *Applications; sales effectiveness; financial management; online.*

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) that are often found in Bandung city provide massive contribution to the economy. Various parties, including the Government of Bandung City, have realized the common problems faced by the MSMEs, such as the availability of raw supplies, capital, lack of knowledge in many aspects like human resources aspect, financial management aspect, and inaccurate financial report administration which makes it hard to know the good and correct financial report (jabartribunnews.com). Most MSMEs still record their financial report manually, through simple application such as excel, or through ineffective and inefficient accounting technology, which makes concerned parties

help these MSMEs issues. Such parties are banks that need orderly financial report, where the financial report should be recorded systematically and well-structured, and also universities that want to conduct research and help with issues faced by the MSMEs.

According to Mulyadi (2010, 202), sale is the main process done by MSME actors to satisfy buyers' needs and demands and to be beneficial for both parties. According to Mahmudi (2010: 143), sales effectiveness can be measured by comparing sales target and sales realization. Sales can be considered effective if the sales targets are optimally achieved. With sales that meet or even exceed its planned target, optimal profit will be gained and can be used for life and business sustainability. Vice versa, if the sales targets

are not achieved, the profit gained will be less and may hinder the business from operating.

One of the factors that support sales effectiveness is good and sufficient financial management processing system in running the business. Given the importance of sales activities, it is necessary to pay attention to the elements in managing financial management which is one of the foundations for the implementation of sales effectiveness.

Rapid information and technology development has impacted human lives, including in business. The use of multimedia, information, and technology requires professional skill or abilities in cognitive aspect, performance, behavior and product, and certain sufficient experience. For this reason, skill upgrade for MSMEs actors is needed to make them always keep updated with the number of supplies to ease their sale activities and to provide good financial report and information. Orderly financial report will be able to be easily accessed by banks if the MSME actors use effective and efficient financial report administration recording system.

The problem formulation in this research is: "is there any influence of online, financial management, and application towards sales effectiveness, either partially or simultaneously?" The purpose of this research was to know to what extent the influence of online, financial management, and application

towards sales effectiveness on MSMEs in Bandung city. With this research, the writer hopes to provide insights and recommendations for MSME actors in Bandung City in particular in order to achieve sales effectiveness by implementing online-based financial management applications that are decent and recommended to use by the MSME actors.

LITERATURE REVIEW

Application

Application is a device that eases work and provides convenience for human in many aspects of life. According to Sujatmiko (2012:23), application is a computer program made by companies to help human in doing certain tasks. Technology develops in such a rapid pace and there are so many applications that can be used to help human's activities. Some examples of applications that businessmen can use are Microsoft Access and Paradox to store and process data in large amount and Microsoft Excel to process numbers and tables for calculation (nasabamedia.com).

According to Dwi Krisbiantoro (2018: 8), there are 2 indicators of the benefits of applications, they are:

1. Ease
2. More accurate result

Financial Management

Financial management is a process of managing finance by an organization or business to achieve the determined financial

targets. According to Irham Fahmi (2013:2), financial management can be defined as a combination of science and art which discusses, reviews, and analyzes how a finance manager uses all of the company's resources to gain, manage, and distribute funds with the aim of giving profit or welfare for the shareholders or business sustainability for the company. This theory mentions that financial management is the management of company fund that is expected to gain profits as planned by the shareholders and to ensure business sustainability for the company. According to Shoffa Saifilan (2019:12), the indicators of effective and efficient financial management can be measured through 3 aspects, they are:

1. Capital
2. Revenue
3. Asset

Online

Online is a term when we are connected to internet or digital world, either connected through social media, email, or many other types of accounts. At the present, there are many ways to be online, one of which is through smartphone that has internet services. According to Asep Syamsul and Romli (2012:8), we can be online anytime and anywhere because it does not has time restriction. According to Fatkhul (2017:26), the benefits of online for entrepreneurs are:

1. Reducing cost
2. Real-time
3. Fast-targeting
4. Long-term exposure

Sales Effectiveness

Sales effectiveness can be measured by comparing the sales target and sales realization. According to Moekijat (201:448), sales is an activity that aims to find, influence, and give direction to buyers so they can adjust their needs with the offered production, and establish agreement regarding price which benefits both parties. Sales can be considered effective if the sales target are achieved optimally (Mahmudi, 2010:143). According to Swasta Basu (2011:404), sales effectiveness can be measured through these indicators:

