



Mini Review of Revenue: Profit and Growth

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ABSTRACT

Research Objectives to provide an overview of existing results from previous research and provide conclusions by researchers. The research method used is a literature review derived from existing scientific articles from various journals in the world related to variables.

The results of research in this study provide significant results with quantitative research methods and mostly use qualitative methods with the results of the researcher's perspective. The researcher highlighted that in finance there are other variables that can be used in the future by researcher.

INTRODUCTION

In financial studies, we know about sales, profit and growth of a company, sales of products or services to consumers in accordance with policies or plans that have been made by the company, to succeed in sales, salespeople must have an effective sales strategy and know the factors that affect sales success. Profit margins are affected by cost of goods sold and cost observations may not always be reflected in profit margins (Cheng et al., 2020), Factors – factors affecting sales growth range from promotion to internal motivation and retention of talented employees to indirect opportunities to invest in new technologies and equipment in the production process. In addition, it benefits from the learning curve and economies of scale provided by sales growth (Fazli et al., 2013).

Profit maximization and growth are two competing business goals. It is profit-oriented or growth-oriented, but not both, because it is difficult for managers to achieve both goals at the same time. So there is a trade-off between profit and growth (Lee, 2014), another opinion also states that maintaining a business and competing with other businesses requires many things, including strategy, new ideas, customer trust, even large capital. The value of a company is influenced by factors such as taxation, company size, growth, uniqueness, financial risk, profitability, dividend payments, and debt-free tax-free (Hestinoviana et al., 2013);(Suryawan et al., 2021). According to (Fazli et al., 2013) states that the effectiveness of financial management is determined by profitability, liability management and financial management. Debt management is measured as total debt to equity and the ratio of long-term liabilities to equity. Profitability is measured by return on equity, return on equity and return on capital invested.

Current business models vary and various hurdles are faced, there is an opinion from (Nezami et al., 2018) that if trade declines and increasing pressure from low-cost competitors, many business-to-business manufacturers have moved from their previously successful product-centric strategies to more service-oriented business models. The purpose of this study was to see and analyze the influence between the three variables using review literature.

THEORETICAL REVIEW

Income

According to Revenue is the amount of money a business earns over a period of time by creating goods or services. According to (Lam & Lau, 2014), revenue is an aggregate of financial benefits resulting from the normal (economic) activity of a company during a period when the profit flow generates cash flows unrelated to payments to shareholders.

Profit

(Horngren et al., 2002) Your revenue is greater than the sum of your income and total expenses. This is also called net profit. According to (Hansen & Mowen, 2007) profit represents a company's trading income minus interest costs, taxes, and research and development costs. The annual yield is presented as profit and loss.

Growth

The growth of the company is expected both internally and externally, because good growth indicates the development of the company. From the investor's point of view, the company's growth shows that the company is profitable and the investor has decided to invest in the company (kusumajaya, 2011).

METHODOLOGY

This research uses qualitative techniques in a way that is relevant to the literature. Literary studies are types or methods of academic writing in the form of literature research. Theoretical analysis and analysis of relationships between variables in books and journals from Mendeley, Google Scholar and other online media. The journals surveyed are listed in the journal metrics table below.

Table 1. Metric Journal

Author, years, and title	Variable Used	Findings	Differences With This Study
(Consumer et al., 2012) Profit, Growth and Sales Maximization	Variable : Profit Variable : Growth Variable : Sales Maximization	The retention rate has been pushed beyond the point where the value of the company is maximized With remarkable ingenuity, Friend and Puckett were able to question conventional wisdom, but most of the empirical evidence still seems to show that the majority agree	
(Kohtamäki et al., 2013) Non-linear relationship between industrial service offering and sales growth: The moderating role of network capabilities	Variable : industrial service Variable : sales growth Variable : role of network capabilities	demonstrate that active development of comprehensive service offerings should take place in conjunction with the development of organizational skills, such as networking skills, to create value	industrial service role of network capabilities

		and improve performance	
(Fazli et al., 2013)	Variable : SALES GROWTH	there is no significant difference in sales growth between Japan and ASEAN.	
SALES GROWTH, PROFITABILITY AND PERFORMANCE: EMPIRICAL STUDY OF JAPANESE ICT INDUSTRIES WITH THREE ASEAN COUNTRIES	Variable : PROFITABILITY	However, ASEAN's profitability in the ICT sector is better than Japan's. The analysis also supports the Global Information Technology Report published by INSTEAD and the World Economic Forum, OECD reports, and previous literature studies. It also has practical implications for business leaders and owner-manager in the ICT sector	
(Nezami et al., 2018)	Variable : Service	Trade-offs are important between these mechanisms.	Service
Disentangling the effect of services on B2B firm value: Trade-offs of sales, profits, and earnings volatility	Variable : Value Trade-offs of sales Variable : Profits Variable : Earning Volatility	Although the ratio of services monotonously accelerates sales growth, it has a U-shaped relationship with profitability and profit variability. This effect also depends on industry and enterprise-level factors. Industry maturity positively measures the impact of service levels on sales growth and profitability. But the scale of the business	Value Trade-offs of sales Earning Volatility

		adversely affects service relationships and profitability. Lastly, industry turbulence negatively moderates the effect of services on profitability volatility.	
(Chaudhuri et al., 2019)	Variable : loyalty program introduction	LP adoption can increase sales and gross profit in the short term (within the first year), and these positive effects persist in the long run (at least). three years of driving). However, the effect on gross results became significant only in the second quarter after the introduction of LP, and its overall effect on results remained significant even after sales. Based on these preliminary findings, the results suggest that offering LPs on a tiered basis or with a revenue mechanism can provide a significant increase in sales and gross profit for the company. Overall, the study shows that the introduction of strategically designed LPs can significantly improve a company's performance in both the short and long	loyalty program introduction
The effects of loyalty program introduction and design on short- and long-term sales and gross profits	Variable : design on short Variable : and long-term sales Variable : Groos Profit		design on short

