

THE INFLUENCE OF INFORMATION LEVEL ON BUSINESS DIGITALIZATION ON COMPANY VALUE

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ABSTRACT

This study aims to conduct empirical testing of the effect of information about business digitization on firm value. The value of the company is proxied by the value of Tobin's Q and the influence of information is measured by identifying twenty-three items related to various aspects of the company's digitalization. In addition, twelve items related to the digitalization aspect of the company were added through social media.

The research population includes companies that have been registered on the Indonesia Stock Exchange in 2019. The sample was taken using a purposive sampling method where the company must meet the criteria for having complete data needed in the study. Based on the purposive sampling criteria determined, the data collected during 2019 was 589 companies. The data collection method is carried out by tracing the results of the sample company's financial statement documents on the IDX's official website www.idx.co.id, the official website and or the company's social media (Instagram/Facebook). Data analysis was performed by multiple linear regression.

The results showed that there was a positive effect of information about digitization on firm value. These results support the signaling theory in which disclosure of information about the level of digitalization of a company is considered important as a signal sent by the company to investors or consumers. The greater the disclosure of information about business digitization, it shows the conditions and prospects of the company are getting better too so that the value of the company will increase.

Kata Kunci: *information, digitalization, business, corporate value*