



The Influence of Operational Costs and Promotion Costs on Activity Based Management at PT Singa Asia Perkasa Utama

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ABSTRACT

This study aims to analyze the extent to which operational costs and promotional costs influence the implementation of Activity Based Management (ABM). The approach used is a quantitative approach with data collection through questionnaires. Each respondent's answer is measured numerically to test the formulated hypothesis. The data analysis process was carried out using SPSS version 23 software. The objects in this study were employees of PT. Singa Asia Perkasa Utama, with a total of 38 participants. The findings of the study indicate that operational costs have a positive influence on the implementation of ABM. In addition, promotional costs are also proven to have a positive and significant influence on ABM. Together, these two independent variables have a positive and significant impact on the implementation of Activity Based Management. The contribution of operational costs and promotional costs in explaining variations in ABM is 52.8%, while the remaining 47.2% is influenced by other factors not examined in this study

INTRODUCTION

Activity-Based Management (ABM) is a management approach that emphasizes improving operational efficiency and effectiveness through the identification and control of value-added activities for the company. This approach is increasingly being implemented because it is considered capable of providing more accurate information regarding resource utilization within the organization. The implementation of ABM is not only limited to the food and beverage industry, but is also relevant in various other sectors, including the financial services sector. For example, Apriliyani (2018) in her research at PT. Asuransi Allianz Life Indonesia stated that the use of the ABM approach can help companies align business processes with corporate strategy, thus positively impacting the effectiveness of resource management. Furthermore, Haryoko and Sinaga (2019) also added that promotional costs incurred by companies can be utilized more optimally with the ABM approach, because good activity management allows companies to allocate budgets more appropriately to activities that directly support the achievement of business goals. Based on the results of these various studies, it can be concluded that ABM is an important instrument in supporting operational efficiency and helping companies maximize the value of each resource used. By implementing ABM, companies have a more detailed picture of the contribution of each activity to overall costs and the results achieved.

Operational and promotional costs play a significant role in supporting the implementation of Activity Based Management (ABM), particularly in a business environment with unique characteristics such as that of PT. Singa Asia Perkasa Utama. Operational costs, in this case, refer to all expenses required by the company to carry out daily operational activities. Therefore, proper management of this cost component is crucial to maintain efficiency and avoid wasting resources. On the other hand, promotional costs are seen as a form of company investment in strengthening the position of products or services in the market. This strategy aims to increase consumer attention to the company's products, which can ultimately contribute to increased sales and expanded market share. Therefore, the amount of operational and promotional expenditures must be commensurate with the results or output produced. When large costs are incurred but not accompanied by increased performance, this can indicate inefficiencies that require immediate action.

The role of operational costs and promotional costs in supporting the implementation of Activity Based Management (ABM) at PT. Singa Asia Perkasa Utama is crucial, as these two types of costs are essential components in the company's strategic evaluation and decision-making process. Both theoretically and practically, efficient operational cost management can drive...Achieving effectiveness in implementing ABM. This is because operational cost efficiency contributes to optimizing the use of company resources, thereby increasing the ratio of costs to benefits. Meanwhile, although promotional costs are often considered external expenses, their impact on ABM cannot be ignored. Promotional costs can play a role in driving increased market demand and expanding product reach, which ultimately increases the scope of the company's operational activities. In other words, well-targeted promotions not only enhance

the company's image but also broaden the base of activities analyzed and managed through the ABM approach.

According to Feronika and Mkhize (2022), promotional costs are expenses incurred by a company to introduce, market, and drive sales of a product or service. This component is an integral part of a marketing strategy, aimed at providing information, persuading, and maintaining consumer awareness of the product being offered. However, if high promotional costs are not in line with sales growth, the promotional strategy should be re-evaluated.

Based on these considerations, the researcher feels it is important to examine how operational costs and promotional costs influence the implementation of Activity Based Management (ABM) in the context of PT. Singa Asia Perkasa Utama.