		term.	
(Cheng et al., 2020)	Variable : Forecast	The four performance characteristics associated with revenue forecasts – optimism, relative accuracy relative to benchmark forecasts, forecast sub optimal and serial correlation of forecast error – apply to sales and profit margins. Sales forecast generally perform better than forecasts margin keuntungan.	Forecast
Analyst forecasts: sales and profit margins	Variable : Sales Variable : Profit margin	Additional evidence also suggests that sales forecasts perform better than profit margin forecasts in terms of how their forecast errors account for errors in profit forecasts and how realized surprises affect changes in their respective forecasts. We also found that a better information environment as a proxy for size increased sales forecasts more than estimated profit margins. All these findings suggest that forecasting profit margins is inherently more difficult than forecasting sales.	
(Jablonski et al.,	Variable :	(1) Local food	local food

2022) The profitability implications of sales through local food markets for beginning farmers and ranchers	Profitability Variable : Sales Variable : local food Markets	channels can be a lucrative marketing opportunity for startups. (2) There are differences in the use of short-term and long-term financial performance indicators, which may indicate that the promotion of lean management strategies is useful for initial support. (3) Starting with mediated local food sales works better on average than selling directly to consumers. (4) Diversification of channel types in local food markets does not seem to show improved economic performance	Markets
(Oktaviyani & Munandar, 2017) Effect of Solvency, Sales Growth, and Institutional Ownership on Tax Avoidance with Profitability as Moderating Variables in Indonesian Property and Real Estate Companies	Variable : Solvency Variable : Sales Variable : Profitability	Solvency has a significant and positive effect on tax evasion. However, growth in sales and institutional ownership did not affect tax evasion. Then profitability can moderate the relationship between institutional ownership and tax evasion.	Solvency
(Jang & Park, 2011) Inter-relationship between firm growth and profitability	Variable : growth Variable : Profitability	Restaurant industry, profit creates growth, but growth hinders profitability	

(Lee, 2014)	Variable : Growth	Profit negatively affects growth, while growth has a positive effect. Negatives effects of the results on growth have not been previously reported. We interpret our interpretation to mean that the institutional environment has an effect on the relationship between firm growth and profits	
The relationship between growth and profit: evidence from firm-level panel data	Variable : Profit		
(Hestinoviana et al., 2013)	Variable : Profitability	Profitability, solvency, asset growth and sales growth affect the value of the company simultaneously. In particular, profitability and sales growth had no significant effect on company value, with a profitability regression coefficient (B) of 0.19 and sales growth of 0.003, while solvency and asset growth had a significant effect on company value, with B-solvency of 0.463 and sales. growth of 0.463 . 0.003. asset growth -0.022.	Solvability
THE INFLUENCE OF PROFITABILITY, SOLVABILITY, ASSET GROWTH, AND SALES GROWTH TOWARD FIRM VALUE (Empirical Study on Mining Companies Which Listed on Indonesia Stock Exchange)	Variable : Solvability Variable : Asset Growth Variable : Sales Growth		
(Qiao et al., 2021)	Variable : Market Distortions	Three important conclusions: 1) Distortion of market factors can significantly reduce sustainable income.	Market Distortions innovation Efficies
The impact of various factor market distortions and innovation	Variable : innovation		

efficiencies on profit sustainable growth: From the view of China's renewable energy industry	Efficies Variable : profit sustainable growth	In addition, among various factors, including capital and labor market distortions, capital market distortions reduce sustained profitability growth more than labor market distortions. 2) The effectiveness of innovation is positively significantly related to sustainable profitability growth. In addition, low and high innovation efficiency are significantly related negative and positive with sustainable profitability growth when separated from a technical efficiency perspective. 3) Low and high innovation efficiency inhibitory effects have significant negative and positive effects on the relationship between market distortion factors and sustainable profit growth
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Source : Researcher (2023)

RESEARCH RESULTS

From the results of the elaboration of the three variables used in this study, the description of dozens of scientific articles found many that state the significance between the three variables in this study, using various research methods and data analysis. Only one scientific article from the research results (Hestinoviana et al., 2013) stated the results of his research that profitability and sales growth did not have a significant effect on company value, with a profitability regression coefficient (B) of 0.19 and sales growth of 0.003.

In addition, there are several other variables used in the search for researchers such as Market Distortions, innovation Efficiencies, Solvency, Solvency, local food markets, forecast, loyalty program introduction, design on short, Service, Value Trade-offs of sales, Earning Volatility, industrial service, role of network capabilities

DISCUSSION

The results of the study above show that only one research result that is not significant between the variables of profitability and sales growth does not have a significant effect on company value, with a regression coefficient of profitability (B) of 0.19 and sales growth of 0.003 from the results of the study (Hestinoviana et al., 2013).

CONCLUSION AND RECOMMENDATIONS

That there are scientific articles related to the variables in this study, with only one research result (Hestinoviana et al., 2013) stating different research results, as well as the use of qualitative research methods of review and quantitative literature with various analytical test tools.

The recommendations in this study still need reinforcement and provide an overview that will be continued in other studies in the future. There are other variables that can be put together in future research by other researchers as gaps and new phenomena to produce research and contribute to the field of finance, especially financial studies.

ADVANCED RESEARCH

There are other variables that can be put together in future research by other researchers as gaps and new phenomena to produce research and contribute to the field of finance, especially financial studies.

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