

ABSTRACT

The Indonesia Stock Exchange (IDX) implemented the IDX Industrial Classification (IDX-IC) in 2021 to categorize listed companies into various sectors, including the infrastructure sector. One subsector that has received particular attention is the telecommunications subsector due to its crucial role in the national digital transformation. This sector continues to grow, especially with the increasing access to the internet, which is the primary driver of digital economic growth in Indonesia.

This research aims to analyze the relationship between marketing burden and profitability of companies listed in the BEI's telecommunications subsector. Additionally, this research also evaluates how marketing burden influences the company's value measured using Tobin's Q . By understanding this dynamics, it is hoped that it will provide insights into optimal marketing strategies to enhance financial performance and company value in the telecommunications subsector.

This research employs a quantitative method with a statistical approach to analyze the causal relationship between marketing expenses, profitability, and firm value in the telecommunications subsector listed on the IDX during the period 2018-2022. Using panel data that combines time series and cross-sectional data, this research is descriptive and aims to provide a detailed overview without making generalizations. The research uses non-probability sampling, with a purposive sampling method, to determine the research sample. The data analysis technique used is panel data regression.

The results of this study show that marketing expenses do not have a significant partial effect on either profitability or firm value for companies in the Telecommunications Subsector of the Infrastructure Sector listed on the Indonesia Stock Exchange during the period 2018-2022. In other words, increasing marketing expenses does not directly contribute to increasing profitability or firm value in this industry during the research period. These results indicate that other factors may be more dominant in influencing the financial performance of companies in this subsector.

This research is expected to contribute theoretically by providing additional information and references regarding the relationship between marketing expenses, profitability, and firm value, which is beneficial for academics and researchers who want to explore similar topics. Practically, companies are advised to optimize marketing costs and evaluate their effectiveness in improving profitability and firm value. For investors, the research results indicate that marketing expenses do not significantly affect profitability and firm value, so it is important to consider other factors in making investment decisions.

Keywords: Marketing Expense, Profitability, Firm Value