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Preface

Praise be to the presence of Tuhan Yang Maha Esa, because of His grace and grace, the Journal of Applied Management and Business (JAMB) can be published according to what was planned.

Journal of Applied Management and Business (JAMB) is a peer review journal published by Universitas Dinamika. This journal is published in July and December. Journal of Applied Management and Business (JAMB) is a learned journal in the management and marketing for a knowledge society, international and interdisciplinary in scope, JAMB keeps its readership well informed on all key aspects of business development, being an essential resource for policy makers and strategists across countries. Journal of Applied Management and Business (**JAMB**) is published in twice (Juli dan Desember) a year.

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The Role of Marketing Management in Information Industry: Corporate Image, Brand Awareness and Promotion (Case Study at PT Lensa Potret Mandiri)

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ABSTRACT

This article discusses the Role of Marketing Management in the Information Industry: Corporate Image, Brand Awareness and Promotion (Case Study at PT Lensa Potret Mandiri). This study uses quantitative methods and uses IBM SPSS 27 in analyzing the data. The population in this study were 119 respondents with a total sample of 40 respondents. In determining the research sample, the researcher used a sampling technique, namely Simple Random Sampling. Data obtained from questionnaires made on google form and then distributed to respondents using a Likert scale measurement scale. The tests carried out in this study are Validity and Reliability Test, T test, F test and Coefficient of Determination Test. The results of this study are: 1) Corporate image has a significant effect on the Role of Marketing Management partially; 2) Brand awareness has a significant effect on the Role of Marketing Management partially; 3) Promotion has an effect on the Partial Role of Marketing Management; and 4) corporate image, brand awareness, and promotion influence the role of marketing management simultaneously.

Introduction

In the era of disruption that is currently happening, the exchange of information is very fast and accepted by many people. The role of the media or information companies is now important in conveying useful information and news to the recipients. For this reason, PT Lensa Potret Mandiri has the goal of becoming one of the leading information media, especially in Bekasi Regency. Excellence is meant by being able to attract people to care about the information provided by PT Lensa Potret Mandiri, then increasing the number of visitors or views and presenting quality and fact-based information. PT Lensa Potret Mandiri targets the number of views from each information or news provided to reach one million views, but only some information/news reaches one million views. The existence of PT Lensa Potret Mandiri currently contains various information and news about the Bekasi Regency area, with all kinds of topics. Therefore, it is difficult for the community to express their aspirations and complaints while being residents of Bekasi Regency. Therefore, that their aspirations do not reach the local superiors or regents. Based on this, this media company was created. This company contains a lot of environmental conditions in the Bekasi district, information on regional-owned enterprises in the Bekasi district as well as updates regarding activities at the Bekasi district government office. Currently, information media companies are important pioneers in realizing the aspirations of the community in accordance with the vision and mission of Bekasi Regency itself. An information is everything that becomes a liaison in conveying information, information media aims at mass communication. Information can be obtained through print media such as magazines and newspapers, electronic media (internet, radio and television) as well as training activities carried out [1]. An information obtained by someone will have an impact on a person's level of knowledge or ability. With the amount of information obtained, a person tends to have extensive knowledge. The more often someone reads, then someone's knowledge will be better than those who just hear and see [2]. The role of the management of a company is very necessary so that it can sustain and be able to compete against competitors in terms of broadcasting news media information. Visual media in digital form is easier to spread.

Based on the background of the problem above, the researcher determines the formulation of the problem as follows:

1. Does Corporate Image partially affect the Role of Marketing Management ?.
2. Does Brand Awareness partially affect the Role of Marketing Management ?.
3. Does Promotion partially affect the Role of Marketing Management ?.
4. Do Corporate Image, Brand Awareness and Promotion affect the Role of Marketing Management simultaneously ?.

Corporate Image

Corporate Image is a set of beliefs, ideas and impressions that a person has of an object. Corporate image aims for the company to survive in which it continues to develop and improve creativity and provide benefits for others [3]. A company has a different image in the eyes of society or the public. The image of the company itself cannot be created like goods and services, the image of the company itself is formed from a series of processes in maintaining and improving services to consumers or service users [4]. Indicators of Corporate Image, including: a) Personality; b) Reputation; c) Values/ethics; and d) Corporate identity [5].

Brand Awareness

Brand awareness is the ability of potential consumers to recognize or recall that a brand belongs to a particular product category. Brand awareness is the ability to recognize brands in categories, in sufficient detail to make purchases [6]. Brand awareness indicators include: 1) Recall, namely how far consumers can remember when asked what brands they remember; 2) Recognition, namely how far consumers can recognize the brand belongs to a certain category; 3) Purchase, namely how far consumers will enter a brand into alternative choices when they will buy a product; and 4) Consumption, namely how far consumers still remember a brand when they are using competing products [6].

Promotion

Promotion is a way that companies do in persuading and informing consumers about their products directly or indirectly [7]. Promotion is a form of communication that provides an explanation of the beliefs of potential consumers regarding goods or services with the aim of gaining attention and purchasing power of potential consumers [7]. Promotion indicators include: a) Frequency of promotions; b) Promotion quality; c)

Promotion quantity; d) Promotion time; and e) Accuracy or suitability of promotional objectives [8].

1. H1= Company image has a significant effect on the role of marketing management partially.
2. H2= Brand Awareness has a significant effect on the Role of Marketing Management partially.
3. H3= Promotion has a significant effect on the role of marketing management partially.
4. H4= Corporate Image, Brand Awareness and Promotion have a significant effect on the Role of Marketing Management simultaneously.

Research Methods

This study use quantitative methods using IBM SPSS 27 in analyzing the data. Most quantitative research uses an explanatory design, in which the object of study is an explanatory research aimed at testing the hypothesized relationship between variables. The quantitative approach raises difficulties in managing other variables that can directly or indirectly affect the research process [9]. Quantitative research shows the ability to show the generalization of the results of a study, how far the research results can be generalized to the population [9]. The population in this study were 119 respondents with a total sample of 40 respondents. The sampling technique used is Simple Random Sampling. The tests carried out are in the form of Validity and Reliability Test, T Test, F Test and Coefficient of Determination Test. Then the data was obtained from questionnaires distributed via google form and the measurement scale used the Likert scale 1 to 5, for 1 means strongly disagree to 5 means strongly agree. [10].

Result and Discussion

Based on the background of the problem, problem formulation, literature review, conceptual framework and relevant previous research results, the researchers discussed this research as follows:

The validity test was carried out by correlating the item score with the total item score, then the significance test was carried out through the r table criteria at a significance level of 0.05 with a two-way test. If the value is positive and t count > r table, then the item can be declared valid and vice versa (Duwi, 2012).

Table 1. Company Image Variable Instrument Validity Test Results

Item-Total Statistics			
Questions	**Corrected Item-Total Correlation (r-count)**	**r-table**	**Criteria**
X1.1	**0.454**		**Valid**
X1.2	**0.433**		**Valid**
X1.3	**0.563**	**0.3120**	**Valid**
X1.4	**0.493**		**Valid**
X1.5	**0.718**		**Valid**

Item-Total Statistics			
Questions	Corrected Item-Total Correlation (r-count)	r-table	Criteria
X1.6	0.462		Valid
X1.7	0.472		Valid
X1.8	0.619		Valid
X1.9	0.493		Valid
X1.10	0.593		Valid

(Source: Output SPSS Version 27.0)

Based on the results of the validity test on the Corporate Image variable, it shows that the score items consisting of each question are Corrected Item-Total Correlation (r-count) > r-table. This shows that r-count > r-table which means that each instrument of the statement item is declared valid. Thus, the 10 statement items from the Corporate Image variable are declared valid and can be used in further testing.

Table 2. Brand Awareness Variable Instrument Validity Test Results

Item-Total Statistics			
Questions	Corrected Item-Total Correlation (r-count)	r-table	Criteria
X2.1	0.448		Valid
X2.2	0.426		Valid
X2.3	0.453		Valid
X2.4	0.420		Valid
X2.5	0.628	0.3120	Valid
X2.6	0.449		Valid
X2.7	0.490		Valid
X2.8	0.436		Valid
X2.9	0.445		Valid
X2.10	0.453		Valid

(Source: Output SPSS Version 27.0)

Based on the results of the validity test on the Brand Awareness variable, it shows that the score items consisting of each question are Corrected Item-Total Correlation (r-count) > r-table. This shows that r-count > r-table which means that each instrument of the statement item is declared valid. Thus, the 10 statement items from the Brand Awareness variable are declared valid and can be used in further testing.

Table 3 Promotional Variable Instrument Validity Test Results

Item-Total Statistics			
Questions	Corrected Item-Total Correlation (r-count)	r-table	Criteria
X3.1	0.373		Valid
X3.2	0.400	0.3120	Valid
X3.3	0.442		Valid
X3.4	0.345		Valid

Item-Total Statistics			
Questions	Corrected Item-Total Correlation (r-count)	r-table	Criteria
X3.5	0.424		Valid
X3.6	0.485		Valid
X3.7	0.466		Valid
X3.8	0.340		Valid
X3.9	0.373		Valid
X3.10	0.435		Valid

(Source: Output SPSS Version 27.0)

Based on the results of the validity test on the Promotion variable, it shows that the score items consisting of each question are Corrected Item-Total Correlation (r-count) > r-table. This shows that r-count > r-table which means that each instrument of the statement item is declared valid. Thus, the 10 statement items from the Promotion variable are declared valid and can be used in further testing.

Table 4. Instrument Validity Test Results of the Role of Marketing Management

Item-Total Statistics			
Questions	Corrected Item-Total Correlation (r-count)	r-table	Criteria
Y1.1	0.434		Valid
Y1.2	0.395		Valid
Y1.3	0.564		Valid
Y1.4	0.523		Valid
Y1.5	0.374	0.3120	Valid
Y1.6	0.399		Valid
Y1.7	0.352		Valid
Y1.8	0.645		Valid
Y1.9	0.506		Valid
Y1.10	0.365		Valid

(Source: Output SPSS Version 27.0)

Based on the results of the validity test on the Marketing Management Role variable, it shows that the score items consisting of each question are Corrected Item-Total Correlation (r-count) > r-table. This shows that r-count > r-table which means that each instrument of the statement item is declared valid. Thus, the 10 statement items from the Marketing Management Role variable are declared valid and can be used in further testing.