LITERATURE REVIEW

Activity-Based Management (ABM)

Activity-Based Management (ABM) is a managerial approach based on information obtained from an Activity-Based Costing (ABC) system, with the primary goal of improving efficiency and supporting more informed management decision-making. ABM focuses on two key aspects: the cost perspective and the process perspective. Through this approach, managers can understand how company resources are used in each activity and how those activities contribute to the resulting product or service. As a more detailed and accurate cost information system, ABM facilitates the performance assessment process by clearly identifying which activities absorb the most costs. This information is then used to assess operational efficiency and identify opportunities for improvement that can increase added value for the company.

Basic Principles of Activity Based Management

1. **Activity Identification:** The first step in implementing Activity-Based Management is identifying and understanding all activities within the company. The goal is to determine the extent to which these activities impact cost structure and operational performance.
2. **Activity Costing:** Next, the cost measurement process for each activity is carried out using the Activity-Based Costing (ABC) approach. This stage aims to identify activities that generate waste or do not significantly contribute to output.
3. **Activity Performance Evaluation:** Each activity is then analyzed for its effectiveness and efficiency in supporting the achievement of company goals. This evaluation typically uses predetermined benchmarks, such as Key Performance Indicators (KPIs).
4. **Activity Improvement and Control:** Based on the evaluation results, the company can design improvement strategies for activities deemed suboptimal. This way, the company can reduce costs while simultaneously improving overall performance.

Goals and Benefits of Activity Based Management

1. **Identifying Non-Value-Added Activities:** This stage focuses on identifying activities that don't provide tangible value to customers. These activities need to be reviewed and then improved or eliminated to increase the company's operational efficiency.
2. **Improving the Quality of Product or Service Value:** By emphasizing increasing the value perceived by consumers, the Activity Based Management approach encourages companies to achieve profits by optimizing activities that truly provide added value to customers.

Benefits of implementing Activity Based Management

1. **Encouraging Efficiency in Company Operations:** Through a systematic approach, companies can manage activities more efficiently so that operations run optimally.
2. **Reducing Irrelevant Expenses:** ABM helps companies identify and eliminate costs that do not make a real contribution to business results.
3. **Improving Customer Satisfaction Through Product or Service Quality:** By focusing on value-added activities, companies can produce products or services that better meet customer needs, ultimately increasing their satisfaction levels.

Operational Costs

Operating expenses represent all expenses incurred during the course of a company's routine activities. These costs include administrative costs, selling costs, and other general expenses. Operating expenses significantly impact a company's net profit. If operating expenses increase without a corresponding increase in revenue, net profit tends to decline due to the higher cost burden.

According to Sujarweni (2017), operational costs are costs incurred by a company to support the generation of primary revenue. Meanwhile, Wardiyah (2017) explains that operational costs reflect the effectiveness and efficiency of business management. These costs include costs directly related to administrative processes and sales. Meanwhile, according to Jumingan (2017), business costs or operational costs arise from marketing activities for goods or services, as well as the implementation of administrative functions and general company activities.

Promotion Costs

Promotional expenses are expenses allocated by companies to introduce their products or services to the public, hoping to increase sales volume, expand market share, and boost profitability. These costs typically include activities such as advertising, sales promotions, and direct sales pitches.

According to Harnanto (2017), promotional costs reflect the total expenditures a company makes to introduce its products to consumers. Even if a product boasts superior quality, competitive pricing, and widespread distribution, these efforts will not yield optimal results if consumers lack adequate information. Without promotional efforts, potential buyers will be unaware of the product's existence, let alone motivated to make a purchase. In this context, information is a crucial factor consumers need before deciding to purchase an item.

METHODOLOGY

This study uses a quantitative approach with a descriptive method to evaluate the implementation of Activity Based Management (ABM) and its impact on the efficiency and effectiveness of company operations. The population in this study were all 38 permanent employees of PT. Singa Asia Perkasa Utama who were determined through a census technique. Primary data were collected through a questionnaire with a Likert scale, while secondary data were obtained from literature and company documents. Data analysis techniques were carried out using SPSS version 23 which included descriptive statistics, instrument validity and reliability tests, classical assumption tests (normality, heteroscedasticity and multicollinearity), multiple linear regression analysis, and hypothesis testing (t-test, F-test, and Adjusted R² coefficient of determination) to examine the relationship and influence between variables partially and simultaneously.

