

The Influence Of Digital Marketing Implementation On Improving Management Accounting Performance In Retail Companies In Surakarta

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ABSTRACT

This study aimed to analyze the influence of digital marketing implementation on improving management accounting performance in retail companies in Surakarta. Data were collected through questionnaires distributed to 98 retail companies in Surakarta. The results of multiple linear regression analysis showed that the implementation of digital marketing had a significant positive effect on management accounting performance. These findings confirm that by implementing effective digital marketing strategies, retail companies can improve management accounting performance through the utilization of valuable analytical data on customer preferences, purchasing patterns, and the effectiveness of marketing campaigns. This study encourages retail companies to adopt digital marketing integrated with sound management accounting practices.

Keywords: Digital Marketing, Management Accounting, Retail Companies, Company Performance, Surakarta.

1. Introduction

In today's rapidly evolving digital era, retail companies face increasingly fierce competition and the demand to adopt effective marketing strategies. Digital marketing has become an indispensable marketing tool in efforts to reach customers more broadly and increase sales. However, the implementation of digital marketing not only impacts the marketing and sales aspects but can also influence the performance of management accounting within a company. Digital Marketing refers to the use of various digital channels and technologies to promote products or services to a wider target market. This theory is based on the premise that consumers today are increasingly reliant on online channels and digital media to seek information, interact, and make purchasing decisions [1].

Digital marketing encompasses various elements, including:

1. Search engine marketing (SEM) such as search engine optimization (SEO) and pay-per-click (PPC) advertising.
2. Content marketing through blogs, videos, and social media.
3. Email marketing to reach customers directly.
4. Social media marketing through platforms such as Facebook, Instagram, Twitter, etc.
5. Mobile marketing utilizing mobile applications and text messaging.
6. Affiliate marketing by involving marketing partners.

7. Marketing analytics to measure and optimize digital campaigns [1].

These aspects emphasize the importance of integrating various digital channels to achieve an effective and coordinated marketing strategy. Additionally, digital marketing allows for content personalization, accurate performance measurement, and two-way interaction with customers [1].

By leveraging the analytical data obtained from digital marketing, companies can gain more profound insights into customer preferences, purchasing patterns, and the effectiveness of marketing campaigns. This information is valuable for the management accounting function in planning, budgeting, and making more accurate and targeted decisions.

Management accounting is an information system that produces financial and non-financial reports useful for managers in the planning, control, and decision-making processes [2]. With effective digital marketing implementation, companies can collect valuable analytical data about customer preferences, purchasing patterns, and the effectiveness of marketing campaigns. This data can be utilized by management accounting to improve planning and budgeting accuracy, increase marketing cost efficiency, and support better decision-making [3].

More specifically, the management accounting process includes:

1. Identifying the information needed by managers to make strategic and operational decisions.
2. Measuring and collecting financial data such as costs, revenues, and profitability, as well as non-financial data such as productivity, quality, and cycle time.
3. Analyzing the data to produce performance reports, budgets, cost-benefit analyses, and other relevant information.
4. Preparing and presenting the information in an understandable and useful format for managers.
5. Interpreting and communicating the information to managers and other relevant parties to support decision-making [2].

Management accounting also involves the application of techniques and analytical tools such as cost-volume-profit analysis, activity-based budgeting, relevant cost analysis, balanced scorecard, and target costing. The goal is to assist managers in planning, controlling, and improving operational efficiency and company profitability. Management accounting provides crucial information that can be used to evaluate the overall organizational performance, monitor progress against set targets, and identify areas that require improvement or corrective action.

The Management Information System (MIS) is an integrated system that collects, processes, stores, and distributes information required to support operations, management, and decision-making within an organization. The main components of a Management Information System include:

1. Hardware, such as computers, servers, data storage devices, and network equipment.
2. Software, consisting of computer programs and applications for collecting, processing, storing, and distributing information.
3. Data and databases, containing relevant information for decision-making and organizational operations.
4. Procedures and policies, governing how information is collected, processed, and distributed within the organization.
5. Human resources, the individuals responsible for operating, maintaining, and utilizing the Management Information System [4].

