



## THE INFLUENCE OF MARKETING MIX ON DECISION OF BANK LEADERS IN SELECTING PERUM JAMINAN KREDIT INDONESIA MAKASSAR BRANCH AS A CREDIT GUARANTEE INSTITUTION

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### *Abstract*

The study aims to analyze the influence of marketing blends consisting of product, price, promotion, location, employee, physical evidence and process on the bank director's decision to determine Perum Jamkrindo Makassar Branch as the underwriter agency, and to investigate the most dominant process blend variable in the decision of the bank director to select Perum Jamkrindo Makassar Branch as the underwriter agency. The method used in the study is quantitative – descriptive. The population consists of 35 bank directors that constitute a full sample. The data were analyzed by multiple linear regressions supported by the SPSS 16.00. The study indicates that marketing blends consisting of product, price, promotion, location, employee, physical evidence and process variables simultaneously have a positive influence on the director's decision to select Perum Jamkrindo Makassar Branch as the underwriter agency. It is reflected in the statistical F Test or simultaneous significance test (SPSS 16.00). The free variables have a significant influence under unhealthy possibility of less than 5% (P, 0.05). Partially, the T – Test indicates the location variable is the most dominant free variable that affects the bank director's decision to select Perum Jamkrindo Makassar Branch as the underwriter agency.

**Keywords:** *marketing mix, decision making*

### A. INTRODUCTION

The existence of micro, small and medium enterprises (SMEs) reflects the real form of the social and economic life of the largest part of the Indonesian people. The large role of small and medium enterprises is demonstrated by their contribution to national production, the number of business units and entrepreneurs, and employment. The contribution of SMEs to GDP in 2007 amounted to 56.7% of the total national GDP, consisting of 41.1% contribution from micro and small businesses and 15.6% for medium scale businesses.

Even though the number of SMEs in 2005 had reached around 44 million business units, only about 12% had received bank credit, this situation is directly related to: (a) the low quality of human resources, especially in management, organization, technology, and marketing; (b) the average entrepreneurial competence is weak; and (c) the limited capacity of SMEs to access capital,

information technology and markets, as well as other factors of production. The progress of SMEs greatly supports efforts to overcome inequality between actors, between income groups and between regions, including poverty alleviation. According to the BI survey on the profile of SMEs in Indonesia in 2005, it was explained that the weaknesses of SMEs are the lack of business licenses and the legality of legal entities is unclear. If this condition persists, then most SMEs will never be bankable, because one of the administrative requirements requested by banks is the existence of business legality documents and clarity of legal entity, especially for granting loans above Rp. 50 million.

There is still a major obstacle to the development of SMEs credit, namely the problem of not yet bankable prospective SMEs debtors. Therefore, banks are required to seek breakthroughs if they want to work on the potential of SMEs through expanding the customer base.

On this basis, the role of credit guarantee institutions is demanded to be more proactive in banking financial institutions. According to Stanton and Lamarto (1991): "To maintain the survival of the company and the balance and competitiveness of products, it is necessary to have a directed marketing policy. This policy is used by the company to satisfy the target market and achieve company goals.

There is credit growth that is still somewhat unstable but still within the normal range, namely construction loans and procurement of goods/services which are working capital loans provided by banks to customers in the context of procuring goods or services with specifications determined by users of goods/services. In order to bridge the gap between the bank and the credit guarantor, the credit guarantor, in this case Perum Jamkrindo Makassar Branch, is trying to continue to improve its marketing mix in providing credit guarantees to those who wish to guarantee their credit, in order to avoid making bank management decisions that are not in accordance with constraints that occur in the marketing activities of credit guarantee services.

On this basis, researchers are interested in examining the marketing mix that is applied and the decisions of the leadership, so the title is chosen: "The Influence of Marketing Mix on Decision of Bank Leaders in Selecting Perum Jaminan Kredit Indonesia Makassar Branch as a Credit Guarantee Institution".

## **B. METHODS**

### **Research design**

This type of research is a qualitative and quantitative research that uses an explanatory survey approach, which seeks to describe the effect of the object under study based on facts and accurate data.

### **Population and Sample**

The population in this study are all banks in the South Sulawesi region that use the services of the Makassar Branch of the Indonesian Credit Guarantee Corporation as loan guarantors, which currently number 35 banks.

Considering that this population is small in number, the sample used uses the saturated sample method or total sample which is commonly called the census method. According to Cochran (1999:45) the census method is used if the population

is small, namely under 1000, with a large number of observations, then the census method can be used to obtain representative respondents

### **Data analysis techniques**

To test the hypotheses that have been proposed in this study, the descriptive analysis method and multiple linear regression analysis are used. The research variables used:

1. Independent Variables are marketing mix independent variables consisting of product, price, promotion, location, physical facilities, employees and processes.
2. The Dependent Variable is the decision making of the head of the bank.

