The Effect of Multi Channel Retailing, Cooperation Synergity and Accounting Information Systems on Business Development Strategies that Impact on Business Performance

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Abstract

In this study the researchers chose the research object, namely a building material trading company in Sampit, Central Kalimantan named PT. Samudra Mas Group. The urgency of this study is to determine whether the multi-channel retailing variable, cooperation synergy and accounting information systems affect business development strategies and ultimately have an impact on company performance. This is to ensure the use of a business development strategy for the next 5 years. The study was conducted using respondents who are employees of PT. Samudra Mas Group, which has director positions to middle management and has the authority to make decisions in company operations. Respondents amounted to 70 people. This research measurement method using Smart PLS Professional 3.0. Pulling data by observation, interviews and distributing questionnaires. The results showed that multi-channel retailing, synergy of cooperation and accounting information systems significantly influence business development strategies. As well as a business development strategy to mediate multi-channel retailing that affects business performance.

Introduction

At present, competition in business is so tight, especially in the 4.0 era, that a business development strategy is needed in such a way so that companies can win in the competition. Meanwhile, the business development strategy has a role in improving business performance. There are several components that support the business development strategy, including multi-channel retailing, synergy of cooperation and accounting information systems. Multi-channel retailing is a multiple product marketing channel that uses outlets, digital channels, cellular channels and mobile sales forces to support the company to win in the competition. Liu et al (2018), use the term Multi channel retailing as a general term to embrace all the different forms of multiple channel systems that can be found in retail. As is well known in the last decade or so, the number of channels available for consumers to choose from has increased significantly.

Meanwhile, developing a company through a business development strategy requires a synergy of cooperation, both with suppliers, distributors and consumers. The purpose of cooperation is to have synergy between entities involved in product production, distributors and product users directly. Martin (2016) states that in order to face business competition in the global world, it

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is very important for companies to collaborate in synergy with other companies to be able to solve common problems in the business world. For this reason, an accounting information system is also needed that can support decision making related to inventory, markets, customers and finance as well as problems that occur in business.

Information as a business resource for companies is used to survive to support planning, control and decision making (Hansen & Mowen, 2014) For organizations, accounting information is the most important part of all information needed by management, because in organizations almost all information in In the end, it boils down to information related to finance in general, presented in the form of a financial report that will be used, one of which is the internal company.

In the end, it is hoped that multi-channel retailing that is relied on as multiple channels in marketing can improve business performance through a business development strategy. In addition to the synergy of cooperation that is needed so that the operational management of the company in developing the business can be fulfilled. Accounting information systems are also needed to improve business performance, such as information related to profitability, market share, sales turnover, number of customers and company popularity. That way, multi-channel retailing, synergy of cooperation and accounting information systems can improve business performance through a business development strategy in the company.
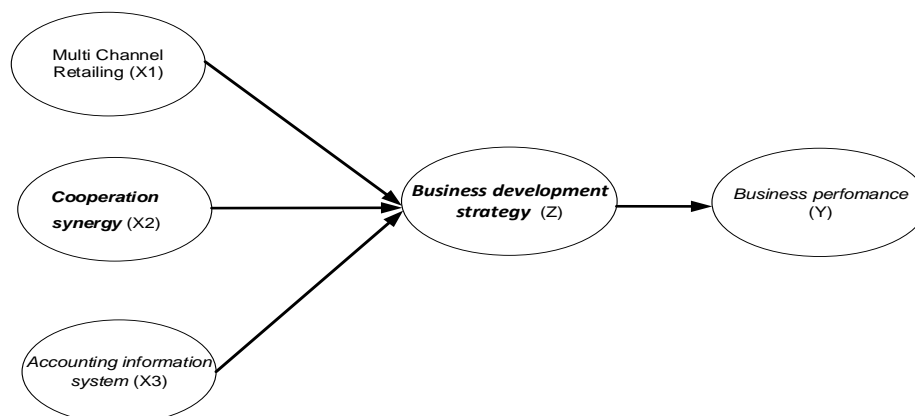
Proposed Hypothetical Model