1. Reaching certain sales volume
2. Achieving certain profit
3. Supporting company's growth

Based on the aforementioned, the writer therefore describes the research model and temporary hypothesis as follow:

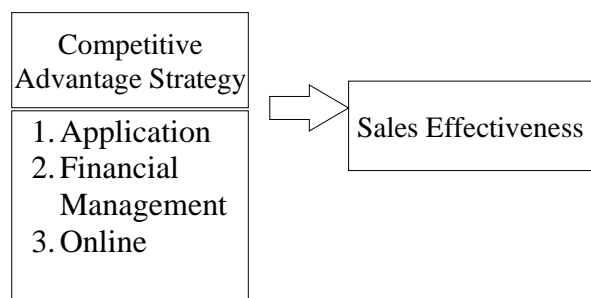


Figure 1. Research Model

Research Hypothesis

- H₁ : Application has influence towards sales effectiveness
- H₂ : Financial management has influence towards sales effectiveness
- H₃ : Online has influence towards sales effectiveness
- H₄ : Application, financial management, and online have influence towards sales effectiveness

RESEARCH METHODOLOGY

This research used case study as the research method because it is able to answer the research question deeper (phenomenon digging) regarding the real and significant issues faced by business entities. According to Rahardjo (2017), case study is a series of scientific activities conducted intensively, in detail, and in-depth about a program, event, and activity, either on individual, group, institutional, or organizational level, in order to gain in-depth knowledge about the event.

Furthermore, this type of research is descriptive and verificative. This is determined based on the usefulness of the research conducted. Descriptive research, according to Sugiyono (2014: 53), is a study conducted to determine the value of one or more variables without making comparisons or connecting with other variables. Meanwhile, verification research, according

to Sugiyono, (2014: 91) is a study that aims to determine two or more variables.

The data used is primary data, which is data obtained directly from the source to be reprocessed into relevant information. The primary data used in this study are data obtained directly from the results of filling out questionnaires and documentation of the resource persons, who were the MSME actors in Bandung city.

Data were analyzed using multiple regression calculation method. The goal is to be able to estimate the influence or dependence of the dependent variable (bound) with one or more independent variables (explanatory/free variables) (Sanusi, 2014:34). By using the multiple regression formula as follows:

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

Description:

- Y = Sales Effectiveness
a = Intercept
b₂,...b_n = Regression Coefficient
X₁ = Application
X₂ = Financial Management
X₃ = Online
e = *Epsilon* (Other factors)

After carrying out the steps above, data processing is carried out using the SPSS 25 data processing application to process the results of qualitative data.

RESULT AND DISCUSSION

There are 80 SMEs selected as samples in this research. Respondents' data by type of business: 15 fashion businesses (20%), 56 food and beverage businesses (70%), 5 service businesses (7%), and 2 trading businesses (3%).

**Table 1 Descriptive statistic analysis
(application)**

NO	STATEMENT	F	ANSWER ALTERNATIVES					Total		%
			SA	A	DO	D	SD	Actual Score	Ideal Score	
			5	4	3	2	1			
1	Application simplifies MSME works	F	34	32	14	0	0	340	400	85
		%	42,5	40	17,5	0	0			
2	Application hastens MSME works	F	41	26	12	1	0	347	400	86,8
		%	51,8	32,5	15	1,3	0			
3	Application produces more accurate report for MSME	F	38	36	5	1	0	351	400	87,8
		%	47,5	45	6,3	1,3	0			
Respondent's Answer Accumulation		F	113	94	31	2	0	1.038	1.200	86,5
		%	47	39,2	12,9	0,8	0			

Source : Data Processed by Writer (2021)

Based on table 1, the results showed that 47% of respondents answered strongly agree, 39.2% answered agree, 12.9% answered doubtful and 0.83% disagree. The highest value of the actual score is 351, which is generated from question three, namely the application produces more accurate reports for MSMEs. Of the several statements submitted, the statement with the smallest respondent's answer is that the application makes the work of MSMEs easier with a score of 340 out of 400 (85%).