### **Description of Research Variables**

The description of the research variables is an explanation regarding the analysis of the influence of the marketing mix on the decision of the bank leadership in selecting the Makassar Branch of the Indonesian Credit Guarantee Corporation as a credit guarantee institution.

#### **1. Product (X1)**

Product is something that can be given or received by someone in meeting the need for credit. Products in this case are guaranteed credit schemes including investment loans, working capital loans, consumer loans and construction loans in accordance with the guarantee period of 1 to 15 years.

#### **2. Price (X2)**

Price is the value of a product measured in money and has been determined by the Makassar Branch of the Indonesian Credit Guarantee Corporation. The price referred to is determined by the Guarantee Service Fee (IJP), the amount of which is adjusted to each bank, the type of credit guaranteed and the credit period.

#### **3. Promotion (X3)**

Promotion is a way of conveying product information that is used by the Makassar Branch of the Indonesian Credit Guarantee Corporation. The promotion can be in the form of product brochures, positive publicity, personal selling and sponsorship of certain events.

#### **4. Location (X4)**

The location is the area where Perum Jamkrindo was founded. Location, in this case the Branch Office which is located on the main road, is easily recognized and accessible.

#### **5. Physical Facilities (X5)**

Physical facilities are things that significantly influence the bank's decision in selecting the Indonesian Credit Guarantee Corporation as a credit guarantee institution. These physical facilities include the availability of adequate branch office buildings, spacious and comfortable waiting rooms, adequate parking spaces, cleanliness of the office and environment and guaranteed office security.

#### **6. Employees (X6)**

Employees in this case are judged by their skills/ability to carry out their duties according to their respective job descriptions.

#### **7. Process (X7)**

The process in this case is the requirements for easy credit guarantee applications, fast credit guarantee analysis and decision processes, service procedures and realization of credit guarantees that are not complicated as well as post-realization credit guarantee services and supporting services that are quite adequate.

### C. RESULT ANALYSIS

Analysis of the Marketing Mix on the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee

**Table 1. Correlation Coefficient, Determinant Coefficient and Variable Significance Level**

Simultaneous	Partial		
Correlation coefficient	Determinant Coefficient		
R = 0.993	R2 = 0.987		
Fcount= 282,220 Sig. =0.000 P < 0.05	tcount X1 = 2.403	ttable 2,403	Sig. 0.023
	X2 = 2.089	2,089	Sig. 0.046
	X3 = 2.670	2,670	Sig. 0.013
	X4 = 4.486	4,486	Sig. 0.000
	X5 = 3.232	3,232	Sig. 0.003
	X6 = 2.302	2,302	Sig. 0.029
	X7 = 3,512	3,512	Sig. 0.002

Source: Data from the Regression Appendix, 2023

The magnitude of the influence (contribution) of the independent variable (X) simultaneously on the dependent variable (Y) can be seen from the magnitude of the multiple determinant coefficient (R2). The value of the coefficient of determination is between zero and one. If the R2 obtained from the calculation results is 0.987, then it can be said that the influence of each independent variable on the dependent variable is very close. The results of the research hypothesis testing show that the independent variables studied have a positive and significant effect with an R2 contribution value of 98.7%, explaining that product, price, promotion, location, physical facilities, employees and processes determine the increase in the decision of bank leaders in choosing Perum Jamkrindo Branch Makassar as credit guarantor. Meanwhile, the influence of other variables not examined was only 1.3%.

The results of the F statistical test or simultaneous significance test, basically show whether all the independent variables included in the model have a joint effect on the dependent variable Y. This F test is carried out by comparing

Fcount with Ftable value at the level of significance  $\alpha = 0.05$ . The F test has a significant effect if Fcount is greater than Ftable or the probability of error is less than 5% ( $P < 0.05$ ).

The results of the analysis calculation obtained Fcount of 282.220 with a probability level of 0.000 (significant) and a probability much smaller than 0.05.

**Table 2. The Dominant Effect of the Variables Studied**

Research variable	tcount	Sig.
Mark Constant (Y)	-1,202	0.240
X1	2,403	0.023
X2	2,089	0.046
X3	2,670	0.013
X4Dominant	4,486	0.000
X5	3,232	0.003
X6	2,302	0.029
X7	3,512	0.002

Source: Data from the Regression Appendix, 2023

T test to see the effect of each independent variable on the dependent variable. Testing through the t test at the real level  $\alpha = 0.05$ . The t test has a significant effect if the results of the tcount  $< 0.05$ . Based on Table 2, the t-test results above show that t-count for all independent variables shows a significance level of  $p < 0.05$ , which means it has a positive and significant effect.