RESULTS AND DISCUSSION

In this study, the process of testing data validity and hypothesis testing was carried out with the help of SPSS (Statistical Package for the Social Sciences) software version 23. This application is used to process and analyze the data that has been collected, so as to produce output that can be used to answer the research problem formulation.

A. Respondent Description

This section presents a general profile of the respondents who participated in the study. Respondent characteristics are described through several demographic aspects, such as gender, age group, and other attributes deemed relevant to the focus of the research.

1. Gender Description

Table 1. Respondents' Gender

Gender	Frequency	Amount
Man	24	63.15%
Woman	14	36.85%
Amount	38	100%

2. Age Description

Table 2. Respondents' Age

Age	Frequency	Amount
21-35	22	57.89%
35-45	16	42.10%
Amount	38	100%

B. Data Testing

Table 3. Validity Test

Variables	Statement Items	r-count	r-table	Information
Operational Costs (X1)	X1.1	0.865	0.312	Valid
	X1.2	0.698	0.312	Valid
	X1.3	0.774	0.312	Valid
	X1.4	0.646	0.312	Valid
	X1.5	0.863	0.312	Valid
	X1.6	0.741	0.312	Valid
	X1.7	0.788	0.312	Valid
	X1.8	0.402	0.312	Valid
	X1.9	0.719	0.312	Valid
	X1.10	0.869	0.312	Valid
Promotion Cost (X2)	X2.1	0.793	0.312	Valid
	X2.2	0.586	0.312	Valid
	X2.3	0.829	0.312	Valid
	X2.4	0.713	0.312	Valid
	X2.5	0.909	0.312	Valid
	X2.6	0.924	0.312	Valid
	X2.7	0.924	0.312	Valid
ABM (Y)	Y1	0.8	0.312	Valid
	Y2	0.587	0.312	Valid
	Y3	0.912	0.312	Valid
	Y4	0.951	0.312	Valid
	Y5	0.851	0.312	Valid
	Y6	0.881	0.312	Valid
	Y7	0.91	0.312	Valid
	Y8	0.881	0.312	Valid
	Y9	0.881	0.312	Valid

Table 4. Reliability Test

Variables	Cronbach Alpha	Reliable Standard	Information
Operational Costs	0.893	0.70	Reliable
Promotion Costs	0.904	0.70	Reliable
ABM	0.953	0.70	Reliable

Table 5. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
X1_TOTAL	38	34	50	43.53	5,451
X2_TOTAL	38	27	35	32.68	2,772
Y_TOTAL	38	32	45	40.82	4.106
Valid N (listwise)	38				

Based on Table 5., it is known that the number of data on the Operational Cost variable is 38 respondents, with the lowest (minimum) value of 34 and the highest (maximum) value of 50. The average (mean) of this variable is 43.53, while the standard deviation value is recorded at 5.451. For the Promotion Cost variable, there are also 38 data with a minimum value of 27 and a maximum of 35. The average obtained is 32.68, and the standard deviation value is 2.772. Meanwhile, in the Activity Based Management variable, the number of data analyzed is also 38. The lowest value of this variable is 32 and the highest value reaches 45, with an average of 40.82 and a standard deviation of 4.106.

According to Ghozali (2013), normality testing is conducted to determine whether the data for each variable used in the study is normally distributed. The purpose of this test is to assess the suitability of the data distribution to the basic assumptions in statistical analysis, particularly linear regression.

**Table 6. Normality Test
 One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		38
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	2.81978636
	Most Extreme Differences	
	Absolute	.141
	Positive	.134
	Negative	-.141
Test Statistics		.141
Asymp. Sig. (2-tailed)		.053 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

The normality test in this study was conducted using the Kolmogorov-Smirnov approach. Data are considered to have a normal distribution if the asymptotic significance value (2-tailed) exceeds 0.05. The analysis using SPSS software yielded a Kolmogorov-Smirnov value of 0.053. Because this value is greater than 0.05, it can be concluded that the tested variable data are normally distributed.