Table 5. Corporate Image Variable Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,713	,717	10

(Source: Output SPSS Version 27.0)

Based on the output results above, the Cronbach's Alpha value is 0.713 > 0.60. Based on the previous explanation that if the Cronbach's Alpha value is > 0.60 or > 0.70

then the data is acceptable. This means that the consistency of respondents' answers to the ten questionnaire questions posed on the Corporate Image variable is acceptable.

Table 6. Brand Awareness Variable Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,622	,640	10

(Source: Output SPSS Version 27.0)

Based on the output results above, it shows the Cronbach's Alpha value of 0.622 > 0.60. Based on the previous explanation that if the Cronbach's Alpha value is > 0.60 or > 0.70 then the data is acceptable. This means that the consistency of respondents' answers to the ten questionnaire questions posed on the Brand Awareness variable is acceptable.

Table 7. Promotion Variable Reliability

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,615	,618	10

(Source: Output SPSS Version 27.0)

Based on the output results above, the Cronbach's Alpha value is 0.615 > 0.60. Based on the previous explanation that if the Cronbach's Alpha value is > 0.60 or > 0.70 then the data is acceptable. This means that the consistency of respondents' answers to the ten questionnaire questions posed on the Promotion variable is acceptable.

Table 8. Variable Reliability Marketing Management Role

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,612	,617	10

(Source: Output SPSS Version 27.0)

Based on the output results above, the value of Cronbach's Alpha is 0.612 > 0.60. Based on the previous explanation that if the Cronbach's Alpha value is > 0.60 or > 0.70 then the data is acceptable. This means that the consistency of respondents' answers to the ten questionnaire questions posed on the Marketing Management Role variable is acceptable.

Table 9. Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	
Model	B	Std. Error	Beta		Sig.
(Constant)	-3,649	3,957		-,922	,363
CP_X1	,373	,121	,302	3,075	,004
KM_X2	,409	,105	,399	3,885	,000
PRO_X3	,452	,119	,377	3,800	,001

a. Dependent Variable: PMP_Y

(Source: Output SPSS Version 27.0)

Based on the coefficient table above, the t-value and Sig analysis aims to partially analyze the hypothesis test. The probability level <0.05 is considered significant or the regression model can be used in predicting the dependent variable (Ghozali, 2001).

1. H_1= Corporate image has a significant effect on the role of marketing management partially.
   The results of t-count > t-table (3.075 > 2.021), and the significance value of alpha (α) is 0.004 (<) 0.05. Therefore the Corporate Image has a significant effect on the Role of Marketing Management partially. This means that a good corporate image will facilitate the management of an information company in doing marketing or introducing their company name. The better the company's image, the more sought after by the public or consumers. And vice versa, if the company does not have a good image, it will be difficult and it will take a lot of effort to introduce the company, its products or services. Building a company's image takes time and effort that drains energy, money and time. But the effort will be worth the results that will be obtained later.
2. H_2= Brand Awareness has a significant effect on the Role of Marketing Management partially.
   The results of t-count > t-table (3.885 > 2.021), and the significance value of alpha (α) is 0.000 (<) 0.05. Therefore Brand Awareness has a significant effect on the Role of Marketing Management partially. This means that the more aware the public or consumers are regarding the brand or company name, the more it will affect the marketing that information company management needs to do.
3. H_3= Promotion has a significant effect on the role of marketing management partially.
   The results of t-count > t-table (3.800 > 2.021), and the significance value of alpha (α) is 0.001 (<) 0.05. Therefore Promotion has a significant effect on the Role of Marketing Management partially. This means that promotions carried out by the company's management will affect the company's marketing. Promotion needs to be done to attract people's attention and attention. Especially for media information companies, which rely on the number of visitors or the number of views.

Table 10. Anova

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	255,165	3	85,055	34,624	,000[b]
Residual	88,435	36	2,457		
Total	343,600	39			

a. Dependent Variable: PMP_Y

b. Predictors: (Constant), PRO_X3, CP_X1, KM_X2

If the value of sig <0.05, it means that the independent variable has a significant effect on the dependent variable. Based on the results of the table above, the sig value is

0.000 <0.05. So the independent variable has a significant effect on the dependent variable simultaneously. This means that corporate image, brand awareness and promotion have a significant effect on the role of marketing management simultaneously.

Based on the results of SPSS 27 output above, the calculated F value is 36.624 > 10.00. So Corporate Image, Brand Awareness and Promotion have a significant effect on the Role of Marketing Management simultaneously.

4. H_4= Corporate Image, Brand Awareness and Promotion have a significant effect on the Role of Marketing Management simultaneously. This means that corporate image, brand awareness and promotion will affect the company's management in marketing. The better the three factors, the better the effect on the company.

Table 11. Model Summary

Model	R Square	Adjusted R Square	Std. Error of the Estimate
1	,743	,721	1,567
	862[a]		

a. Predictors: (Constant), PRO_X3, CP_X1, KM_X2

(Source: Output SPSS Version 27.0)

Based on the model summary table above, the R Square number is 0.743 or (74.3%). This shows that the percentage contribution of the influence of the independent variable, namely Company Image, Brand Awareness and Promotion, to the dependent variable, namely the Role of Marketing Management, is 74.3%. While 100% - 74.3% = 25.7% influenced by other variables not examined in this study.

Conclusions

Based on the results of the hypothesis test above in the form of three independent variables (Corporate Image, Brand Awareness and Promotion) and one dependent variable, namely the Role of Marketing Management, the conclusions of this study are as follows:

1. Company image has a significant effect on the role of marketing management partially. Where companies must improve or maintain the image they have. This will make it easier to find visitors and views. In addition to the company's image, company management does not need to spend more effort in introducing the company or the products or services they have. Because consumers will come alone to look for.
2. Brand Awareness has a significant effect on the Role of Marketing Management partially.
3. Promotion has a significant effect on the role of marketing management partially.
4. Corporate Image, Brand Awareness and Promotion have a significant effect on the Role of Marketing Management simultaneously.

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Effect of Financial Performance and Business Risk on Capital Structure

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ABSTRACT

Abstract : The purpose of the following research is to analyze and obtain the results of profitability, cash flow and business losses on company profits and changes in financial structure. The following research is a quantitative analysis research using descriptive method. The following research population is all transportation and logistics companies listed on the Indonesia Stock Exchange for the three period. The sampling method used is purposive sampling and the research method used in the following research is multiple linear analysis, classical hypothesis testing and hypothesis testing using the Statistical Package for Social Sciences (SPSS) version twenty two program to test hypotheses. The following research results show that the effect of debt and business risk/loss has a significant effect on financial planning or is called capital structure, while profit is not so significant.

INTRODUCTION

The growth of the business and economic fields that are increasingly developing in this era of digital technology. When conducting business activities aimed at making a profit and trying to innovate in order to expand its performance in the market. The growing business has an impact on the technology and information sector. Many people are turning to online-based selling and buying. By doing so, it can expand its market share and the logistics and transportation sectors get a large enough profit.

The rise of online applications can make the transportation and logistics sector increase sales through e-commerce. There is also a negative impact, namely that the policy of implementing community restrictions makes the delivery system slow. The following is supported by research conducted by the Center for Intermodal Transportation Research and Development (Puslitbang) which states that the modes of transportation used (trains, planes, ships) experience delays in handling export and import services. In some countries, imported goods and logistics services are related to business-to-business (B to B) transactions. In 2020, the worst impact of the epidemic, namely on transportation and warehousing, decreased by 15.04% [1].

There are many aspects that can have an impact on capital formation decisions, one of which is the use of financial instruments that benefit different stakeholders such as investors, creditors, auditors, accountants, marketers, government and self-government [2]. Companies that use their capital to meet their financing needs come from retained earnings, dividends and the acquisition of securities. Profitability will have an impact on the amount of debt or capital from outside the company needed for operational needs. Previous research has stated that profitability has a negative or significant effect on capital formation [3]. However, this statement differs from one researcher, and his research says that there is no benefit that has a significant effect on capital formation [4].

There are many aspects that have an impact on capital formation. This research study considers many aspects, namely benefits, costs and risks/losses of business. This theoretical framework discusses the effect of profitability, liquidity and business risk on firm value. While the capital structure variable plays an intervening role because when a company manages its capital structure wisely it will have a good impact on company value. In short, the company can do its job when the level of liquidity in the company is low.

The capital structure can show the level of risk of a company where the higher the ratio of capital structure, the higher the risk of the company because financing from debt is greater than equity, considering that in calculating debt divided by its own capital, this means that if the company's debt is higher than capital itself means the capital ratio structure is above 1, so that the use of funds used for operational activities of the company uses more elements of debt. In conditions of capital structure above 1, the company must bear large capital costs, the risk borne by the company also increases if the investment made by the company does not produce an optimal rate of return [5]. From this it can be concluded that the company's management determines the implementation of a good and effective capital management system which is very important for the purpose of increasing the company's profitability.

Based on the above definition, many studies have discussed the benefits and costs of financial planning. The following matters are better for researchers to examine more deeply and analyze research on the topic of profitability, liquidity and business risk in financial planning because the variables in profitability are strong. In the following research, there are differences between previous researchers, namely researching the transportation and logistics sectors regarding the impact of profitability, liquidity and business risk on capital structure.

The research problem can be formulated, namely whether profitability has a negative effect on capital structure?, Does liquidity have a negative effect on capital structure?, Does business risk have a negative effect on capital structure?

After describing these problems, the researchers can summarize the objectives of the research, namely To find out profitability has a negative effect on capital structure, In order to find out liquidity has a negative effect on capital structure, In order to find out risks/losses in business have a negative influence on structure capital.

RESEARCH METHOD

Subsequent research was carried out using descriptive methods and quantitative data. This type of research is explanatory research, meaning that it emphasizes the relationship between variables by testing hypotheses. Descriptive like describing the independent variable to the dependent variable directly and indirectly (through intervening variables). The unit of analysis in further research is the transportation and logistics sector which is listed on the Indonesia Stock Exchange. The type of data contained in the following research based on the time dimension is pooled data. The process of collecting and collecting information or data in the following research collects data using the data reporting method. That's why this is prepared by collecting, analyzing and recording some of the data from the annual report. The type of data used in this research is quantitative data. Data obtained from secondary data. The population in this research is the transportation and logistics sector recorded on the IDX for the 2019-2021 period. The total data is 28 companies. There were 6 companies that did not fit the criteria. The research period for the last three years totaled 66. After the regression test was carried out, the data had to be outliers so that they were normally distributed. There are 36 data outliers, the last sample used was 30 companies.