Figure 1. The proposed hypothetical model

Figure 1 describes the proposed hypothetical causal. Each model component was selected based on a literature review. In previous research, it was explained that multi-channel retailing affects business development strategies (Currah, 2002; Jones & Livingstone, 2015, cooperation synergy affects business development strategies (Heide & Miner, 1992; Kurniawan, 2018) accounting information systems affect business development strategies. (Acep, 2005) Business development strategy affects business performance (Mokhtar, 2013; Mustikowati & Tysari, 2014; Rehman & Anwar, 2019; Kwon at al., 2020, Setiarini at al., 2020) and Business development strategies to mediate multi-channel retailing, synergy of cooperation and accounting information systems on business performance (Du, 2018; Lee at al., 2010; Floyd & Wooldridge, 1990)

Review of construct theory

Multi-Channel retailing

Verhoef (2012) in his main research mentions the impact of channels on business performance, shopper behavior across channels, retail mix across channels in multi-channel retailing. The consumer decision process model based on Blackwell et al. (2012) in (Laroche at al., 2013)

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describe the process of consumer decision-making behavior from recognition of needs to satisfaction after buying a product. In this model, there are two categories that influence decision making, environmental influences and individual differences. These factors play an important role when consumers face problems before buying: whether to buy, when to buy. What to buy, where to buy, and how to pay. However, this model lacks emphasis on choosing the source of purchase (i.e. where to buy) and does not determine what individual differences may influence the consumer's decision-making process on retailer choice.

Synergy of cooperation

Wood & Gray (1991) emphasized that cooperation is the antithesis of competition (competition), even though this competition is a trigger for one organization to be superior to other organizations. He also explained that working together in an organization does not mean eliminating this competition, but business actors try to optimize the use of assets, capabilities / competencies to achieve results by building business networks in various business lines and management functions. Martin (2016) states that in order to face business competition in the global world, it is very important for companies to collaborate in synergy with other companies to be able to solve common problems in the business world.

Accounting information system

The accounting information system according to Manchilot (2018) can be a computer-based electronic system used to collect, store, process and communicate financial and accounting data through financial reports with the aim of supporting and guiding the organizational decision-making process. Computers are the centers of accounting information because they provide a platform for the workability of all information systems. In order for the accounting information system to operate, a suitable software application must exist on the computer system to be used.

Business development strategy

According to Bloom Paul & Boone (2006) there are several ways to develop a business, including the following: Market Penetration, Market Expansion, Product Development, and National Level Expansion. Business strategy is a long business plan (covering a period of about 3 to 5 years or even longer) that is integrated to achieve the desired goals of the company based on internal and external assessments. Various frameworks have been adopted for classifying business strategies (Chrisman et al, 1988; Miles at al., 1978; Porter, 1980)

Business performance

Umar (2014) explain that performance is the level of achievement or achievement of a company in a certain period of time. The performance of a company will determine the company's development. The company's objectives, which consist of: to remain standing or to exist (survive), to gain profit (benefit) and to be able to develop (growth), can be achieved if the company has a good performance. The company's performance can be seen from the level of sales, the level of profit, the return on capital, the turnover rate and the market share it has achieved.

Study and research locations

The research was conducted at PT. Samudra Mas Group in Sampit, Central Kalimantan. By using a simple random sampling method where each name on the list has an equal chance of being selected. This study uses managerial level employee respondents who have the authority to make decisions in company operations, including: Director, Manager, Supervisor, Coordinator, senior staff and supplier Pic with supervisor level. The number of respondents was 70 people.