**Table 2 Descriptive statistic analysis
(financial management)**

NO	STATEMENT	F	ANSWER ALTERNATIVE					Total		%
			SA	A	DO	D	SD	Actual Score	Ideal Score	
			5	4	3	2	1			
1	Fin. Management Is useful in managing MSME capital	F	40	33	6	1	0	352	400	88
		%	50	41,3	7,5	1,3	0			
2	Fin. Management Is useful in managing Profit gained by MSME	F	46	26	4	4	0	354	400	88,5
		%	57,5	32,5	5	5	0			
3	Fin. Management Is useful in preparing MSME sales strategy	F	43	30	5	2	0	354	400	88,5
		%	53,8	37,5	6,3	2,5	0			
Respondent Answer Accumulation		F	129	89	15	7	0	1.060	1.200	88,3
		%	32,3	22,3	3,8	1,8	0			

Source: Data processed by writer (2021)

Based on table 2, the results show that 32.3% of respondents answered strongly agree, 22.3% answered agree, 3.8% answered doubtful, and 1.8% disagreed. The highest value is the actual score of 354 resulting from statements two and three. Of the several statements submitted, there is a statement with the lowest answer value, namely with a score of 352 out of 400 (88%).

**Table 3 Descriptive statistic analysis
(online)**

NO	STATEMENT	ANSWER	ALTERNATIVE					Total		
			SA	A	DO	D	SD	Actual	Ideal	%
			5	4	3	2	1	Score	Score	
1	Online simplifies MSMEs business anywhere and anytime	F	35	32	12	1	0	341	400	85,2
		%	43,8	40	15	1,3	0			
2	Online Simplifies MSMEs In marketing product	F	25	31	17	7	0	314	400	78,5
		%	31,3	38,8	38,8	8,8	0			
3	Online helps MSMEs to know Their product availability	F	40	30	9	1	0	349	400	87,3
		%	50	37,5	11,3	1,3	0			
Respondent Answer Accumulation		F	100	93	38	9	0	1.004	1.200	83,7
		%	25	23,3	9,5	2,2	0			

Source: Data Processed by Writer (2021)

Based on table 4.14, the results showed that 25% of respondents answered strongly agree, 23.3% answered agree, 9.5% answered doubtful, and 2.2% disagreed. The highest value of the actual score is 349 resulting from question one: online makes it easier for MSMEs to find out their product inventory. Of the several statements submitted, the statement with the lowest answer value, namely online makes it easier for MSMEs to market their products with a score of 314 out of 400 (78.5%).

**Table 4 Descriptive statistic analysis
(sales effectiveness)**

NO	STATEMENT	ANSWER	ALTERNATIVE					Total		
			SA	A	DO	D	SD	Actual	Ideal	%
			5	4	3	2	1	Score	Score	
1	MSME owners Always know The number of Sale stock	F	34	40	6	0	0	348	400	87
		%	42,5	50	7,5	0	0			
2	MSME owners Can quickly Meet sales demand	F	35	35	9	1	0	344	400	86
		%	43,8	43,8	11,3	1,3	0			
3	MSME owners Have sales target To achieve	F	32	40	7	1	0	343	400	85,75
		%	40	50	8,8	1,3	0			
4	MSME owners Always know Sales revenue	F	42	32	4	2	0	354	400	88,5
		%	52,5	40	5	2,5	0			
5	MSME owners Always update Sales strategy	F	33	37	9	1	0	342	400	85,5
		%	41,3	46,3	11,3	1,3	0			
6	MSME owners Use online media To increase sales	F	40	38	2	0	0	358	400	89,5
		%	50	47,5	2,5	0	0			
Respondent Answer Accumulation		F	216	222	37	5	0	2.089	2.400	87,0
		%	54	55,5	9,25	1,25	0			

Source: Data Processed by Writer (2021)

Based on table 4, the results show that 54% of respondents answered strongly agree, 55.5% answered agree, 9.25% answered doubtful and 1.25% disagreed. The highest actual score is 358 resulting from question six, namely MSME owners use online media to increase their sales. From several statements submitted, there is a statement

with the lowest answer value, namely MSME owners always update their sales strategy with a score of 342 out of 400 (85.5%)