SPSS software version 22 was used in statistical analysis in the following research. The following research uses 2 methods of data analysis, namely descriptive analysis and statistical analysis. Statistical analysis includes (1) classic expectation test, (2) hypothesis test. The idea used in this research is the tail idea, which can be interpreted that the idea is rejected or accepted with guidelines.

Profitabilitas, Profitability can be measured by ROE, ROE shows the company's ability to generate profits from every paid-in capital to the company, therefore if the company's ROE value is high, it will increase investment returns and in the following cases shareholders [6].

$$\text{ROE} = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Modal Sendiri}}$$

Liquidity is the measure of liquidity is the use of the current ratio. Liquidity (Current Ratio / CR) is used to indicate the level of security of the company against short-term borrowers. If the number of current liabilities is greater than its current assets (current ratio shows a number below 1), then the company is said to have difficulty paying its short-term debt [5].

$$. \text{CR} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}}$$

Business Risk is Problems and losses as well as business risks/losses are a condition where the company cannot fulfill its obligations and will have an impact on the company's strength which can be measured using the degree of operating leverage (DOL) [7].

$$\text{DOL} = \frac{\text{EBIT}}{\textit{Net Sales}}$$

Capital Structure, Capital structure (Y) as measured by DER (debt and equity) is a variable that describes the ratio of the company's capital to loans or credit (Horne & John, 2012) in [8].

$$\boxed{\text{DER} = \frac{\text{Hutang}}{\text{Modal}}}$$

RESULT AND DICUSSION

Pecking Order Theory, The pecking order method is used because the company's capital management policy prioritizes the use of internal capital rather than external capital [9]. Selection process theory selects financial sources from sources that have not been used for financial decisions through debt as capital for company development.

Signaling Theory, the signaling system explains that the information provider (organization) will provide relevant information that can be used by the recipient and the recipient of the information will adjust behavior according to the understanding of the information signal [9]. This signal is in the form of information about what the company's management is doing to realize the owner's wishes. The information provided by the company is important, because it has an impact on the investment decisions of other parties outside the company.

Profitabilitas, Profitability is the ability of a company to earn profits in running its business [3]. Profitability is a ratio that measures the level of profit and sales achieved by a company. Companies with high profitability show that they have a lot of cash therefore it has an impact on companies not to use debt to meet their needs [9]. My result be concluded that the capital structure variable partially does not have a significant effect on the profitability variable. For the p-value of 0.013 <0.05, therefore the magnitude of the p-value indicates a significant negative effect of liquidity on the capital structure. It is concluded that the second hypothesis is accepted (Ha). The third hypothesis in the following research is not proven and the third hypothesis is accepted (Ha).

Liquidities, The debt ratio is a ratio used to show the company's ability to meet short-term obligations or debts that must be paid immediately [9]. If a company can meet short-term or long-term debt, it is known as liquidation. Result of after processing data conclude have negative significant effect liquidity on the capital structure. The value is negative 0,027.

Business Risk, the business risk discussed in this study is business loss. Loss in business is one of the company's financial risks/losses that the company will face if it uses too much debt due to the company's debt burden [3] and [4]. Therefore, companies with high losses in business reduce the use of debt to avoid bankruptcy [10]. The results of the research on the effect of the business risk/loss variable on the capital structure are negative and significant, the value have negative 0,023. The disadvantage in business is that the company's profits are not enough to pay interest and the company will fail. The following research results support previous research, the fourth hypothesis shows that losses in business have a negative effect on capital formation because companies with high business losses use less debt to avoid bankruptcy.

Capital Structure, the capital structure is the balance of use optimal financial funding in conducting business. The optimal capital structure shows that the amount of own capital is greater than the company's debt. Companies can survive when they are supported by a good company capital structure [9] . The capital structure can be said to be good if there is a set of financial resources used by the company to support its operations, which can be observed as a set of funds that determine the cost of capital, can and can increase stock prices [2].

This theoretical framework discusses the effect of profitability, liquidity and business risk on capital structure. Companies with a high or stable market share show a positive impact on the company's sustainable income from investors because the company's management views that the search for capital will directly have an impact on the size of their capital and in the end, capital gains will have an impact on maximizing the use of capital structure. In addition, the greater the impact of the company's operations using cash, the greater the business risk.

Effect of profitability on capital structure: The part that is considered the most important for a company is how profits can increase shareholders, not how much money the company makes [4]. Based on this definition, it can be concluded that profitability affects the organization of capital based on the fact that companies with higher profitability reduce their level of dependence on others, because higher profitability makes companies more dependent on retained earnings. According to previous analysts, a high ROE value indicates that the company's operations are increasing to provide net profits and the following can attract shareholders to invest in the company [15].

A negative regression coefficient value means that profitability has a negative effect on financial performance [4]. The following is different from research which on the one hand states that return on equity (ROE) has a significant effect on capital structure [11]. This supports the current conditions that are completely digital and open. Generation Z can be said to be impulsive in shopping online due to the perceived effect that the transportation and logistics sector does more operational work so that it can boost company profitability and reduce the debt capital structure.

H1 = Profitability has a negative effect on capital structure

Effect of liquidity on capital structure: Effect of Liquidity on Capital Formation or Structure Another hypothesis proposed in the following research is "Liquidity has an impact on Capital Formation" [8]. Liquidity has a significant effect on financial planning because the high and low liquidity of the company has an impact on the company in considering financial decisions [9]. Meanwhile, previous researches argued that liquidity had a negative and significant effect on capital structure [12].

H2 = Liquidity has a negative effect on capital structure

Effect of business risk on capital structure: The final elaboration of the third hypothesis test shows that there is no significant or insignificant effect on business risk and financial planning in the following research, this situation supports the research findings [7], [9], [12] and [10]. The capital structure can show the level of loss of a company where the ratio of the capital structure is high, and the company is more at risk/loss because the amount of money received from the debt element is greater than its capital (equity) and the calculation of debt. Divided by own capital, which can be interpreted that if the company's debt is greater than its own capital, it means that the capital structure is above 1, therefore the use of capital for domestic projects uses other things to pay [5]. Business risk that uses a high level of debt has an effect on falling stock prices because investors will assess these shares to be aggressive. If the use of the capital structure is not carried out wisely, it will result in business losses.

H3 = Business risk has a negative effect on the capital structure.

Descriptive Analysis

Table 1. Descriptive Analysis

	N	Mean	Std. Deviation	Nature of Data
ROE	30	-5,67	2,256	Homogen

	N	Mean	Std. Deviation	Nature of Data
CR	30	1,34	1,30	Heterogen
DOL	30	3,90	10,17	Homogen
DER	30	0,88	0,80	Heterogen

This study tested normality, heteroscedasticity, multicollinearity, autocorrelation using ROE, CR, DOL variables on DER. The purpose of descriptive statistics in this study is to provide an overview or description of a data. Descriptive statistics contain variable data that has been processed into average values, medians, standard deviations so that information becomes clearer and easier to understand.

a) Normality Test

Normality test obtained the value of Monte Carlo. Sig (2-tailed) of 0.230 is greater than 0.05 which means the normality test of profitability, liquidity and business losses has passed. This regression model either has a normal or close to normal distribution. Testing the normality of this data was carried out using the one sample Komogrov-Sminov test. Basis for decision sampling namely

1. If the probability value is significant > 0.05, then the data is normally distributed
2. If the significance probability value is <0.05, the data is not normally distributed

b) Table 1.1. Heteroscedasticity Test

Table 2. Heteroscedasticity Test

Variable	Significant	Details
ROE	0,520	There is no indication/sign of heteroscedasticity
CR	0,281	There is no indication/sign of heteroscedasticity
DOL	0,956	There is no indication/sign of heteroscedasticity

Dependent variables: ABRES_1

Source: SPSS 22 since 2022

According to the final elaboration of the heteroscedasticity test, it is known that the significance values of the variables X1 (profitability), X2 (liquidity), X3 (losses in business) have a significance number of 0.520; 0.281; 0.956 is greater than 0.05, therefore it can be concluded that the heteroscedasticity test does not experience indications/signs of heteroscedasticity.

c) Table 1.2. Multicollinearity Test

Table 3. Multicollinearity Test

Variable	Collinearity Statistic		Details
	Tolerance	VIF	
ROE	0,991	1,009	There were no indications/signs of multicollinearity
CR	0,992	1,008	There were no indications/signs of multicollinearity
DOL	0,998	1,002	There were no indications/signs of multicollinearity

Source: SPSS 22 since 2022

The final description of the multicollinearity test in stage 1 is that all independent variables have a VIF number less than 10, which means there is no multicollinearity.

d) Table 1.3. Autocorrelation Test

Table 4. Autocorrelation Test

Durbin-Watson	**dU**	**4-dU**	**Details**
1,499	1,6498	2,3502	No indications/signs of autocorrelation were found

Source: SPSS 22 since 2022

The final description of the autocorrelation test obtained a dw of 1.499 with a total of n = 30 and k = 3. When observed from the Durbin Watson table, dL = 1.2138 and dU = 1.6498. Therefore, a conclusion can be drawn after calculating dU < d < 4-dU the value is 1.6498 < 1.499 < 2.3502 data does not occur autocorrelation.

Table 1.4. Statistic Test F (F-test) ANOVA

Table 5. Statistic Test F (F-test)

Variable	F	Sig.
DOL, ROE, CR	3,510	0,029

Dependentt Variable: DER

Source: SPSS 22 since 2022

From the description of the ANOVA graph, there is a significant number that is the result of the F test. The value is 0.029 < 0.05. Which can be interpreted that together the independent variables are able to have an impact on the dependent variable.