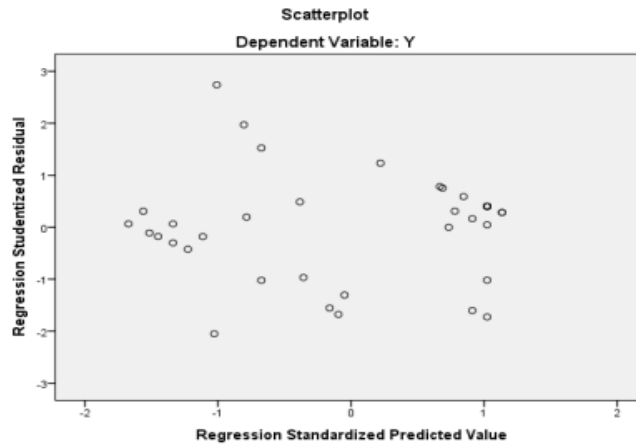
**Table 7. Multicollinearity Test
 Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance VIF
1 (Constant)	8,978	5,646		1,590	.121	
X1	.334	.114	.443	2,917	.006	.585 1,711
X2	.530	.225	.358	2,356	.024	.585 1,711

a. Dependent Variable: Y

Referring to the test results in Table 7, all variables in the model showed Variance Inflation Factor (VIF) < 10 and Tolerance > 0.1. This indicates that there are no symptoms of multicollinearity in the regression model used, so the relationship between the independent variables can be said to not influence each other excessively.

Figure 1. Heteroscedasticity Test



Based on the scatter plot, the data points are randomly distributed without forming a specific pattern and are spread around the 0 point on the Y-axis. This pattern indicates that the regression model in this study is free from heteroscedasticity issues.

Table 8. Multiple Linear Regression Analysis Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,978	5,646		1,590	.121
X1	.334	.114	.443	2,917	.006
X2	.530	.225	.358	2,356	.024

a. Dependent Variable: Y

Based on Table 8, it can be explained that the regression coefficients of the independent variables, namely the Sales Accounting Information System and the Cash Receipt Accounting Information System on the Internal Control variable, show the results of the relationship which can be detailed as follows:

$$Y = 8.978 + 0.334X1 + 0.530X2 + e$$

- a. The constant value of 8.978 indicates that when the Operational Cost and Promotion Cost variables are considered to have no effect (zero value), the baseline value of Activity Based Management is 8.978. This indicates a positive influence when both variables move.
- b. For the Operational Cost variable (X1), the regression coefficient of 0.334 indicates that every one unit increase in Operational Cost, assuming other

variables remain constant, will have an impact on increasing the Activity Based Management value by 0.334 units.

- c. Meanwhile, for the Promotion Cost variable (X2), the regression coefficient value of 0.530 indicates that if the Promotion Cost increases by one unit, and other variables remain constant, the Activity Based Management value will increase by 0.530.

Table 9. Partial t-Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,978	5,646		1,590	.121
X1	.334	.114	.443	2,917	.006
X2	.530	.225	.358	2,356	.024

a. Dependent Variable: Y

Based on the results in Table 9, it can be explained that the partial significance test for each variable was conducted by comparing the calculated t-value and the t-table. The t-table value was obtained from the degrees of freedom ($df = n - k - 1 = 38 - 2 - 1 = 35$), which was 1.68957. The following is a description of the test results:

- The independent variable X1 (Operational Costs) shows a t-count value of 2.917 with a significance level of 0.006. Because the t-count value is greater than the t-table ($2.917 > 1.68957$) and the significance value is smaller than 0.05 ($0.006 < 0.05$), it can be interpreted that Operational Costs partially have a significant effect on Activity Based Management. Therefore, hypothesis H1 is accepted and H0 is rejected.
- Independent variable X2 (Promotion Costs), obtained t-count of 2.356 with a significance value of 0.024. Because t-count is greater than t-table ($2.356 > 1.68957$) and $t\text{-sig} < 0.05$ ($0.024 < 0.05$), this indicates that Promotion Costs partially have a significant effect on Internal Control. Therefore, hypothesis H2 is accepted and H0 is rejected.