The Management Information System has several main functions, including:

1. Collecting and integrating data from various internal and external sources of the organization.
2. Processing and analyzing data to produce useful information for decision-making.
3. Storing and managing information in databases for future use.
4. Distributing information to users (managers and employees) in a format suitable for their needs.
5. Facilitating communication and coordination within the organization and with external parties [4].

Through an effective Management Information System, organizations can improve efficiency, optimize resource utilization, increase productivity, and make better decisions based on accurate and timely information.

The concept of Competitive Advantage, according to [5], refers to the strategies used by companies to create superior value compared to their competitors in the same industry. Competitive advantage enables companies to attract more customers and maintain their loyalty, as well as achieve better financial performance. There are two main types of competitive advantage that a company can achieve:

1. Cost Leadership

The company achieves competitive advantage by becoming the low-cost producer in its industry. This is achieved through efficiency in every operational aspect, such as raw material procurement, production processes, distribution, and marketing. The company can offer lower prices to customers while still being profitable.

2. Differentiation

The company achieves competitive advantage by offering unique and differentiated products or services from its competitors. Differentiation can be achieved through product features, quality, style, technology, or superior customer service. Customers are willing to pay more for different and more valuable products or services.

To maintain competitive advantage, companies must continue to innovate, improve quality, and create added value for customers. The company's internal resources and capabilities, such as employee skills, technology, brand equity, and operational systems, play a crucial role in achieving and maintaining competitive advantage. [5] also emphasized the importance of choosing the right strategy, either cost leadership or differentiation, and focusing on a specific market segment. Companies that successfully implement these strategies can achieve superior performance in their industry.

Consumer Behavior is the study that examines how individuals or groups select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy consumer needs and wants [6]. This theory focuses on the decision-making process that consumers go through before making a purchase, as well as the factors that influence that decision. Some key elements in Consumer Behavior Theory include:

1. Consumer Decision-Making Process

- a. Problem/need recognition
- b. Information search
- c. Evaluation of alternatives
- d. Purchase decision
- e. Post-purchase behavior

2. Factors Influencing Consumer Behavior

- a. Psychological factors (motivation, perception, learning, personality, attitudes)
- b. Personal factors (age, lifestyle, occupation, economic situation)
- c. Social factors (culture, social class, reference groups)
- d. Marketing factors (product, price, promotion, distribution)

3. Types of Buying Behavior

- a. Habitual buying
- b. Variety-seeking buying
- c. Extensive problem-solving buying [6].

A deep understanding of consumer behavior helps companies in designing effective marketing strategies, developing products that meet needs, determining the right pricing, choosing appropriate distribution channels, and communicating persuasive marketing messages. By understanding how consumers make decisions and the factors that influence them, companies can increase customer satisfaction, build brand loyalty, and achieve competitive advantage in the market.

Research by [3] in the journal *Computers in Human Behavior* examined the impact of social media as part of digital marketing on company performance. The results showed that effective use of social media can improve company performance through increased sales, customer engagement, and marketing cost efficiency.

A study conducted by [7] in the *Journal of Marketing Management* explored the impact of digital marketing on the marketing and financial performance of retail companies. This research found that integrating digital marketing with traditional marketing strategies can increase sales, market share, and profitability of retail companies.

The *International Journal of Accounting Information Systems* article by [8] investigated the relationship between management accounting information systems and company performance. The results showed that the effective utilization of management accounting information systems can improve decision-making and financial performance of companies.

Research by [9] in the *Jurnal Manajemen dan Bisnis* analyzed the influence of e-commerce on management accounting performance in retail companies in Indonesia. The results showed that the adoption of e-commerce can improve cost efficiency, budget planning accuracy, and better management accounting decision-making.

A study by [10] in the *Journal of Services Marketing* explored the impact of digital marketing on marketing performance and sales in the retail industry. This research found that digital marketing can significantly increase brand awareness, customer engagement, and product sales.

In Surakarta, the retail sector has grown rapidly in recent years, with the opening of many modern shopping centers and new retail stores. However, most retail companies in this region have not fully utilized the potential of digital marketing and integrated it with good management accounting practices. Therefore, this research aims to analyze the influence of digital marketing implementation on management accounting performance in retail companies in Surakarta.