Table 1.5. Statistic Test t (T-test)

Table 6. Statistic Test t (T-test)

Variable	**B**	**Sig.**	**Impact**	**Details**
ROE	0,076	0,214	Positive	No Significant
CR	- 0,027	0,013	Negative	Significant
DOL	- 0,023	0,000	Negative	Significant

Dependentt Variable: DER

Source: SPSS 22 since 2022

The results of the statistical t-test with the variables in the form of profitability, liquidity and losses in the business on the capital structure, the hypothesis one is rejected because the p-value> 0.05. It can be concluded that the capital structure variable partially does not have a significant effect on the profitability variable. For the p-value of 0.013 <0.05, therefore the magnitude of the p-value indicates a significant negative effect of liquidity on the capital structure. It is concluded that the second hypothesis is accepted

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(Ha). The third hypothesis in the following research is not proven and the third hypothesis is accepted (Ha). Meanwhile, if observed, the p-value is 0.000 <0.05. It can be interpreted that loss in business has a significant effect and if you test the sign of the coefficient, it has a negative effect on the capital structure.

The sign test results end with a positive influence on the capital structure, meaning that the company wants to expand market share or innovate to advance the company in a short time so that the company does it by way of debt. That way the company will gain profits and advance the company's targets.

The sign test results conclude with a negative influence between liquidity and capital structure. Liquid means that the company has assets or assets that can be liquidated to meet the company's operational needs. The higher the use of company assets to generate money, the lower the company uses corporate debt.

The sign test results end with a negative influence between business risk/loss on capital structure. Business risk is projected by measuring the degree of leverage (DOL), which means that if the DOL is high, it indicates that the company's fixed costs exceed its variable costs. Therefore, companies that have a high risk may minimize or reduce the use of their debt.

The results obtained from the results of the profitability test on capital structure do not prove the pecking order theory, companies with good financial conditions should prefer to use their internal funds first compared to using external funds. External funding will be used as an alternative if internal funding sources are insufficient. However, the results of this study prove the signal theory because investors can judge that a company is managed properly and efficiently from the way its capital structure is used.

CONCLUSSION

The first hypothesis that examines the effect of profitability on financial planning has a positive effect. This means that a company that earns a lot of profit will reduce the amount it receives from others. Companies with high profitability will reduce the use of long-term debt as well as capital formation and reduce their dependence on capital from others in the company, because higher profitability allows the company to generate more income. Money is saved before the company uses other sources of income. external aspects such as debt. The first hypothesis was not proven or deviated from the hypothesis made by the researcher. There is a difference in proving the hypothesis that it can be assumed that companies and the logistics and transportation industry are companies that are not non-profitable. If the company is a profitable company, then the company uses retained earnings to fund the company's operations, not using debt. Or in the sense that companies like to use funds from old shareholders rather than borrowing funds for a long time or from creditors.

The second hypothesis is accepted because the research results show that liquidity has a negative and significant influence on financial planning. The results of the study support previous researchers who stated that if a company has a large amount of cash at home, therefore it will have an impact on a small level of debt use, a method that is in accordance with the pecking order which states that the company will prefer more money in the first house. external finance (debt).

The results of the research on the effect of the business risk/loss variable on the capital structure are negative and significant. The disadvantage in business is that the company's profits are not enough to pay interest and the company will fail. The following research results support previous research, the fourth hypothesis shows that losses in business have a negative effect on capital formation because companies with high business losses use less debt to avoid bankruptcy. The following is based on business theory which states that the use of other debt will increase the risk/loss of the company.

It is hoped that further research will add variables such as company size or leverage. Distinguishing from this research is the research object. For future researchers, it is hoped that they will take a different sector so that there are not many outlier samples when the test is carried out. There are other factors that have more influence on capital structure but are not included in the study such as asset structure and business risk.

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The Effect of Customer Delight, Brand Image, and Product Innovation on The Purchase Decision of The Erigo Brand in The City of Surabaya

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ABSTRACT

This study aims to determine the effect of customer satisfaction, Brand image, and Product innovation on consumer Purchasing of Erigo brand products in Surabaya. This type of research is quantitative research. The population is all customers of the Erigo brand in Surabaya. The number of samples taken is 100 respondents who are taken incidentally. The sampling technique used is the prior probability sampling technique; this technique is randomization or coincidence. The data collection method used is a survey with a questionnaire instrument that is using a questionnaire. The result of this study shows that customer delight; in the brand image has a significant effect on purchasing decisions but not on product innovation which is not significant for purchasing decisions for the Erigo brand in the city of Surabaya. Meanwhile, simultaneously, Customer delight, brand image, and product innovation influence purchasing decisions for the Erigo brand in Surabaya.

Introduction

Creative industries are now emerging, art, design, film, and fashion. This creative industry is believed to be able to improve the skills of individuals and groups to create prosperity and create jobs by generating and exploiting the creative power and creativity of the individual. Creative industries are seen as increasingly important in supporting prosperity in the economy. Various parties argue that human creativity is a significant economic resource and that the twenty-first-century industry will depend on knowledge production through creativity, innovation, and rapidly developing technologies.

Fashion is the center of attention in the creative industry because it is an industry that is needed in daily activities to protect the body and beautify its appearance. That there are many opportunities in this clothing business. Fashion is one of the companies currently a creative industry in the world, including Indonesia, contributing significantly to Indonesia's economic growth. By utilizing creativity and innovation in every design on t-shirts, long sleeves, short pants, and jackets, millennials are now interested in owning these items. According to [1] Customer delight is a people-oriented dimension. Customer delight will be formed when someone feels comfortable with a

According to [2], customer pleasure is a positive emotional response from consumers when consuming products or services. This pleasure occurs when the customer gets something unexpected and impacts consumer behavior. Furthermore, nowadays, brands like Erigo are examples of one of the most famous brands in Indonesia. Because basically, our local brands have quality and value for sale; it is just a matter of how we must continue to innovate their products, especially in this era where there have been many trade wars that have affected the world's purchasing power and the flow of goods. Foreign fashion brands such as Zara, Supreme, H&M, Uniqlo, and others are much favored by young Indonesians. Because it has good quality, is extraordinary, popular, and prestige.

Nevertheless, in today's modern era, many local clothing brands have emerged that are no less good than foreign products in terms of design, quality, and innovation. Consumers are becoming increasingly critical in choosing the best product for them. Understanding consumers is an essential element in developing marketing strategies [3].

Kotler and Keller (2016) in his book mentioned that brand image is a name, term, sign, symbol, design, or a combination of these, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. If we look in more detail, the quality of our domestic products is not much different from foreign products, and maybe there are even higher quality ones. The only difference is the popularity of these brands, which are already worldwide. According to Kotler and Keller (2016), brand image is a name, term, sign, symbol, design, or a combination of these,

This innovation made by erigo makes a brand ergo in demand by millennials, attractive designs launched by ergo following the progress of globalization in the current era. Erigo is one of the local fashion brands whose name soared around 2015. This was done initially because Erigo, originally called Selected and Co., had to rebrand the name or fashion brand. Initially, Erigo came up with his first product, batik, which is suitable for traveling. Street style and traveling are the primary keys for Erigo to soar. Unlike the distro clothes that may be widely known, Erigo presents a calmer style without losing the impression of streetwear. You can find a variety of jacket models with unisex models. Erigo also pampers lovers of simple style and does not have too many statements in its product design. Erigo also presents jacket designs that are rarely owned by other local brands, such as the Sukajan embroidery jacket, which looks artistic and catchy. According to Kotler and Keller (2016), innovation is a new product, service, idea, or perception from someone. Innovation is a product or service consumers perceive as a new product or service.

Because of that, people buy clothes no longer because of need but prestige. However, that does not affect the interest of local brand lovers to buy because they know that our brand is also not inferior to foreign brands. According to [4], Most consumers, both individual consumers and organizational buyers, go through almost the same mental process in deciding what products and brands to buy. Local brand purchasing decisions are also influenced by their prices which are not too expensive, so that the upper, middle, and even the bottom are quite capable of having it, which is also not far from our sense of satisfaction using the brand. According to [5] as a stage in the buyer decision-making process where consumers will buy a particular product or service. Therefore consumer decision-making must go through a selection process that is taken by one of several alternative problems solving with accurate follow-up. After that,

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consumers can evaluate their choices and can then determine the attitude to be taken next [6].

Thus the studies that have been conducted show that customer delight, brand image, and product innovation can affect one's loyalty to purchasing decisions. Even though the local brand is not only Erigo, Erigo can now be said to be the best-selling local brand in the fashion world with prices and quality that are on par with foreign brands, making Erigo the best local brand. Ease of discovering the latest updates and the ordering process via the web and E-commerce.

Research Methods

Customer Delight. Customers are essential people in the world of business and other marketing. We, as a company, must know what customers want and need. That is the primary goal of the company. This strategy can make customers satisfied and happy, which can encourage customers to come back again. [7] states that so far, customer satisfaction is seen as the primary goal that will be the key to the success and existence of the company. However, further studies explain consumer behavior, which explains higher satisfaction levels. This level will result in more loyalty to the company, called "customer delight." Building long-term customer relationships will be complicated if expectations and needs are not adequately understood. Following customer management, companies must be able to understand customer wants and needs and then utilize existing resources to satisfy and retain customers. Customers who are not served well will likely switch to other companies that can meet customer satisfaction [8].

Providing something more than what is expected and needed by customers to create customer satisfaction can be said to exceed customer expectations. Exceeding customer expectations does not mean being the best in the world, but being able to realize and understand what it takes to satisfy customers and make customers happy (delight) [2]. Companies must understand customer wants and needs and utilize existing resources to satisfy and retain customers. Customers who are not served well will likely switch to other companies that can meet customer satisfaction. Providing something more than what is expected and needed by customers to create customer satisfaction can be said to exceed customer expectations. Exceeding customer expectations does not mean being the best in the world but being able to realize and understand what it takes to satisfy customers and make customers happy [9].

Companies must understand customer wants and needs and utilize existing resources to satisfy and retain customers. Customers who are not served well will likely switch to other companies that can meet customer satisfaction [10]. Providing something more than what is expected and needed by customers to create customer satisfaction can be said to exceed customer expectations. Exceeding customer expectations does not mean being the best in the world, but being able to realize and understand what it takes to satisfy customers and make customers happy (delight) [11].