Table 10. Simultaneous F Test ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	329,516	2	164,758	19,601	.000 ^b
Residual	294,194	35	8,406		
Total	623,711	37			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Based on Table 10, the F-count value is 19.601 with a significance level of 0.000. Meanwhile, the F-table value at a significance level of 5% is 3.24. Because the F-count (19.601) is greater than the F-table (3.24) and the significance value is less than 0.05 ($0.000 < 0.05$), it can be concluded that the variables of Operational

Costs and Promotion Costs together have a significant influence on the implementation of Activity Based Management. Thus, hypothesis H3 is accepted and H0 is rejected.

Table 11. Determination Test Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.727 ^a	.528	.501	2,899

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Referring to the data listed in the table, the coefficient of determination (R^2) is 0.528, or 52.8%. This figure indicates that the independent variables, namely Operational Costs and Promotion Costs, have the ability to explain the influence of the dependent variable, Activity Based Management, by 52.8%. The remaining 47.2% is influenced by other variables outside the scope of this study.

1. Operational Costs Affect Activity Based Management (ABM)

Individually, Operational Costs have a significant influence on the implementation of Activity Based Management (ABM), so that hypothesis H1 can be accepted and H0 is rejected. ABM is a managerial method that emphasizes the management of a company's internal activities in order to improve operational efficiency and effectiveness and reduce wasteful costs that do not contribute to added value. By implementing this approach, the company is able to identify and evaluate less productive activities so that it can reduce unnecessary financing. The positive impact is the achievement of more efficient cost management which ultimately contributes to improving the company's financial performance. Based on questionnaire data, the management of PT. Singa Asia Perkasa Utama has consistently made efficiency efforts towards operational costs every month.

2. Promotion Costs Affect Activity Based Management (ABM)

Partially, Promotion Costs are proven to have a significant positive effect on Internal Control, so that hypothesis H2 is accepted and H0 is rejected. Activity Based Management (ABM) focuses on managing activities comprehensively to improve efficiency, effectiveness, and create value for customers. In this context, promotion costs, which are part of operational costs, can be analyzed using the ABM approach to determine their contribution to profitability and the value generated. Through ABM, management is able to evaluate the effectiveness of various types of promotional activities – such as advertising, digital promotions, and direct marketing – by comparing the amount of costs incurred and the results obtained, such as increased sales volume. Based on the questionnaire results, it is known that the management of PT. Singa Asia Perkasa Utama utilizes electronic media more as the company's main promotional tool.

3. Promotion Costs and Operational Costs Influence Activity Based Management (ABM)

The analysis revealed that Operational Costs and Promotion Costs jointly exert a significant influence on the implementation of Activity Based Management (ABM). This conclusion is supported by the acceptance of

hypothesis H3 and the rejection of the null hypothesis (H0). The coefficient of determination (R^2) of 0.528 or 52.8% indicates that the two independent variables are able to explain 52.8% of the variation in ABM implementation. Meanwhile, the remaining 47.2% is influenced by other factors not included in this research model.

CONCLUSION AND RECOMMENDATION

After conducting the discussion and analysis in Chapter IV, a number of main conclusions were obtained which can be explained as follows:

1. The Impact of Operating Costs: Operating costs have a positive and significant impact on the implementation of Activity-Based Management (ABM). This indicates that the more optimal operational cost management, the more efficient a company's activities through the ABM approach will be.
2. The Effect of Promotional Costs: Promotional costs have been shown to have a positive and significant impact on ABM. This means that appropriate promotional budget allocation can support an activity-based management strategy to increase marketing effectiveness.
3. The Simultaneous Effect of Operational Costs and Promotional Costs: Simultaneously, operational costs and promotional costs contribute positively and significantly to Activity Based Management. The combination of managing these two types of costs plays a crucial role in improving the efficiency and effectiveness of a company's operations through an ABM approach.

FUTHER STUDY

This research still has delays, so it is necessary to conduct further research related to the topic The Influence of Operational Costs and Promotion Costs on Activity Based Management at PT Singa Asia Perkasa Utama in order to improve this research and add insight for readers.

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