

THE PROMOTION MODEL FOR CUSTOMER DECISION MAKING: AN EMPIRICAL STUDY AT NATIONAL BANKING IN INDONESIA

Adriza¹

Many companies that require financial resources from the outside company to meet the needs of the operations or for their business development. At the time of self-financing is not sufficient then the company needs assistance in the form of credit financing. One form of loans granted by National Banking is SME loans. As a service company also do promotions and give ministry as well as possible to attract customers who are expected to provide the maximum benefit for its own banking. In this study conducted a survey of 351 people (potential) customers with methods of sampling and analysis of statistical data by T test and F test Based on the analysis turns out there is the significant effect of the number of customers who take out loans of SMEs in National Banking after more promotion active and better on clients (potential) compared to prior to this activity.

Key Words: Promotion, Service, Customer Decision

INTRODUCTION

The more advance a country is, it will directly or indirectly increase the needs of the people in the country. It was because every society must be able to follow the situation and the development going on. This is also the case in the business, where a range of conditions will be experienced by any company with a different level. In times where financing itself is not sufficient, it is needed the help of form of loan.

A lot of companies require sources of funds from outside companies to meet the needs in supporting the operating activities. A source of funds coming from outside can be obtained by taking loan from the third party. In meeting the needs of its financial company, it can request loans to banks in the form of credit investments or working capital credit. While for the public who have economic issues because of the demands of the needs is able to take consumption credit that can be used for consumption or for their personal needs.

The needs of the community related to the provision of safety of fund, quickly and easily make the transfer of loans to the bank conventional with the hope of able to provide fresh funds with low interest rates, and satisfactory services. The loan interest rate basically is the domain of the government as an effort to stabilize the country economy, so that each bank having no raw authority factors related to the policy. This continues needs forces the financial institutions like bank to compete to get customers. Competition is done by giving a satisfactory service to customers

¹ Director of Politeknik LP3I Bandung, Indonesia, *E-mail: adriza108@gmail.com*

and give clear information to the public through every promotional activities done by the bank.

The competitions among the bank will certainly be more profitable to the customers because borrowers can choose various banking services offered. Banking services will determine whether banking institution is able to compete in the global market or not. Simple requirement that must be fulfilled by the banking institution is the ability of the banking company in providing services in accordance with needs and desires of the society. A bank management prosecuted speed and exactness in respond to what the community current needs. As a company services, banking company shall be oriented in the quality of the service provided. The service provided to create gratification for the customers. As for the benefit of the customer satisfaction is to increase the harmonious relations between companies with customers can make good foundation for the repeat purchase, it can encourage the creation of customer loyalty and allow both mouth-to-mouth recommendation that can be a benefit for the company, that can make a lot of people purchase and use the product of the company (Fandy Tjiptono, 2015: 24).

Promotions are most important activities, who are actively involved in introducing, telling and recalling the benefit of a product to encourage consumers to purchase products in which is being promoted. To hold promotion, each company must be able to determine the right promotion instrument, which can be used in order to achieve success in selling. An enterprise in distributing their product needs to design and distribute information about its presence, the availability, the characteristics of products and the condition of their products and the usefulness of which may be obtained customers / prospective customers over products offered by the company. Effort to introduce the product on the market is called a strategy of promotion. The concept used to introduce namely promotion product mix, combining activities excellence products and persuade consumers to buy (Swastha, 2015: in 349).

Considering that the national credit decreasing or below target of the program are made and instability year 2016 have an impact on the growth in NATIONAL BANKING, as well as to increase the number the amount of loans. Hence required a proper marketing strategies to find new market opportunities and provide maximum service to safeguard existing customers. If the community as customers are satisfied with what has been bestowed their companies be loyal and it is possible they will influence others in taking a credit facility provided by NATIONAL BANKING.

PURPOSE AND LIMITATION OF PROBLEMS.

Purpose

Objectives in research is to know the model of promotion and services for customers in taking of credit in National Banking SME.

Limitation of Problems

The large number of variables that affects customers decision in taking of credit for SME'S in National Banking, some of them are of variable service and promotion. Therefore to research is bounded and will focus on service and promotion model for the decision of customers in taking of credit for National Banking SME.

THEORETICAL

Promotion Theory

Essentially noble promotion is a form of marketing communications and hoped to encourage demand. While the referred to of marketing communications is marketing the activity of trying to spread the information influence and or reminiscent of target market the company and in their products so that are willing to accept, buy, and loyal to products or services offered by companies concerned (Swasta and Irawan, 2015).

While according to Husein Umar (2012) promotion is communicating information between the seller and buyer or other parties to that product known and finally purchased.