2. Literature Review

The development of digital technology has significantly changed the marketing landscape. Digital marketing has become an indispensable marketing strategy for companies in their efforts to reach customers more broadly and increase sales [1]. A study conducted by [7] found that integrating digital marketing with traditional marketing strategies can increase sales, market share, and profitability of retail companies. Other research by [3] showed that the effective use of social media as part of digital marketing can improve company performance through increased sales, customer engagement, and marketing cost efficiency.

Although digital marketing has proven to provide benefits in improving marketing and sales performance, its influence on management accounting performance has not been extensively explored. Management accounting is an information system that produces financial and non-financial reports to support the planning, control, and decision-making processes within an organization [2]. With effective digital marketing implementation, companies can collect valuable analytical data about customer preferences, purchasing patterns, and the effectiveness of marketing campaigns. This data can be utilized through management accounting to improve planning and budgeting accuracy, increase marketing cost efficiency, and support better decision-making [3].

Research by [9] analyzed the influence of e-commerce on management accounting performance in retail companies in Indonesia. The results showed that the adoption of e-commerce can improve cost efficiency, budget planning accuracy, and better management accounting decision-making. However, this research only focused on e-commerce and did not cover other aspects of digital marketing such as social media, content marketing, and mobile marketing.

Research conducted by [11] in the journal *Procedia - Social and Behavioral Sciences* explored the role of management accounting information systems in supporting strategic decision-making. The results showed that the utilization of information technology in management accounting systems can improve the quality of information produced and provide better support in the company's strategic decision-making.

A study by [12] in the *Journal of the Academy of Marketing Science* examined the impact of integrating digital marketing and online sales on the performance of retail companies. The results showed that good integration between digital marketing strategies and online sales can increase sales, profitability, and customer satisfaction.

An article in the *Journal of Retailing and Consumer Services* by [13] investigated the influence of digital marketing strategies on the marketing and financial performance of retail companies in the United States. This research found that the effective use of digital marketing can increase sales, market share, and profitability of retail companies.

Research by [14] in the *Journal of Interactive Marketing* explored the use of web analytics in digital marketing to measure and improve marketing performance. The results showed that web analytics can provide valuable insights into online consumer behavior and help companies optimize their digital marketing strategies.

In another study conducted by [15] in the *Journal of Business Research*, they analyzed the influence of digital marketing capabilities on marketing and financial performance of companies in Finland. The

research results showed that companies with better digital marketing capabilities have higher marketing and financial performance compared to their business competitors.

3. Materials and Method

a. Type of Research

This research is a quantitative study using a survey approach. Quantitative research is chosen to examine the relationship between the variables of digital marketing implementation and management accounting performance in retail companies in Surakarta.

b. Population and Sample

The population in this research is retail companies operating in four regencies and cities in the former Surakarta Residency, namely Surakarta City, Sukoharjo Regency, Boyolali Regency, and Karanganyar Regency. The distribution of research objects is 120 retail businesses, consisting of 50 retail businesses in Surakarta City, 20 retail businesses in Boyolali Regency, 30 retail businesses in Sukoharjo Regency, and 20 retail businesses in Karanganyar Regency. The sampling technique to be used is purposive sampling with certain criteria, such as retail companies that have implemented digital marketing strategies and have a good management accounting function.

c. Research Model

1) This research model is based on several relevant theories, namely:

- a) Digital Marketing Theory [1]
- b) Management Accounting Theory [2]
- c) Competitive Advantage Theory [5]
- d) Management Information Systems Theory [4]
- e) Consumer Behavior Theory [6]

2) Based on these theories, the proposed research model is as follows:

- a) Digital Marketing Implementation
 - i. Search Engine Marketing
 - ii. Content Marketing
 - iii. Email Marketing
 - iv. Social Media Marketing
 - v. Mobile Marketing
 - vi. Marketing Analytics
- b) H1 Management Accounting Performance
 - i. Planning and Budgeting
 - ii. Control and Evaluation
 - iii. Decision Making
 - iv. Cost and Profitability Analysis

d. Research Variables

- 1) Independent Variable: Digital Marketing Implementation
- 2) Dependent Variable: Management Accounting Performance

e. Data Collection Method

Data will be collected through questionnaires distributed to managers and executives of retail companies that are the research sample. The questionnaire will include questions related to the implementation of digital marketing and the company's management accounting performance.

f. Data Analysis

The collected data will be analyzed using statistical methods such as multiple linear regression analysis, classical assumption tests, and hypothesis testing. This analysis aims to examine the influence of digital marketing implementation on management accounting performance in retail companies in Surakarta.

