

CHAPTER V

CONCLUSION

5.1 Conclusion

Based on the result of data analysis and the discussion that have been explained in the previous chapter, the conclusion that can be obtained from this research are as follows :

1. In liquidity ratio which used current ratio, it can be seen from the comparison of sample companies, only Telkomsel that show improvement on its current ratio after the adoption of NFC technology while in contrast XL Axiata and Indosat show decrement in current ratio due to decrement on its current assets especially after the adoption of NFC technology on its supporting product for its main product. XL Axiata and Indosat still classified as non-liquid companies because their current assets is not really capable to pay its current liabilities.
2. On profitability ratio, Telkomsel show improvement on net profit margin , return on assets and return on equity which marked Telkomsel have good performance. Almost similar with Telkomsel, Indosat experienced fluctuative performance, although the ratios is minus in 2014 but it experienced improvement after the adoption of NFC technology in its electronic money. In other hand, XL Axiata experienced decreasing in all profitability ratios indicator due to net profit loss for several years.

3. From activity ratio, all of this company already had good performance and effective in manage its resources in the companies like assets since we compared from total assets turnover. Telkomsel is leading in its total assets turnover with the ratio close to 1 which means this company is effective on managing its assets to generate profit. While for XL Axiata and Indosat, the total assets turnover is good but there's still room for improvement on managing its assets to generate profit more effectively. Telkomsel and Indosat show improvement while XL Axiata experienced decreasing.
4. From solvency ratios, all companies experienced declining in performance due improvement in amount of liabilities in order to finance its assets and operation, but Telkomsel still has fairly safe ratio every year which stood at level of 30% until 40% which means all of assets still financed solely, and only small parts of the assets of company financed by debt. But for Indosat and XL Axiata, both of them is classified bad because most of the assets still financed by debt.
5. Based on all of the ratios analyzed, it can be known the financial performance of each company between before and after the adoption of financial technology in form of NFC technology on each company's electronic money product. Then PT. Telekomunikasi Seluler, Tbk (Telkomsel) is leading the way among three companies that analyzed which is PT. XL Axiata, Tbk (XL Axiata) and PT. Indosat, Tbk. (Indosat). and only Telkomsel is the company who had better performance after the

adoption of financial technology in form of NFC technology in their electronic money product because Telkomsel improved its ability to generate sales and it resulted on increasing of its assets and its equity. While for XL Axiata and Indosat, most of all ratios analyzed showed both of the companies had worse performance after the adoption of financial technology in form of NFC technology in their electronic money product because both companies ratios show better performance before adoption of financial technology in form of NFC technology. By using NFC technology in their electronic money product, it will take opportunity cost to escalate the product until it generate profit.

6. Based on the ratio analyzed, only Telkomsel had steady performance among all of telecommunication companies analyzed and experienced positive trend while XL Axiata and Indosat experienced negative trend. Except in debt ratio and debt to equity ratio, all of the companies had worse performance since the amount of liabilities increased but it did not follow with increasing on assets significantly.
7. After the adoption of financial technology in form of NFC technology on each company's electronic money product, it can be seen, this action does not give significant improvement to all of three telecommunication companies, even the adoption contribute loss at the first year of implementation for XL Axiata and Indosat. In the other hand, Telkomsel is supported by big market share of customer all across Indonesia although the implementation of e-money with NFC technology now limited in big

cities like Jakarta, Bandung. But the data show that in the second year of its implementation , data services which consist of internet services and digital payment show improvement on sales generated although the amount of money generated from digital payment is not as big as internet services, but the existence of digital payment help improve the sales of internet services. It became insignificant on financial performance because the increasing of sales by data services is covering the other services of key product who experienced decreasing like text or voice.

5.2 Research Limitation

The limitation of this research is that this research only used telecommunication industry sector as a sample. So, it cannot be used as a general discovery to other industry sectors because only several sector of industry who use financial technology. In other hand, the other limitation of this research is because the adoption of financial technology is still new in this industry so that the information about adoption of financial technology in this industry is hard to obtain.

5.3 Suggestions

Based on the limitations as mentioned above, the suggestions of the writer are as follows:

1. The further research is expected to use other industry sectors in doing the similar research like banking industry. So, the results obtained later can be used as an overview to other companies in other industry sectors.

2. The further research is expected to use more periods to be analyzed than this research. Hopefully, the amount of periods for all companies used to be researched are same. So, it can make the results are more relevant and reliable than this research.