Customer delight is expected to be the key to getting customer loyalty, and customer loyalty is a profit driver for the company [6]. Executives from well-known companies engaged in services emphasized that it is not enough to provide satisfaction for customers. It is a priority to move customer satisfaction into customer delight. Some data state a low correlation between customer satisfaction and loyalty. Delighted consumers are an essential asset for the company. Their role is more significant than just buying products because they also spread positive word of mouth about the company [12].

Proves that there is a non-linear relationship between satisfied (merely satisfied) with loyalty and describes it in a curve called the Delight Curve [2]. "Functional performance (how the business conducts itself) is non-linearly related to the satisfaction customers experience; satisfaction is non-linearly related to the evoked loyalty." Their role is more extensive than just buying products because they also spread positive word of mouth about the company; further, they mention a non-linear relationship between satisfied (merely satisfied) with loyalty and describe it in a curve called the Delight Curve. "Functional performance (how the business conducts itself) is non-linearly related to the satisfaction customers experience; satisfaction is non-linearly related to the evoked loyalty."

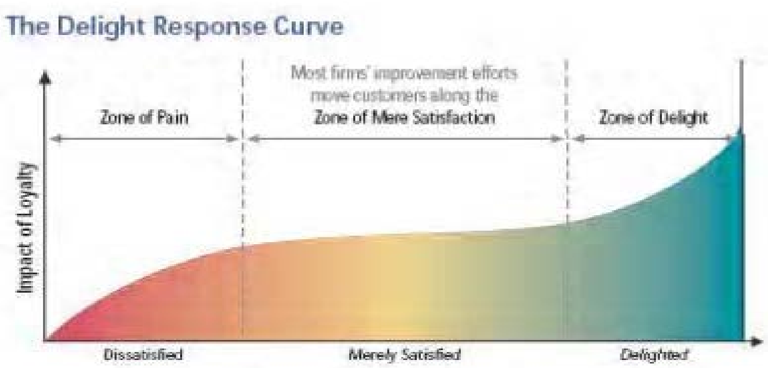

Figure 2.1 Delight Curve
Level of customer satisfaction
Source: Afwan Hariri

Figure 2.1 explains that the company only looks for the middle area of the delight curve, the zone of satisfaction. In the zone of satisfaction, the company only plays to make consumers not feel disappointed but leaves a significant increase in loyalty. The first area is called the Zone of Pain. In this area, the company's services cause customer dissatisfaction. In the third area, service improvements, however minor, increase customer satisfaction levels. This area is called the Zone of Delight. To make customers loyal, there are several steps to create customer delight (customer delight) so that customers can become loyal (customer loyalty).

Several indicators form customer delight, the following are each indicator of customer delight, according to [10]. are as follows : (a) Get high value, (b) Promotion according to reality, (c) Specially treated, (d) Responsible for consumer complaints, (e) Consumers get more than expected.

Brand Image. According to [13] brand image is a name, term, sign, symbol, design, or a combination of these intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors. [14] states that a company's brand image affects customer satisfaction. [13] also define a brand as a name, term, sign, symbol, design, or a combination thereof intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. The result of the research conducted by [15] mentions that brand image significantly affects purchasing decisions, [16] also supported this study in their research that Brand image significantly affects purchasing decisions. [17] conveyed from her research that brand image significantly and positively influences consumer buying decisions.

According to [3] the factors that affect brand image are divided into seven 1) Quality or quality, related to the quality of products offered by manufacturers with certain brands; 2) Can be trusted or relied upon, relating to the opinions and agreements formed by the community about a product that is consumed; 3) Usefulness or benefits, which are related to the function of a product that consumers can utilize; 4) Service, which relates to the task of producers in serving their consumers; 5) Risk is related to the profit and loss experienced by consumers; 6) Price, in this case, what consumers spend to influence a product, can also affect the image related to the high or low or the amount of money in the long term; and 7) Image, which is owned by the brand itself, in the form of customers, opportunities and information related to a brand of a particular product. The indicators of the brand image, according to [18], are as follows: (1) Product attributes are related to the brand, such as packaging, taste, price, and others. (2) Consumer benefits (consumer benefits) are the use of the brand's product. (3) Brand personality is an association regarding a brand's personality if the brand is human.

Product innovation, uses research from [19] "Product innovation is a combination of various processes that influence each other, which means that innovation is not a concept of a new idea, a discovery or also not a development. Of a new market, but innovation is the epitome of all these processes. Meanwhile, according to [5], product innovation is a combination of various processes that influence each other, which means that innovation is not a concept of a new idea, a discovery, or also not a development. Of a new market, but innovation is the epitome of all these processes.

Research conducted by [20] indicates that variables of product innovation have no significant effect on the purchase decision. However, the result of the research by [21] explained that innovation is also known as "New Product Development" or New Product Development. The new product, referred to as the original product, is product development, product modification, and new brands developed by the company through their research and development efforts (Kotler and Armstrong, 2008:309). New Product Development is a systematic process that identifies and analyzes new product opportunities according to the organization's mission.

[13] Argue that four indicators are fundamental in influencing the level of innovation adoption, including the following: (1) Relative Advantage, the degree to which the innovation looks better than the old product. The level of excellence of innovation, whether it is better than previous innovations or from things that are usually done. (2) Compatibility: the degree to which an innovation matches individual values and experiences. The level of compatibility of innovation, whether it is considered consistent or following existing values, experiences, and needs. (3) Divisibility is the degree to which innovation can be tried bit by bit (4) Communicability is the degree to which the results of using innovation can be observed or explained to others.

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The Purchase Decision. Consumers make purchasing decisions before buying products or using services offered by companies [22]. According to [23] The purchasing decision is "the selection of an option from two or choices." The purchase decision can be interpreted as a person's decision to choose one of several. [24] stated that purchasing decisions are the stages in which consumers buy various products and brands, starting with need recognition, information search, information evaluation, making purchases, and then evaluating post-purchase decisions. According to Kotler and Armstrong (2016:177), purchasing decisions are components of consumer behavior, where consumer behavior is the study of what a person or group looks like in determining, buying, consuming, and what products, ideas, or experiences are to satisfy consumer needs. Decision-making is an individual activity directly involved in obtaining and using the goods offered. The purchasing decision is a problem-solving approach to human activities to buy an item or service to fulfill their wants and needs. It consists of recognizing needs and desires, searching for information, evaluating alternative purchases, purchasing decisions, and behavior after purchase (Swastha and Handoko, 2000:15).

The purchasing decision is the stage in the decision-making process where consumers buy [9] Decision-making is an individual activity directly involved in obtaining and using the goods offered. The purchasing decision is a problem-solving approach to human activities to buy an item or service to fulfill their wants and needs. It consists of recognizing needs and desires, searching for information, evaluating alternative purchases, purchasing decisions, and behavior after purchase. There are four indicators in a person's purchase decision for a product are divided (Kotler and Keller, 2016), which are: (a) Stability of an item and service, (b) Habits in purchasing goods and services. (c) Recommend to others, (d) Make a repeat purchase.

This study aims to analyze the influence of customer delight, brand image, and product innovation on consumer buying decisions, bearing in mind that some of the research results of these three variables can influence consumer buying decisions. This research design uses an explanatory causal type of research which explain the causal relationship (clause) between variables in the study. The method used in research is quantitative research methods. The type of data used in this study is quantitative data derived from respondents' answers to the written question system in the questionnaire. In comparison, the source of data used is primary data, the leading data obtained directly from filling out the questionnaire.

The population in this study are buyers of the Erigo brand in the Surabaya area, East Java province. Because the number of consumers in the region is the largest, a part of the population is taken for samples to represent the population and to draw conclusions, and the sampling technique used is probability sampling on buyers of the Erigo brand in the Surabaya area, East Java province with random sampling technique. The data was collected using survey techniques. Meanwhile, the instrument used was a questionnaire. After the data was collected, then analyzed using regression analysis and hypothesis testing, while the analysis was carried out using SPSS software.

Result and Discussion

Results

Before the data were analyzed, the validity and reliability of the instrument were first tested [25]. A validity test is used to measure whether a questionnaire is valid. This validity test is carried out by comparing the results of the correlation or r at an error rate of 0.05, and the correlation calculation results show valid numbers for all statement items after issuing several invalid statements. While the validity test was used to determine the consistency of the answers to each statement the respondents answered, the validity test results were carried out with the help of SPSS version 25.0. The results showed that all instruments from Customer Delight, Brand Image, Product Innovation, and Customer Decision were declared reliable.

This study also analyzes the classic assumption test as a requirement in the use of parametric statistics, namely the multiple linear regression test, which is used to find out that this data analysis can be continued with statistical parameters, namely the Normality Test, Multicollinearity Test, and Heteroscedasticity Test. The normality test aims to determine whether the dependent variable and independent variable have a contribution to the regression model or not. The test used is the Kolmogorov-Smirnov with a significance value of 5% or 0.05. If the statistical test results are more than or equal to 0.05, the data can be said to be normally distributed. It is known that the normality test results show an Assumption and P Probability Significant (2-tailed) value of 0.200, which is more than the value of 0.05, so it can be said that research data is typically distributed and declared valid.

The multicollinearity test aims to test whether a regression model has a relationship between independent (independent) variables. This can be seen from the tolerance value; if it is more than or equal to 0.10 and the VIF value is less than 10, then it can indicate the existence of multicollinearity between the independent variables. At the same time, the Variance Inflation Factor (VIF) calculation results show that the tolerance value of all independent variables is more than 0.10 and VIF is less than 10, so it can be said that in the regression model, there is no multicollinearity problem.

Meanwhile, the heteroscedasticity test was carried out to test whether the regression model has variances and residuals from one observation to another. The analysis results show that the scatterplot image does not form a specific pattern, and the dots spread over it. Moreover, below the number 0 on the Y axis, thus it can be said that the test results do not occur heteroscedasticity.

Linear Multiple Regression Analysis

The results of multiple linear regression analysis through SPSS calculations can be seen in table 1.