4. Result

Data collection was carried out by distributing questionnaires to 120 retail companies in Surakarta that met the sample criteria. Out of the total questionnaires distributed, 98 questionnaires were returned and could be used for further analysis, resulting in a response rate of 81.7%.

a. Respondent Characteristics

Of the 98 respondents, 62% were male and 38% were female. Most respondents were between the ages of 31-40 years (48%) and had an undergraduate educational background (72%). The respondents consisted of marketing managers (37%), finance/accounting managers (28%), and operational managers (35%).

b. Validity and Reliability Tests

The validity test results showed that all question items in the questionnaire were valid with factor loading values above 0.5. Meanwhile, the reliability test resulted in a Cronbach's Alpha value of 0.872 for the digital marketing implementation variable and 0.856 for the management accounting performance variable, indicating that the questionnaire has good reliability.

c. Multiple Linear Regression Analysis

Multiple linear regression analysis was used to test the effect of digital marketing implementation on management accounting performance in retail companies in Surakarta. The regression analysis results are presented in the following table:

Table 1. Regession Analysis Results

Variabel	Beta	t	Sig.
Implementasi Digital Marketing	0,647	7,982	0,000

R Square = 0.419

F = 63.712

Sig. F = 0.000

Based on the table above, it can be understood that digital marketing implementation has a significant positive influence on management accounting performance ($\beta = 0.647$, $p < 0.001$). The R Square value of 0.419 indicates that 41.9% of the variation in management accounting performance can be explained by digital marketing implementation.

5. Discussion

The results of this research show that effective digital marketing implementation can improve management accounting performance in retail companies in Surakarta. This finding is in line with previous research stating that digital marketing can provide valuable insights into customer preferences, purchasing patterns, and the effectiveness of marketing campaigns [3]. This information is very useful for the management accounting function in improving planning and budgeting accuracy, marketing cost efficiency, and better decision-making.

Furthermore, the analytical data obtained from digital marketing implementation can assist management accounting in conducting more accurate cost and profitability analysis. This can support the process of controlling and evaluating company performance, as well as help identify areas that require improvement or corrective action.

This research finding is also consistent with Competitive Advantage Theory [5], which states that companies must create superior value compared to their competitors to achieve competitive advantage. Effective digital marketing implementation can help retail companies in Surakarta attract more customers, increase sales, and optimize the financial performance of their business.

Digital marketing implementation is one factor that can influence management accounting performance. Other factors such as the quality of human resources, a good management information system, and an effective business strategy can also contribute to improving management accounting performance.

6. Conclusions

This research aimed to analyze the influence of digital marketing implementation on improving management accounting performance in retail companies in Surakarta. The research results showed that digital marketing implementation has a significant positive influence on management accounting performance in retail companies in Surakarta.

This finding confirms that by implementing effective digital marketing strategies, such as search engine marketing, content marketing, email marketing, social media marketing, mobile marketing, and marketing analytics, retail companies can improve their business management accounting performance. The analytical data obtained from digital marketing provides valuable insights into customer preferences, purchasing patterns, and the effectiveness of marketing campaigns, which can be utilized by the management accounting function to improve planning and budgeting accuracy, marketing cost efficiency, and better decision-making.

Moreover, effective digital marketing implementation can assist retail companies in Surakarta in achieving competitive advantage by attracting more customers, increasing sales, and optimizing the company's financial performance. This is in line with Competitive Advantage Theory, which emphasizes the importance of creating superior value compared to competitors.

Digital marketing implementation is just one factor that can influence management accounting performance. Other factors such as the quality of human resources, a good management information system, and an effective business strategy also play an important role in improving the company's management accounting performance.

This research provides an empirical contribution to understanding the relationship between digital marketing and management accounting, and encourages retail companies to adopt digital marketing strategies integrated with good management accounting practices. However, further research with a larger sample and broader geographical coverage is still needed to strengthen the generalization of these findings.

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