Promotion aimed at affecting the public to participate in the buying. Promotion also seeks to motivate communities to purchase products or services a company, as well as a means of building relationships with customers (Nickels, 2008). Meanwhile according to the Swasta and Irawan (2015), the main objective of promotion is a modification of consumer behavior, information, influence and persuade and target remind consumers about companies and products or services on sale. Based on it above we can conclude that the promotion communication to give people more information about a product will be offered so consumers will be interested to purchase products or services offered.

Promotional Mix

Hotchpotch promotion is the combination the best strategy of the variables advertising, selling personal, and means the other promotion, all planned to accomplish a purpose of the program the sale of (Swasta and Irawan, 2015). Lupiyoadi (2016), says the promotion is not only function as an organ communication between providers with consumers, but also as apparatus for effecting consumers purchase in the decision-making process. Marketing mix components can be elaborated promotion for following (Lupiyoadi, 2016) are advertising, personal sales, personal selling, publicity and public relations, information word of mouth and direct marketing.

Service

Services are defined as an act of a person to others through services presentation of products according to size of being applicable to meet the needs of, desire, and

hope a person who is be served (Sugiarto, 2012). Cashmere (2015), stated that service gets is defined as the act or a person or organization (a collection of people) to give satisfaction to customers or customers. Kotler (in Husein Umar, 2013) said that services or ministry is any action or action that can be offered by a party to another, being essentially is intangible (intangible physical) and not producing possession of something the product (physically and non- physically).

RESEARCH METHODOLOGY

Data

Based on the data and the use of sampling this type of data, the primary and secondary. The primary source in the interview with the results of the response by questionnaire used as a source of the data. The primary source of data, in this research is Jakarta entrepreneur of SME.

While, the secondary is supporting research data has been obtained from many sources and data from Jakarta regional customer National Banking.

Sampling Method

A method of the sample collection done by means of simple random sampling (Supranto, 2007), which is a way the election of a number of elements of the population to become a member of the sample. The election in such a way that each element get the same opportunity to be chosen to be a member of a sample of the process of the determination of the total sample using Slovin with the formula as follows :

$$n = N / (1 + N (e^2))$$

Description :

n = sampel

N = population

e = % concessions / inadvertance (limitation = 10%)

The sample based on the formula is as follow:

$$n = 2.842 / 1 + 2.842 (0,05^2)$$

$$n = 2.842 / 8,42 = 350.7 \text{ H'' } 351 \text{ sampel}$$

Based on the calculation on (5%), the total of error followed by 351 SME entrepreneur whom took credit for the customer in National Banking.

DISCUSSION AND ANALYSIS

Data processing was done using double regression analysis. Considering the large side variables that affect the decision of customers in the credit for SME'S in National Banking, and was used only in double regression of variable promotion

and service (X1 and X2) as a independent variable and the customers decision (Y) as dependent variable. Used data obtained based on relations and variable: the third in the equation.

$Y = 13.317 + 0.418 X1 + 0.880 X2$, with determination Coefisient 0.583 atau 58%.

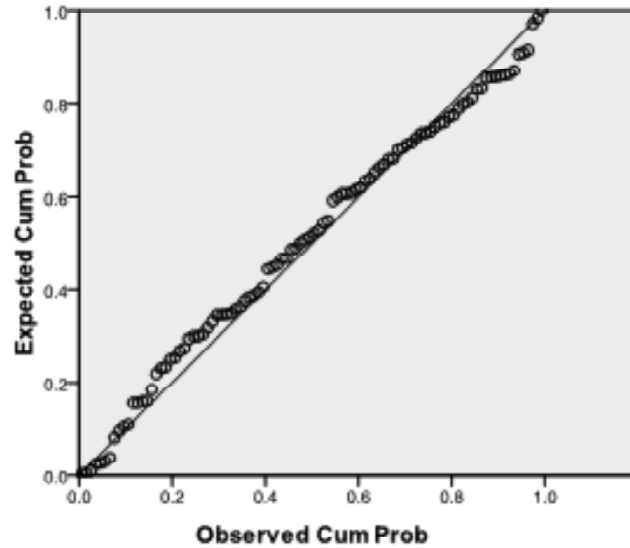
Referring to the regression equation is produced by the coefficients determined 0.583 means that the contribution of variable promotion and service (X1 and X2) on decision of customers (Y) in taking credit in the National banking is positive and significant, while the rest to be explained or influenced by other factors outside a model of this research. Then if with still refer to the regression equation produced can be interpreted that if the variable promotion and services is 0, hence the decision of customers is value of 13.317 positive. In other words that if not done the promotion and services less, the decision of customers to take credit for SME'S in National Banking is still 13.3 % maybe this figure is influenced by other factors than the promotion and excellent of service.