Hypothesis Testing

The following are the results of hypothesis testing:

Table 5 Hypothesis Testing Result
(variable x)

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficient Beta		
	B	Std. Error			
1 (Constant)	10,32	1,921		5,373	0
APPLICATION	0,183	0,115	0,136	1,587	0,117
FIN._MANAGEMENT	0,509	0,134	0,338	3,789	0
ONLINE	0,532	0,108	0,442	4,914	0

a. Dependent Variable: SALES_EFFECTIVENESS

Source: Data Processed by Writer (2021)

The results of the study show that the application has an effect on Sales Effectiveness of 0.374. This means that there is a weak positive correlation between Applications and Sales Effectiveness. T_{Count} for the Application variable is 1.587. This value is smaller than the T_{Table} of 1.99167, so it can be concluded that the results of this hypothesis testing reject H1 and accept H0, which means that the application has no effect on Sales Effectiveness.

The results of the study show that Financial Management has an influence on Sales Effectiveness of 0.556. This means that there is a moderate positive correlation between Financial Management and Sales Effectiveness. The T_{Count} value for the

Financial Management variable is 3.789. This value is greater than the T_{Table} of 1.99167, so it can be concluded that H_0 is rejected and H_a is accepted. This means that financial management has a positive influence on sales effectiveness, so it can be concluded that the better the implementation of financial management, the higher sales effectiveness.

The results of the study show that Online has an influence on Sales Effectiveness of 0.621 which means that there is a strong positive correlation between Online and Sales Effectiveness. The T_{Count} value for the Online variable is 4.914. This value is greater than the T_{Table} of 1.99167, so it can be concluded that H_0 is rejected and H_a is accepted. Thus, Online has a positive influence on Sales Effectiveness, it can be concluded that the better the Online implementation, the higher Sales Effectiveness.

Table 6 Hypothesis Testing Result
(variable y)

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,716 ^a	0,513	0,494	1,149	1,579

a. Predictors: (Constant), ONLINE, APPLICATION, FINANCIAL_MANAGEMENT

b. Dependent Variable: SALES_EFFECTIVENESS

Source: Data Processed by Writer (2021)

The results of the study show that Applications, Financial Management, and Online have an influence on Sales Effectiveness of 51.3% which means that

there is a strong influence between Applications, Financial Management and Online on Sales Effectiveness. and $F_{\text{Count Value for Application, Financial Management, and Online variables}}$ is 26,659. This value is greater than the F_{Table} of 2.72, so it can be concluded that H_0 is rejected and H_a is accepted. Thus, Applications, Financial Management, and Online have a significant influence on Sales Effectiveness.

Conclusion

The application has no effect on the effectiveness of sales of SMEs in the city of Bandung. This condition is due to the fact that most MSMEs, in recording various transactions related to their sales, the majority still use manual recording, and are not fully aware that by utilizing the maximum use of the application, it can simplify and speed up their work.

Financial Management has an influence on Sales Effectiveness. This can be seen from the fact that the majority of MSMEs have carried out financial management, especially to manage the profits earned. Moreover, by implementing financial management, this can be used as a basis for developing the next sales strategy.

Online has an influence on Sales Effectiveness. This condition is evidenced by the MSME owners being fully aware that being online makes it easier for MSME

owners to run their business anywhere and anytime, but because the respondents studied are predominantly engaged in the food sales business, they still rely on offline sales as a more effective marketing strategy in marketing their products.

This study simultaneously shows that the application, financial management, and online variables have a simultaneous influence of 51.3% on sales effectiveness. While the remaining 48.7.0% is influenced by other factors not examined by the author. This study has several limitations: the limited number of samples tested, because this research was conducted during the COVID-19 pandemic, many MSMEs went out of business. Further research can provide solutions by providing financial applications that are integrated online to make it easier for MSME actors to run their business and examine the results of their implementation.

Recommendation

Based on the results of research conducted on MSMEs in Bandung City, the researcher recommends MSMEs that still use a manual recording system and those who have not made financial records to use financial application technology on their smartphones so that MSMEs' financial performance will be better. For MSMEs that already use the application to always be responsive to changes in technology systems

that are more varied in type. We recommend choosing the type of software/financial application that is more practical, easier to work with and efficient.

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