Questionnaire design and research variables

In this study, using multi-channel retailing variables with indicators of outlets, digital channels, cellular channels, sales force. Cooperation synergy variables with indicators of market access, cost savings, access to information and sensitivity. Accounting information system variables with indicators of the number of computer units, the ability to use computers, the ability to operate accounting software, the software's ability to present transaction data and the software can provide financial reports. Intermediary variables are business development strategies with indicators of evaluation of product absorption, evaluation of market expansion products, product development and product differentiation. As well as endogenous variables, namely business performance with indicators of sales turnover, evaluation of market share, profitability, popularity and number of customers. A five-point Likert-type scale was used as the response format, with scores set as 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral Category, 4 = Agree Category, and 5 = Strongly Agree Category.

Analysis of data and results

In this study using Smart PLS Professional 3.0 with a hypothesis testing mechanism starting with an outer model consisting of convergent validity (loading factor), extract validity or Average Variance Extracted (AVE), discriminant validity (cross loading), composite reliability and inner model testing consisting of the value of the estimate coefficient and t test on the hypothesis of the direct effect and the value of the coefficient of estimate and the t test on the hypothesis of the indirect effect.

Testing the Outer Model

Convergent Validity

The following is a table of the results of the convergent validity test of the PLS at the outer model stage. The test results in the first stage are convergent validity values. The results of convergent validity can be seen from the loading factor value and the t value. The loading factor value is said to be valid; it must be more than 0.5. The following are the results of the complete convergent validity test:

Table 1. Convergent Validity Test Results

	X1. Multi-Chanel	X2. Synergy of Cooperation	X3. Information Systems	Y. Business Performance	Z. Strategy Development
X1.1	0.900				
X1.2	0.905				
X1.3	0.900				
X1.4	0.884				
X2.1		0.792			
X2.2		0.816			
X2.3		0.933			
X2.4		0.907			
X3.1			0.830		
X3.2			0.851		
X3.3			0.819		
X3.4			0.788		
X3.5			0.711		
Y1.1				0.775	

Y1.2				**0.920**	
Y1.3				**0.886**	
Y1.4				**0.918**	
Y1.5				**0.730**	
Z1.1					**0.923**
Z1.2					**0.914**
Z1.3					**0.932**
Z1.4					**0.733**

Source: Data processed by PLS

The results of the calculation show that the multi-channel retailing variable, cooperation synergy, accounting information system, business development strategy and business performance have a factor loading value of more than 0.5. With this result, all variables have convergent validity that meets the standard.

Contract Validity

The next measurement model is the Average Variance Extracted (AVE) value, where the value shows the amount of indicator variance contained by the latent variable. AVE values greater than 0.5 also indicate good validity adequacy for latent variables.

Table 2. Results of Construction Validity Testing

	Average Variance Extracted (AVE)
X1.Multi Channel Retailing	0.805
X2.Synergy of Cooperation	0.747
X3.Accounting Information System	0.642
Y.Business Performance	0.721
Z.Business Development Strategy	0.773

Source: Data processed by PLS

The calculation results showed the entire contract of the research variable showed all variables had an AVE value of more than 0.5. With this result, all latent variables and dimensions have good validity adequacy.

Discriminant Validity

The validity of discriminant can be measured using cross loading value. High *cross loading* value (0,5) in the dimension of a particular variable compared to the dimension value of another variable then the validity of the contract of the variable and the latent dimension is good. Here is the full cross loading value:

Table 3. Discriminant Validity Test Results with *Cross Loading*

	X1. Multi Chanel	X2. Synergy of Cooperation	X3. Information Systems	Y. Business Performance	Z. Development Strategy
X1.1	**0.900**	0.700	0.546	0.727	0.729
X1.2	**0.905**	0.696	0.477	0.808	0.767
X1.3	**0.900**	0.696	0.572	0.737	0.725
X1.4	**0.884**	0.701	0.527	0.809	0.794
X2.1	0.576	**0.792**	0.748	0.769	0.710