The regression coefficient is the promotion of variable 0,418 means that if the promotion (X1) one unit increase of variable and services excellence ceteris paribus and hence the decision of customers will increase by 0,418 positive. In other words that if there is the promotion unit and 1 decision of customers will take credit for SME'S in jakarta 13.735 of National Banking.. This means that means happened the relationship between the promotion with the decision of customers in take credit in the National banking. The regression coefficient of variable (X2) is 0.880 service is variable service means that if (X2) one unit increase and promotion ceteris paribus hence the decision of customers will increase by 0,880 positive. In other words that if there is a significant one unit increase services and the decision of customers who would take credit for SME'S in jakarta 14.197 of National Banking. This means that means happened the relationship between the promotion with the decision of customers in take credit in National Banking.

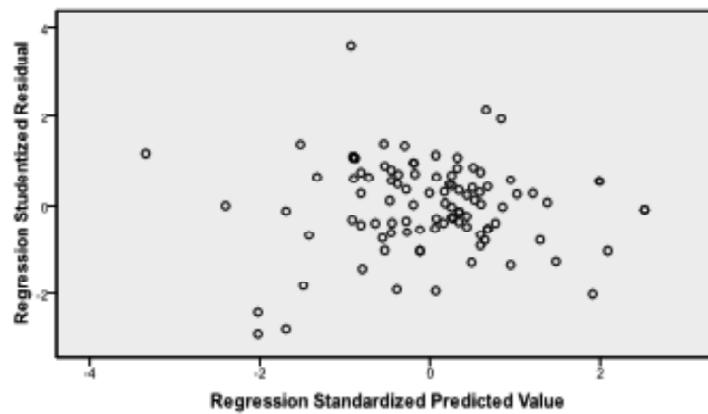
To see the studied side variables meet the assumption of normality, then look at relations observation cum probability and expected cum probability from the data used can be dependent variable customers decision on a graph 1 in the following:

To see heteroskedastisitas dependent clients variable decisions can be viewed at chart 2 below. Heteroskedastisitas happens when no similarity standard deviations of the dependent variable on any independent variable.

From these graphs it, can be seen the data points that are spread out at random, do not form a pattern defined, as well as scattered either above or below the 0 (zero) in the y-axis, so it can be defined that does not happen heteroskedastisitas. Based on the test it turns out that there is the influence of the independent variable (promotion and services) partial evaluation against the dependent variable for (Y). This can be seen from t count the value of that is greater than the value of t a table



Grafik 1: Dependent Variable Customers decision.



Grafik 2: Heteroskedastisitas Dependent Test Variable Customer Decission

(7,816 > 1,984). Then inferred H_0 were rejected and H_a accepted or influential service partial evaluation of the decision of customers. While the t to test side variables against promotion of variable dependent (y) also it has value t count that is greater than the value of t a table (3,380 > 1,984 then inferred H_0 were rejected and H_a accepted or promotion influential partial evaluation of the decision of customers.

Based on the next test f variable where the promotion of service and having influence simultaneously on variables the decision of customers. It is based on f count the value of greater value of f table (67.815 > 2,70). Because it can be

inferred that H_0 rejected and H_a accepted, or expressed promotion and services paradoxically simultaneous impact on the decision of customers.

CONCLUSION

Based on the analysis of data has been done to all the data obtained, it can be taken the conclusion that the assessment of respondents on variables promotion (X1) having its mean value of 4.12, while the assessment of respondents on variables service (X2) having its mean value of 4.16; and the decision of customers having its mean value of 3.99. Third of the variable having its mean value in the category of “ good “ thus will be concluded that the promotion of, services and the decision of customers at National banking be in the category of good. From the test that hypothesis was obtained that research is having a conclusion over an answer from the formulation a problem as follows:

1. The t test showed that the variable the promotion of having influence in partial on variables the decision of customers it is based on the value of t count that greater than the value of t a table ($3,380 > 1,984$) then concluded H_0 rejected and H_a received or the promotion of influential in partial against the decision of customers
2. the t test showed that the variable service having influence in partial on variables the decision of customers it is based on the value of t count that greater than the value of t a table ($7,816 > 1,984$) then concluded H_0 rejected and H_a or services received a partial influence of the decision of customers.
3. While the variable f test showed that the promotion of service and having influence on variables simultaneously customers this decision is based on the value of f count of the value of more large table ($67.815 > 2,70$) & then concluded H_0 H_a accepted or rejected and influential simultaneous paradoxically promotion and services customers of the decision.
4. The results of the double linear regression the formula obtained the regression equation is the decision of customers = $13.317 + 0,418 x_1 + 0,880 x_2$. The value of the coefficients determined (r square) between variables are 0,583 or 58,3%. With so then the size of the contribution of variables and the promotion of services of the decision of customers in take credit in the National banking is 58,3%. While the rest to be explained by other factors outside a model of this research