Table 1. The Result of Coefficients Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5.547	1.711		3.242	.002		

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Customer Delight	.204	.081	.254	2.533	.013	.298	3.357
Brand Image	.506	.118	.503	4.292	.000	.219	4.569
Product Innovation	.093	.091	.135	1.022	.309	.173	5.797

a. Dependent Variable: Purchase Decision

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

$$Y= 5.547 + 0{,}204\ (X1) + 0{,}506\ (X2) + 0{,}093\ (X3)$$

The result of the multiple linear regression equation above contains implications:

a) The constant 5,547 means that if the variable customer delight, brand image, and product innovation does not exist (X1, X2, and X3 = 0), then the Purchase Decision is at number 5,547
b) The regression coefficient X1 (Customer Delight) of 0.204 means that each additional point of the price perception variable will increase the Purchase Decision by 0.204 times.
c) The regression coefficient X2 (Brand Image) 0.506 means that each point added to the brand image variable will increase the Purchase Decision by 0.506 times.
d) The regression coefficient X3 (product innovation) is 0.093, which means that every point added to the product innovation variable will increase purchase intention by 0.093.

T-test Analysis

The t-test is used to test the hypothesis partially, or the effect of each variable X on variable y, and the results can also be seen in table 1, which can be explained as follows:

1. Test the Customer Delight X1 Variable. The sig value is obtained. X1 0.013 <0.005 with a t count of 2.533 > t table 1.660, which means that H1 is accepted so that it can be said that customer delight significantly affects consumer buying decisions.
2. Test the Brand Image Variable X2. The sig value is obtained. X2 0.000 <0.005 with a t count value of 4,292 > t table 1.660, which means H2 is accepted; therefore, it can be said that brand image significantly affects consumer buying decisions.
3. Product Innovation Variable Test X3. The sig value is obtained. X2 is 0.309 <0.005 with a t count of 1.022 > t table 1.660, which means H3 is rejected. This means that product innovation has no significant effect on consumer buying decisions.

F-Test Analysis

The F-test is used to test the hypothesis simultaneously, or the effect of each variable X on variable y, and the results can also be seen in table 2.

Table 2. The Result of ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1258.545	3	419.515	78.973	.000[b]
Residual	509.965	96	5.312		
Total	1768.510	99			

a. Dependent Variable: Purchase Decision
b. Predictors: (Constant) Customer Delight, Brand Image, and Product Innovation

Based on the data above, the sig. 0.000 <0.005 and Fount value 78.973 > F table 2.699. This means that H3 is accepted, and the variables X1, X2, and X3 have a simultaneous and significant effect on variable Y.

Determinat Coefficient (R^2)

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.844[a]	.712	.703	2.305

a. Predictors: (Constant), Inovasi Produk, Customer Delight, Citra Merek
b. Dependent Variable: Keputusan Pembelian

From the table above, it is explained that to find out how much the variability of the independent variables is in explaining the dependent variable indicated by the R square value of 0.712. It means that the variability of the variables Customer Delight (X1), Brand Image (X2), and Product Innovation (X3) can explain Purchase Decisions (Y) of 0.712 or 71.2%. The remaining 28.8% is explained by other variables not examined in this study.

Discussion

The Effect of Customer Delight on Purchasing Decisions. Based on the results of research data analysis, the promotion variable (X1) positively affects purchasing decisions (Y). This is supported by the t-count value, where the t-count value of the promotion is 2.533 with a significance level of 0.013 <0.005 and the regression coefficient value is 0.204, so this study proves that the variable Customer delight has a positive and significant effect on purchasing decisions for Erigo products in City of Surabaya. The results of this study can confirm the theory according to Kotler and Armstrong (2016: 314). Customer Delight is the number of people who will buy and be charged for a product or service or the amount of value exchanged by consumers for the benefits of having or using a product or service. The results of this study are the same or in line with what was done by [10]; the variable customer delight is stated to have a significant effect on purchasing decisions.

The Effect of Brand Image on Purchasing Decisions. Based on the results of research data analysis, the Brand Image variable (X2) positively affects purchasing decisions (Y). This is supported by the t-count value, where the t-count value of product quality is 4.292 with a significance level of 0.000 <0.005 and a regression coefficient value of 0.506. This study proves that the brand image variable positively and significantly affects purchasing decisions for Erigo products in Surabaya. The results of this study can confirm the theory of [26] According to Tipton, Brand Image is a form of marketing communication, meaning marketing activities that seek to disseminate information, influence or persuade and or remind the target market of the company and its products to be willing to accept, buy and be loyal to products offered by the company concerned. This theory was also found in the research of [16]. Brand Image variables affect Purchase Decisions.

The Influence of Product Innovation on Purchasing Decisions. Based on the results of research data analysis, the product innovation variable (X3) does not affect purchasing decisions (Y). This is supported by the results of the t-count partial test, where the t-count value of product innovation is 1.022 with a significance level of 0.309 > 0.005 and a regression coefficient value of 0.093. in the city of Surabaya. The results of this study can confirm the theory from [9] with the result that product innovation has no significant effect on purchasing decisions. Product innovation is a form of marketing communication, meaning marketing activities that seek to disseminate information, influence or persuade and or remind the target market of the company and its products to be willing to accept, buy and be loyal to the products offered by the company concerned. Product innovation is not significant for purchasing decisions because consumers do not see innovation in purchasing products. This theory is also found in research by [18] which states that product innovation is not significant for purchasing decisions.

Conclusions

Based on the results of data analysis and discussion, a conclusion can be drawn; from the results of the t-test, it is found that Customer Delight has a significant effect on Purchasing Decisions, besides that Brand Image has a significant effect on Purchasing Decisions. Product Innovation has no significant effect on Purchasing Decisions, but when tested simultaneously shows that Customer Delight, Brand Image, and Product Innovation have a significant effect on Purchasing Decisions. The implications of the results of this study indicate that Erigo users in Surabaya are considered to have customer delight, and customers highly consider brand image. Therefore it must be maintained. Attract the interest of buyers. The results of this study are expected to be used as a tool as an ingredient in maximizing product sales. Further research is suggested to examine the factors that influence the brand image of a product.

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Consumer Attitude, Consumer Trust, And Price Perception on Purchace Decision

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ABSTRACT

Abstract : The purpose of this studyis to determine if consumer attitudes, consumer confidence and awareness of prices influence purchasing decisions at KebabQue Sepanjang. The survey used questionnaires to collect data, and the consumer population of KebabQue MSME is not yet known. The sample is taken using the Lameshow formula and the result is 96, rounded up to 100. The method used in this study is accidental sampling. The results of this survey show that consumer attitudes have a significant impact on purchase decisions, and consumer trust has a posittive and significant impact on purchasing deecisions. Price awareness has a positive and important impact on purchasing decisions. Consumer attitudes, consumer confidence and price awareness also have a positife and important impact on purchasing decisions. The implications of this study are that KebabQue MSME partners will continue to provide high quality foods and meet consumer needs as much as possible so that consumers can truly trust Kebab Que MSME foods.

Introduction

Medium Enterprises (MSMEs) are one of the businesses that have an important role in the development of the country's economy. The government has made a major contribution to MSME's economy. The government has made a major contribution to MSMEs in order to survive in the global crisis. There are various fields of MSMEs in Indonesia such as fashion, culinary, agribusiness, services, education, craft. Currently, food products are often found in every Indonesia MSME, especially in Sidoarjo. One of them is the MSME KebabQue. During pandemic Covid, KebabQue remained consistent in increasing sales. Often, consumers come directly to outlets to buy even though they can make purchases by ordering online. This is because there is consumer interest in the arrangement of the KebabQue outlet and its strategic location so that it becomes a consideration for consumers in making purchasing decisions. Purchasing decisions are stages in the decision making process when consumers actually to buy.[1]

Attitude is able to influence someone in making a decision when making purchase [2] consumer attitudes are formed when there is a tendency for consumers to do something about the things they want to have. [3]. Attitude becomes a person's evaluation in response to a product or service. Attitudes have an important meaning in decision making because there is a strong tendency to predict the behavior of consumers to do something in the future [4]. Besides consumer attitude, consumer trust is also the greater of consumer's decision to buy a product.[5]

Trust is an energetic and diverse idea and Trust is important to attract and retain new customers [6]. Consumer trust can also influence the decision to make a purchase, because the existence of consumer trust indicates that the selected product meets the criteria that consumers want. Trust can be built through the consumer's past experience when making decision to purchase. This consumer trust can be spearhead in increasing sales. To build consumer trust, business actors must have the right strategy in marketing their products, because marketing as a fundamental tool planned to achieve company goals. [7].

Besides consumer attitude and consumer trust, price perceptions also have an influence on purchasing decision. Price perception also influences purchasing decisions. Price perception is correlated with how consumers perceived price. Competitive prices between companies will attract consumers, certainly expect low prices with the best quality. When consumers review and prices, it will influence their thinking in making purchase decisions. [8].

This research are 1) is consumer attitudes have a positive effect on purchasing decisions?, 2) is consumer trust has a positive effect on purchase decisions?, 3) is price perception has a positive effect on purchasing decisions?, 4) do consumer attitude, consumer trust and price perceptions simultaneously have a positive effect on purchase decisions?.

Research Methods

This research was conducted on KebabQue MSMEs using quantitative methods. Because the research uses data in the form of numbers and statistical analysis with the aim of knowing the effect of consumer trust and price perceptions on purchasing decisions at KebabQue MSMEs. The variables in this research are: consumer attitude as X1, consumer confidence as X2, price perception X3, and purchase decisions (Y).

The population in this research are all KebabQue consumers whose total population members are unknown. Because the population has not been known to be physically malnourished, the sample in this research uses the formula from Lame show:

$$\boxed{n = \frac{Z^2 . P(1-p)}{d^2}}$$

Description
n = total sample
Z = level of confidence = 1,96
P = maximum estimation 0,5
D = sampling error (5%)

$$n = \frac{1{,}95^2 . 0{,}5(1-0{,}5)}{0{,}1^2} = 96\ Responden$$

something that influences consumers in making decision. The higher the consumer trust,

Data collection technique in this research is to distribute questionnaire to respondent and use a Likert scale. Data analysis techniques is multiple linear regression with formula

$$Y = a + b_1x_1 + b_2x_2$$

Result and Discussion

Multiple Regression Test

From this result of multiple linear regression test is known:

PD = 3,124 + 0,626CA + 0,460 CT + 0,800 PP + e

Table 1. Multiple Regression Test

Model	Unstandardized Coefficient		Unstandardized Coefficient	T	Sig.
	B	Std. Error	Beta		
Constant	3.124	2.701		1.156	0.250
CA	0.262	0.121	0.161	2.166	0.033
CT	0.46	0.136	0.293	3.385	0.001
PP	0.800	0.125	0.498	6.426	0.000

Dependent variable: Purchase Decision (PD)

From this equation above it can be explained as follows:

1. Variable X_1 has a positive effect on purchasing decisions with a coefficient value of 0.262. this means that the higher the effect of consumer attitude on purchase decision, the higher the purchase decision value of 0,262.
2. Variable X_2 has a positive effect on purchasing decision either a coefficient value of 0,460 on purchase decisions. This means that any increase in the consumer trust will be increase purchase decisions of 0,460.
3. Variable X_3 has a positive effect on purchasing decisions with a coefficient value of 0,800 on purchase decisions. This means that any increase in the consumer trust will be increase purchase decisions of 0,460. This means that any increase in the price perception will be increase purchase decisions of 0,460.