X2.2	0.665	**0.816**	0.530	0.752	0.729
X2.3	0.763	**0.933**	0.652	0.817	0.820
X2.4	0.676	**0.907**	0.573	0.738	0.728
X3.1	0.490	0.688	**0.830**	0.692	0.619
X3.2	0.628	0.724	**0.851**	0.739	0.733
X3.3	0.505	0.575	**0.819**	0.608	0.565
X3.4	0.321	0.460	**0.788**	0.465	0.423
X3.5	0.331	0.356	**0.711**	0.472	0.456
Y1.1	0.578	0.700	0.749	**0.775**	0.734
Y1.2	0.864	0.842	0.643	**0.920**	0.841
Y1.3	0.819	0.823	0.644	**0.886**	0.867
Y1.4	0.815	0.830	0.708	**0.918**	0.818
Y1.5	0.519	0.547	0.488	**0.730**	0.653
Z1.1	0.790	0.818	0.707	0.884	**0.923**
Z1.2	0.821	0.810	0.582	0.843	**0.914**
Z1.3	0.804	0.841	0.704	0.872	**0.932**
Z1.4	0.501	0.538	0.522	0.631	**0.733**

Source: Data processed PLS

The results of the calculation show that all the research variable constructs show that all variables have an AVE value of more than 0.5. With this result, all latent variables and dimensions have good validity adequacy.

Discriminant Validity

Discriminant validity can be measured by using the cross-loading value. The high cross loading value (0.5) on the dimensions of certain variables compared to the dimension values of other variables means that the construct validity of these latent variables and dimensions is good. Here are the full cross loading values:

Table 3. Results of Cross-Loading Discriminant Validity Testing

	Cronbach's Alpha	**Composite Reliability**
X1. Multi Chanel Retailing	0.919	0.943
X2. Synergy of Cooperation	0.885	0.922
X3. Accounting Information System	0.862	0.899
Y. Business Performance	0.901	0.928
Z. Business Development Strategy	0.900	0.931

Source: Data processed by PLS

The test results show that the constructs (variables and dimensions) of all variables have a Cronbach alpha value and composite reliability greater than 0.7. So that all variables are declared reliable.

Testing the outer model

The following is the estimated value of each relationship between the research variables:

Table 5. Estimate Coefficient Value and t test on the Direct Effect Hypothesis

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Description
X2. Multi Chanel Retailing -> Z. Business Development Strategy	0.388	2.375	0.018	Significant
X3. Synergy of Cooperation -> Z. Business Development Strategy	0.385	2.633	0.009	Significant
X5. Information Systems -> Z. Business Development Strategy	0.166	2.127	0.034	Significant
Z. Business Development Strategy -> Y. Business Performance	0.305	2.503	0.013	Significant

Source: Data processed by PLS

Multi-channel retailing for Business Development Strategy

The value of the multi-channel retailing path coefficient on Business Development Strategy is 0.388. The path coefficient is positive. This positive value means that the higher the use of Multi-channel retailing, the more successful the Business Development Strategy will be used. Then the value of this coefficient from the t test results obtained a significance level of 0.018. The value is less than 0.05 so that there is a significant effect of Multi-channel retailing on the Business Development Strategy. This is consistent with previous research, namely multi-channel retailing has an effect on business development strategies (Currah, 2002; Jones & Livingstone, 2015),

Synergy of Cooperation on Business Development Strategies

The coefficient value of the cooperation synergy path to business development strategy is 0.385. The path coefficient is positive. This positive value means that the better the Synergy of Cooperation, the more successful the Business Development Strategy will be used. Then the coefficient value from the t test results obtained a significance level of 0.009. The value is smaller than 0.05 so that there is a significant effect of Cooperation Synergy on the Business Development Strategy. This is in accordance with previous research that the synergy of cooperation affects business development strategies (Heide & Miner, 1992; Kurniawan, 2018)

Accounting Information Systems for Business Development Strategies

The value of the path coefficient of the Accounting Information System to Business Development Strategy is 0.166. The path coefficient is positive. This positive value means that the better the Accounting Information System, the more successful it is to use the Business Development Strategy. Then the coefficient value from the t test results obtained a significance level of 0.034. The value is less than 0.05 so that there is a significant effect of the Accounting Information System on the Business Development Strategy. The results of hypothesis testing are in accordance with previous research that the accounting information system affects business development strategies (Acep, 2005)