References

- Abideen, Z dan Saleem, S. (2011). Effective advertising and its influence on consumer buying behavior. *European Journal of Business and Management*. ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol 3, No. 3. p. 55-65.
- Atep, Adya, Barata, (2014). *The Priciple of Cervice Excellence*, Jakarta : PT. Elex Media Komputindo.

- Azwar, Saifuddin. (2015). *Significant or no significant*. Buletin Psikologi UGM, Vol. 13 No.1, Juni 2015. Hal. 38-44.
- Boediono. (2009). *Service Excellence*. Jakarta: Yayasan Kawita Indonesia.
- Ghozali, I. (2011). *Multivariate Analysis Application with IBM SPSS 19 Program*. Semarang: Badan Penerbit Universitas Diponegoro.
- Grifin, Ricky, W., (2014). *Management* Edisi Ketujuh, Jild 2, Penerjemah: Gina Gania, Penerbit Erlanga, Jakarta.
- Hasibuan, Malayu S.P, (2016). *Principle of Management, Pengertian, dan Masalah*, Edisi Revisi, Bumi Aksara: Jakarta.
- Hersona, S.G.W., Muslihat, A., dan Setyawan, T. (2013). The Influence of Promotions Mix on Customer Decision Making in Karawang. *Jurnal Manajemen*. Vol.10. No. 3 April 2013. h. 1149-1159.
- J, Supranto. (2008). *Statistic: Theory and Application*. Jilid 1 Edisi 7. Jakarta : Erlangga.
- J, Supranto (2009). *Statistic: Theory and Application*. Jilid 2 Edisi 7. Jakarta : Erlangga.
- J, Supranto (2007). *Sampling Technic for Experience Methods*. Edisi 4. Jakarta : Rineka Cipta.
- Kasmir (2015). *Customer Service Ethic*, (Jakarta: Rajawali Press).
- Kotler, Philip & Gary Armstrong (2008). *The Principle of Marketing*. Jakarta: Erlangga.
- Kotler, Philip. (2012). *Marketing Managemnet*. Jakarta: Pearson Edikation Asia.
- Kotler, Philip. (2015). *Marketing Managemnet*, Milenium Editions. Jakarta: Pearson Education Asia Pte. Ltd dan PT. Prenhallindo.
- Lupiyoadi, Rambat. (2016). *Services MArketing : Theory and Application*, Jakarta: Penerbit Salemba Empat.
- Murti Sumarni dan John Soeprihanto. (2015). *Business and The Principle of Companies*. Yogyakarta: Liberty Yogyakarta.
- Nasution. (2011). *Quantitative Research Process*. Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia. Jakarta.
- Nickels, William G., James M. McHugh, dan Susan M. McHugh. (2008). *Understanding Business*. New York: McGraw-Hill.
- Santoso, S. (2010). *Multivariate Statisric*. Jakarta, Indonesia: PT. Elex Media Komputindo.
- Schiffman, G. Leon. and Kanuk, L. Leslie. (2007). *Consumer Behavior*. Edisi 7. Terjemahan. Jakarta: Penerbit Indeks.
- Sugiarto, Endar. (2012). *Service Psychology in Services*, (Jakarta : Gramedia Pustaka Utama)
- Sugiyono, (2010). *Quantitatiave and Qualitative Methods*. Bandung: Alfabeta.
- Sugiyono. (2010). *Business Research Methods*. Alfabeta. Bandung.
- Swastha, Basu dan Irawan, (2015). *Modern Marketing management*. Yogyakarta: Liberty.
- Swastha, Basu. DH. (2015). *Marketing Concept*, Penerbit Liberty, Yogyakarta.
- Tjiptono, Fandy. (2015). *Services Marketing*. Malang: Banyumedia Publishing Griffin, Ricky, W., (2014). *Manajemen*, Edisi Ketujuh, Jild 2, Penerjemah: Gina Gania, Penerbit Erlanga, Jakarta.
- Umar, Husein, (2012). *Human Resources Management Research*, cetakan Keempat, Jakarta: Gramedia Pustaka Utama
- Umar, Husein. (2013). *Serivices Customer Behavior and Research Methods*, (Jakarta : Ghalia Indonesia).