T-Test

T-test used to determine the extent to which the influence of independent variables individually or partially explains the dependent variable with a significant level of 5% and df = (n/k), so (100-4) = 96. Where N = number of respondent and K = number of all variables. If probability > 0.05 the H0 accepted and if probability < 0.05 the H0 is rejected.

Table 2. T Test Result

No	Variable	t-count	t-table	Sig	Sig Required	Information
1	CA	2.166	1.985	0.033	<0.05	Significant
2	CT	3.385	1.985	0.001	<0.05	Significant
3	PP	6.426	1.985	0.000	<0.05	Significant

From the above table it can be seen that all of independent variables have a positive and significant effect on purchase decision.

Coefficient correlation

Correlation coefficient analysis is used to determine the direction and strength of the relationship between two or more variables. Direction is expressed in the form of a positive and relationship, while the strength or weakness of the relationship is expressed in the magnitude of the correlation coefficient.

Table 3. Correlation Coefficient

	Consumer Attitude	**Consumer Trust**	**Price Perception**	**Purchase Decision**
Consumer Attitude (Correlation)		0.567	0.536	0.620
Consumer Trust (Correlation)	0.657		0.687	0.740
Price Perception (Correlation)	0.536	0.687		0.784
Purchase Decision (Correlation)	0.620	0.740	0.784	

Form the above table it can be seen that the variables of consumer attitudes and consumer trust have a moderate level of relationship with a calculates result of 0.567. consumer trust and price perception have a relationship level in the strong category with a calculated value 0.687. consumer attitudes and price perceptions have a moderate level of relationship with a calculates value of 0.536.

F-Test

Table 4. F-Test Table

No	Model	F Count	F Table	Sig	Sig. Required	Information
1	Regression	76.537	>1.985	0.000	<0.05	There is influence with the dependent variable

Based on above table, the calculates F value is 76.537 and the F table is 1.985 where the F calculated > F table, and a significant value of 0.000 < 0.005 the independent variables together have a significant effect on the dependent variable.

Coefficient Determination Test

Table 5. R^2 Table

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.840	0.705	0.696	2.32400

Based on above table, the variables of consumer attitudes, consumer trust and price perception on purchase decision are only 0.705 or 70.5%, while the remaining 0.295 or 29.5% is influenced by other variables not included in this study.

The Influence of Consumer Attitudes on Purchase Decision

Consumer attitudes have a significant influence. This can be proven with a calculated t value of 2,166 > t table 1.985. so it can be concluded that consumer attitude that consumer attitudes have a positive and significant effect on purchasing decisions. KebabQue provide maximum quality for satisfaction and meet consumer expectations. There is consumer knowledge about kebab food products and other factors that make consumers interested in making a decision to buy kabab food, namely the influence or solicitation other people. Not often consumer attitudes are formed because there is a tendency to obtain information from peers who are easily influenced by their group compared to other sources. This result of this study are in line with [9]. Which states that consumer attitudes have a positive and significant effect on interest in buying, which means that any increase or decrease in consumer attitudes will affect in purchase interest.

The Influence of Consumer Trust on Purchase Decision

Partially testing the hypothesis of consumer trust in purchasing decisions at KebabQue MSME as long as it can be concluded that consumer attitude have a significant influence. This can be proven with a calculated t value of 3,385 > t table of 1,1985. So it can be concluded that consumer trust has a positive and significant effect on purchasing decisions. KebabQue provide maximum quality for the sake of satisfaction and meeting consumer expectations. In general, consumer trust is the pillar of business, which builds and creating customers is one of the most important factors for success sales of a product, so that consumer trust proves that the product marketable. This result of this study are in line with [5] that is consumer trust has an impact positive effect on purchasing decisions. This means that the tendency of consumers to do purchase decision.

The Influence of Price Perception on Purchase Decision

Partial hypothesis testing of price perception variables on purchase decision at kebabQue has a significant influence. This can be proven with calculated t value of 6,426 > t table of 1,985. So it can be concluded that the price perception has a significant influence on purchasing decisions. The application prices that are easily accessible to anyone, make consumers interested in making purchasing decision. Consumer perception of price can influence their decision to buy a product. For that, sellers will try to provide a good perception of the products they sell. This research is inconsistent with research conducted [10] which states that price perceptions have not influence on purchase decisions.

The Influence of Consumer Attitudes, Consumer Trust and Price Perception on Purchase Decision

Simultaneous testing of the hypothesis of consumer attitudes, consumer trust and price perception on purchase decisions on KebabQue can means that it has a significant influence. This is due to consumer knowledge, consumer satisfaction and expectations that are fulfilled and the application of prices that are classified as standard that are easily accessible to anyone who wants to buy Kebab food products at KebabQue.

Conclusion

Based on result of research consumer attitude, consumer trust and price perception on purchase decision are Consumer attitudes have a positive and significant influence on purchasing decision. Consumer Trust have a positive and significant influence on purchasing decision. Price Perception have a positive and significant influence on purchasing decision. Consumer attitudes, Consumer Trust, Price Perception have a positive and significant influence on purchasing decision. On further research needs to be done by using other variables of independent variables such as consumer satisfaction and consumer loyalty where these variables are not examined by the author but are suspected to have an influence on purchase decisions.

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The Determinants of Real Earnings Management

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ABSTRACT

This study aims to define and analyse the relationship between firm size, profitability and real earnings management real earnings management is measured by Cohen et al dan Roychowdhury. Secondary data sources are used, namely, companies listed on the Indonesian Stock Exchange. Purposive sampling techniques are employed, with a new sample of observational data from the manufacturing company for the period 2019-2021. The results indicate that firm size, financial distress, and profitability positively affect real earnings management.

Introduction

Financial statements are the company's communication media used to connect interested parties both internal and external to the company. The principal does not have sufficient information on the agent's performance because the principal cannot monitor the agent's daily activities to ensure that the agent works in accordance with the wishes of the shareholders, while the agent has more information about his personal capacity, work environment, and the company as a whole. This causes an information gap called information asymmetry. The information asymmetry that occurs between management (agent) and the owner (principal) provides an opportunity for managers to act opportunistically, namely for personal gain. This personal gain triggers agents to carry out earnings management. Earnings management is carried out in two ways, namely accrual manipulation and real activity manipulation. Managers favor earnings management through real activity manipulation over earnings management through accruals. The earnings component of financial statements is often used to measure company performance. Accrual income is considered a better measure than cash flow from operating activities because accruals consider timing issues, unlike those contained in cash flow from operating activities. The underlying reasons for managers to perform earnings management are influenced by profit, risk, and speculation [1].

Earnings management is tested through real activity concentrated on investment activity. Management manipulates real activities to avoid losses in the company's annual financial statements. Earnings management is the behavior of managers to deceive investors and maximize their welfare because they control more information than for interests. Real activity manipulation is manipulation through daily company activities throughout the accounting period with the aim of meeting profit targets or to avoid losses [2]. Manipulating through real activities is a safe way to achieve profit targets because it can be done at any time throughout the accounting period. Real earnings management is a form of earnings management carried out through manipulation of the company's operational activities. This manipulation is measured by a deviation from the company's normal operational practices. The motivation for management to do this is the desire to "trick" the company's financial reporting for several stakeholders in order to fulfill certain objectives. This deviation does not actually provide added value to the company but only to meet reporting targets for managers Abshari This definition is consistent with the results of a study from which found evidence that: (a) financial executives burden several transaction policies aimed at meeting earnings targets such as negative earnings, the same earnings as before and forecasts from analysts; (b) financial executives also desire to manipulate real activities in order to meet sales volumes, and increase production volumes [3]. This may result in lower sales margins. Real earnings management is an opportunistic action taken by management to manipulate earnings figures in financial statements through the company's real operations which can directly affect cash flow. Real earnings management usually occurs when company management deviates from business plans through the company's real activities to meet profit targets [4].The intervention of company managers in real activities is carried out through decisions related to operational activities or real activities of the company [5]. Real earnings management is carried out by exchanging details of inter-costs for adjusted costs, with the hope that the cost shortfall can be covered when sales improve. When the company's financial statements show a very healthy condition, the greater the real earnings management practices carried out.

The measurement of real earnings management uses: (a) Abnormal cash flow operations (Abn.CFO) is earnings manipulation carried out by the company through cash flow operations which will have a lower cash flow than the normal level. (b) Abnormal production cost (Abn. PROD) is real earnings management carried out through manipulation of production costs, where the company will have higher production costs than its normal level. (c) Abnormal discretionary expenses (abn. DISC) is earnings manipulation carried out through discretionary expenses[6].

The measure of management performance in managing company operations is seen through the level of profit generated by the company. From this, there is a suspicion of earnings management practices when the amount of company profit has not met the specified target [7]. Firm Size is basically a grouping of companies into several groups, including large, medium and small companies. Company scale is a measure used to reflect the size or size of the company based on the company's total assets. Firm Size is a value that gives an idea of the size of a company. The size of a company can be classified based on the total assets owned, share value, total sales, market capitalization, and others. The bigger the company, the greater the risk it has compared to a small company. This is because large companies receive more attention and strong demands from external parties to produce satisfactory company performance. However, some researchers have found that Firm Size does not influence management to carry out earnings management.