Business Development Strategy for Business Performance

The value of the path coefficient of Business Development Strategy on Business Performance is 0.305. The path coefficient is positive. This positive value means that the better the Business Development Strategy, the better the Business Performance. Then the coefficient value from the t test results obtained a significance level of 0.013. The value is less than 0.05 so that there

is a significant effect of Business Development Strategy on Business Performance. The results of the study are in accordance with previous empirical research that business development strategies have an effect on business performance (Mochtar, 2013; Mustikowati & Tysari, 2014; Rehman & Anwar, 2019; Kwon at al., 2020, Setiarini at al., 2020)

After knowing the direct effect analysis, according to the research hypothesis, the indirect effect was also tested. The following are the results of the indirect effect test:

Table 6. Estimate Coefficient Value and t Test on Indirect Effect Hypothesis

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values	Information
X2.Multi Channel Retailing -> Z. Business Development Strategy -> E. Business Performance	0.118	**2.222**	**0.027**	**Significant**
X3. Cooperation Synergy -> Z. Business Development Strategy -> Y. Business Performance	0.117	1.476	0.141	Not significant
X5. Accounting Information System -> Z. Business Development Strategy -> Y. Business Performance	0.051	1.349	0.178	Not significant

Source: Data processed by PLS

Multi-channel retailing on Business Performance through a Business Development Strategy

The value of the indirect path coefficient of Multi-channel retailing on Business Performance through Business Development Strategy is 0.118. The coefficient value of the t test results obtained a significance level of 0.027. The value is smaller than 0.05, so there is an indirect relationship between Multi channel retailing and Business Performance through Business Development Strategy. These results are in accordance with previous research that business development strategies mediate multi-channel retailing on business performance (Du, 2018)

Synergy of Cooperation on Business Performance through a Business Development Strategy

The value of the indirect path coefficient of Cooperation Synergy on Business Performance through Business Development Strategy 0.117. The coefficient value of the t test results obtained a significance level of 0.141. The value is greater than 0.05 so that there is no indirect relationship between Cooperation Synergy on Business Performance through Business Development Strategy. Thus, a business development strategy does not mediate the synergy of cooperation on business performance.

Accounting information system for Business Performance through Business Development Strategy

The value of the indirect path coefficient of Accounting Information Systems on Business Performance through Business Development Strategy is 0.051. The coefficient value of the t test results obtained a significance level of 0.178. The value is greater than 0.05, so there is no indirect relationship between Accounting Information Systems and Business Performance through Business Development Strategies. In accordance with the Smart PLS Professional 3.0

test, business development strategies do not mediate accounting information systems on business performance.

Conclusion

Multi-channel retailing affects business development strategies. The synergy of cooperation affects the business development strategy. Likewise, accounting information systems have an effect on business development strategies. Business development strategies have an effect on business performance. Meanwhile, the business development strategy mediates multi channel retailing in improving business performance. As in the urgency of this research, where PT. Samudra Mas Group in Sampit, Central Kalimantan, requires the validity of certainty of the business development strategy being carried out, so this research finds that in improving business performance in the company, a business development strategy is needed which is supported by Multi-channel retailing as a marketing channel that uses outlets as product displays. , so that consumers can freely choose the products they need. Digital channels such as websites, social media and other information from the internet make it easier for consumers to get information in fulfilling their needs. Through the cellular channel, consumers can also access the company through the customer service that serves and to the mobile sales force who is in charge of traveling to the customer, consumers can get information about the needs they are going to buy. The synergy of working together with internal and external which consists of suppliers, distributors and consumers can be improved to support market access, cost savings, access to information and sensitivity in the company's marketing organization. Meanwhile, the accounting information system can fulfill the information needs regarding inventory, accounts payable and accounts receivable, sales turnover, increasing the number of customers and financial reports. This research has proven well, it can be seen from the results of hypothesis testing using Smart PLs Professional 3.0 through 70 respondents selected to represent in this study.

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