From the results of the partial test above, it is known that the independent variable location mix dominantly influences the decision of the bank leadership in choosing Perum Jamkrindo Makassar Branch as a credit guarantor (the tcount value is the largest, and the Sig value is the smallest).

## D. DISCUSSION

### 1.1 Product Marketing Mix on the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee.

Perum Jamkrindo offers credit guarantee products to customers. Providing guarantees is a form of trust exercised by the guarantee institution, in this case Perum Jamkrindo, to customers by using their credit guarantee products, considering that there are four elements of guarantee in credit transaction activities, namely the element of trust, the element of time, the element of amount and the element of risk. This makes credit guarantee products influence the decision of bank leaders in choosing Perum Jamkrindo, in this case Perum Jamkrindo Makassar Branch in using the marketing mix concept, especially in introducing credit guarantee products.

### **1.2 Price Marketing Mix on the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee**

The guarantee price for a credit is applied by the credit guarantee institution, in this case Perum Jamkrindo, to set the credit price in accordance with the credit quality assessment. The credit grouping based on the smooth state of credit payments from collectibility A, B, C, D greatly determines the criteria for setting a guarantee price. This is the guarantee price mix which becomes an assessment for the guarantee institution to determine its influence on the growth of credit guarantees in socializing or providing guarantees for credit to debtors in accordance with the value of the credit guarantee price.

### **1.3 Promotion Marketing Mix on the Decision of the Bank's Management in Choosing Perum Jamkrindo as a Credit Guarantee.**

Perum Jamkrindo collaborates with creditors, both banking and non-banking, in terms of guaranteeing credit extended to KUKM, so that prospective customers who have flexible businesses get information and are interested in the guarantee offer provided by Perum Jamkrindo, and this is a form of promotion. which directly or indirectly becomes an assessment for customers. Based on the forms of introducing various information and the advantages of obtaining guarantees from Perum Jamkrindo, the banking sector feels that it has an advantage, that is, its customers clearly have the ability to pay credit funds, because they receive guarantees from Perum Jamkrindo, so that the promotion mix has an influence on the growth of credit guarantees to choose credit guarantee agency.

### **1.4 Location Marketing Mix of the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee.**

Perum Jamkrindo can easily establish partnerships with customers and bank leaders, because of the strategic location of the office to be able to interact or visit each other in discussing issues of a credit guarantee that is easy to reach and is in an area in a big city, so it can be said that the location mix influences on the growth of credit guarantees in providing credit guarantees.

### **1.5 Physical Facilities Marketing Mix for the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee.**

The influence of the mix of physical facilities on the growth of credit guarantees, because customers and bank leaders can see the physical condition of the office building which has a spacious and comfortable work space, at the Office of Perum Jamkrindo a pleasant service atmosphere is created. Evidence that physical facilities are a consideration for Perum Jamkrindo in determining the growth of credit guarantees to continue to create partnerships with various clients or parties, Perum Jamkrindo pays close attention to office cleanliness, especially floor cleanliness, seating, tables and a neat atmosphere, so that clients who coming to the office has an interesting impression of the visit to the Office of Perum Jamkrindo.

### **1.6 Employees Marketing Mix on the Decision of the Bank's Leadership in Choosing Perum Jamkrindo as a Credit Guarantee.**

Employees of Perum Jamkrindo should be proficient in utilizing and providing access to information that is clear and needed by customers and becomes an important access for bank leaders in making a determination of the certainty of a guarantee from individual collaboration between Perum Jamkrindo and customers in developing the existence of institutional guarantees, thereby influencing growth of banking company credit guarantees.

#### **1.7 The process Marketing Mix for the decision of the Bank's leadership in choosing Perum Jamkrindo as a credit guarantor.**

Perum Jamkrindo is aware of the importance of service process procedures that must be carried out in accordance with considerations of how to carry out a process in accordance with predetermined rules. This is so that the process can run according to the level of implementation of the partnership, which has an impact on the growth of credit guarantees. Determining the decisions of the leadership considers that Perum Jamkrindo as a guarantee institution has the advantage of being trusted and able to meet customer satisfaction and leadership to provide satisfaction according to their expectations. What's more, Perum Jamkrindo is able to provide a form of credit guarantee that suits the needs of the bank.

#### **E. CONCLUSION**

Simultaneously the marketing mix consisting of product, price, promotion, location, employees, customer service and process has a positive effect on the decision of bank management in choosing Perum Jamkrindo Makassar Branch as a credit guarantee institution, according to the results of the F statistical test or simultaneous significance test, which shows that all the independent variables in this study have a significant effect with a probability of error of less than 5% ( $P < 0.05$ ).

Location, which is the most dominant factor influencing the decision of bank management in choosing Perum Jamkrindo Makassar Branch as a credit guarantor, means that the second hypothesis of this study is rejected.

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