Profitability is an indicator of the success achieved by the company in generating profits, so the higher the profitability of a company to generate profits. In general, managers' efforts tend to avoid reporting losses. As a result, companies are motivated to extend the strands of increased profits. Companies have great motivation to inform a better picture of company performance and increase company valuation [8]

Companies that are in financial distress have a high potential to carry out earnings management to hide their losses and business debt and present financial reports that look healthy [9]. Financial distress will encourage companies to carry out various techniques to manipulate their financial statements with the aim of obtaining a good image from their stakeholders through earnings management. The manufacturing sector states that financial distress affects management decisions to carry out earnings management. Earnings management applied in financial distress conditions can be explained through some of the results of previous research [10].

The occurrence of earnings management due to financial distress indicates a difference in interests between company management and stakeholders which is explained through agency theory. Agency relationship is a relationship between managers as agents and company shareholders as principals. The relationship between the agent and the principal will lead to agency problems because there is a conflict of interest between the two parties [11]. Agency problems that arise in the current condition are caused by financial distress. Financial distress is a condition that indicates that the company's cash flow is unable to meet its financial obligations [12]. Internal and external factors of the company can influence the causes of financial distress. The lack of future risk prediction capabilities of company management causes internal factors. Meanwhile, external factors can be influenced by important things to the company's operations and a country's economy at the macro level.

Financial statement analysis can be used to evaluate company performance, anticipate financial distress to bankruptcy, and the company's financial health [13]. Some financial statements that can be used as predictive tools are the company's statement of financial position, income statement, and cash flow statement. Investors' attention is only centered on corporate earnings information without paying attention to the procedures for obtaining this data. The influence of financial distress on the amount of profit earned can affect the company's management decision-making. Several things motivate company managers to carry out earnings management, namely avoiding losing revenue targets and maintaining a good image and company credibility [14].

Research Hypothesis

H1 : Firm Size Affects Real Earnings Management

H2 : Profitability affects Real Earnings Management

H : Financial Distress affects Real Earnings Management

Research Methods

This research data collection method uses documentation techniques and literature studies by downloading audited financial reports from 2019 to 2021 through the IDX website (www.idx.co.id). The sampling technique used a purposive sampling method, with sampling criteria, namely (1) manufacturing companies that did not conduct Initial Public Offering during the study period. The multiple linear regression analysis techniques is to test the relationship between the dependent variable and the independent variable.

Firm Size is one of the proxies used by managers to determine the political sensitivity of the company and the incentives given to managers to choose the income reported in the financial statements. Firm Size can be seen from the company's total assets at the end of the year. Firm Size research can use asset benchmarks. Because the company's total assets are large, this can be simplified by transforming into the natural logarithm [15]

The measurement of profitability in this study is peroxide by Return on Asset (ROA). ROA (Return On Asset) measures management's ability to obtain overall profit (profit). ROA serves to measure the company's effectiveness in generating profits through the operation of its assets. The higher the ratio obtained, the more efficient the asset management [16]

The first stage of analysis related to identifying companies experiencing financial distress is carried out using the method developed by Altman for emerging markets, namely Altman Z-Score emerging markets. The use of this method is based on the fact that the IDX is an Indonesian exchange, one of the strongest exchanges in Asia and an emerging markets exchange currently the target of various global investors [10]. The Altman Z-Score emerging market method can be calculated with the following formulation.

$$\text{Z Score} = 6.56\ X_1 + 3.26\ X_2 + 6.72\ X_3 + 1.05\ X_4$$

Statements:

X_1 = Working Capital / Total Asset

X_2 = Retained Earnings / Total Asset

X_3 = Current year profit/ Total Asset

X_4 = Book Value of Equity / Total Liability

The proxies used to measure real earnings management use Cohen et al. (2008) [17] and Roychowdhury (2006) [4] by the proxies used by Li et al. (2020) [18].

a) CFO is measured using proxies used Cohen *et al*. (2008).

$$CFO_{i,t}/Ai,_{t-1} = \alpha_0 + \alpha_1\ (1/\ A_{i,t-1}) + \alpha_2\ (S_{i,t}/\ A_{i,t-1}) + \alpha_3\ (\Delta S_{i,t}/\ A_{i,t-1}) + \varepsilon_{i,t}$$

b) PROD is measured using the normalised level of production costs estimated following Roychowdhury (2006).

$$PROD_{i,t}//\ A_{i,t-1} = \alpha_0 + \alpha_1\ (1/\ A_{i,t-1}) + \alpha_2\ (S_{i,t}/\ A_{i,t-1}) + \alpha_3\ (\Delta S_{i,t}/\ A_{i,t-1}) + \alpha_4\ (\Delta S_{i,t}/\ A_{i,t-1}) + \varepsilon_{i,t}$$

c) DISX follows the proxies used by Roychowdhury (2006).

$$DISX_{i,t}/\ A_{i,t-1} = \alpha_0 + \alpha_1\ (1/\ A_{i,t-1}) + \alpha_2\ (S_{i,t}/\ A_{i,t-1}) + \varepsilon_{i,t}$$

Then the three equations are combined for regression

$$REM_{i,t} = \alpha_0 + \alpha_1\ PROD_{i,t} + \alpha_2\ DISX_{i,t} + \alpha_3\ CFO_{i,t}$$

Information:

$CFO_{i,t}$	= Cash Flow Operation of year t
$PROD_{i,t}$	= Total cost of goods sold in year t and change in inventory from t-1.
$DISX_{i,t}$	= Company's discretionary spending in year t
$A_{i,t-1}$	= Total *asset* in year t-1
$S_{i,t}$	= *Net sales* in year t
$\Delta S_{i,t}$	= Change *net sales* in year t
$\Delta S_{i,t-1}$	= Change *net sales* in year t-1

Furthermore, the independent and dependent variables are entered into the equation for regression.:

$$MLRi,t = \alpha + \beta_1\ TA + \beta_2\ PROF + \beta_3\ FD + + \varepsilon$$

Information:

$MLR_{i,t}$	= Real Earning Management
$\alpha;\beta_1;\beta_2\beta_3$	= Constanta
Ɛ	= Error
TA	= Firm Size
PROF	= Profitability
FD	= Financial Distress

Result and Discussion

Table 1. F Test Regression Results and Coefficient of Determination

	F	Sig.
R	0,657	23,250
R^2	0,312	0,0000
Adj R^2	0,396	
Std Error of the Estimate	0,185	

(Source: Data Processing Result SPSS 25)

Table 2. Regression Result t Test

Variabel	Coefficient	Sig
TA	0,041	0,023
PROF	0,023	0,005
FD	0,315	0,012

(Source: Data Processing Result SPSS 25)

The Effect of Firm Size on Real Earnings Management.

Firm Size has a significant positive effect on Real Earnings Management, which means that the larger the company, the greater the possibility of earnings management actions. Large companies tend to get more attention and attention from the government, investors, and even the public. This results in the company having to be more careful in managing its financial statements. On this basis, companies tend to practice earnings management to produce relatively stable profits. The larger the Firm Size, the more earnings management practices are carried out by the company, and the smaller the Firm Size, the tendency to practice earnings management also decreases. The effect of the firm size variable on earnings management partially states that there is a significant positive effect between firm size and earnings management. Large companies will be more careful in reporting their financial condition because the public will see their performance, so they must report accurate financial statement conditions. In contrast, small companies tend to carry out earnings management by reporting large profits to show satisfactory company performance. The results of this study are consistent with research showing that Firm Size has a positive effect on earnings management [19]

The Effect of Profitability on Real Earnings Management

The higher the company's profitability ratio, the higher the completeness of disclosure of the company's annual financial statements and vice versa; the lower the profitability ratio, the lower the financial statement disclosure. Profitability using ROA has a positive effect on REM, which means that if the debt funds the company's assets are high or large, the occurrence of Real Earning Management will also be high. Companies with high profits tend to carry out earnings management to reduce the tax paid to the state by playing earnings. Profitability significantly affects real earnings management, where high profitability benefits both management and stakeholders. Leverage has no effect on real earnings management, so the level of leverage cannot influence management in carrying out earnings management. On average, sample companies have safe leverage in the sense that the company can pay the debt used to finance the company's assets. Hence, managers are not interested or not motivated to practice earnings management because the company does not need actions that will help the company in certain situations [8].

The Effect of Financial Distress on Real Earnings Management

Earnings management behaviour increases as financial distress increases. In this case, the leading role is the CEO, who manages earnings to maintain increased profits. So management does not think long about manipulating earnings to save the company's survival with previous conditions that cannot be recognised. Financial distress conditions can be done by increasing earnings (income increasing) and decreasing earnings (income decreasing). Abnormal discretionary expense is the lower the abnormal discretionary expense, the higher the actual earnings management behaviour. Abnormal CFO is the lower the company's abnormal operating cash flow, the higher the manager's real earnings management behaviour. Abnormal production costs are the higher the abnormal production costs, the higher the real earnings management. Based on the results of the panel data regression test using the standard effect model shows that financial distress has a significant positive effect on earnings management, which means that if the level of financial distress in a company increases, the level of earnings management in a company will also increase, this shows that if the company is experiencing financial distress and the company is unable to pay its debts to creditors at maturity and will result in the bankruptcy of the company, so this will be an opportunity for the company to practice earnings management so that the level of earnings management in a company will increase. Investors want companies with high profits to encourage companies to carry out earnings management. In this case, the company practices earnings management to attract investors to invest in overcoming a company's financial difficulties [20]

Conclusion

Based on the results of the data analysis that has been discussed, it can be concluded that: a) Firm Size positively affects Real Earnings Management, which means that if the debt funds the company's assets are high or large, the occurrence of Real Earnings Management will also be high. Companies with high profits tend to carry out earnings management to reduce the tax that must be paid to the state by playing profits. b) Profitability has a positive effect on senior management, meaning that the higher the company's profitability ratio, the higher the level of completeness of disclosure of the company's annual financial statements and vice versa, the lower the profitability ratio, the lower the level of disclosure of financial statements. c) Financial distress affects earnings management, explaining that financial distress conditions can be done by increasing earnings (income increasing) and decreasing earnings (income decreasing).

Abnormal discretionary expense is the lower the abnormal discretionary expense, the higher the actual earnings management behaviour. Abnormal CFO is the lower the company's abnormal operating cash flow, the higher the manager's actual earnings management behaviour. Abnormal production costs are the higher the abnormal production costs, the higher the real earnings management.

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