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The Role of Marketing Mix on Public Interest of Banking Credit Submission Application

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Abstract

The Indonesian economy benefits from the expansion of the banking sector as a financial institution. Currently, a huge market share makes it simple for corporate players to expand in Indonesia's banking industry. This study was created to see if the public's interest in applying for credit at the Bank was influenced by the marketing mix. One hundred bank customers make up the sample. A questionnaire is used to gather the required information. Multiple regression analysis is the data analysis technique used to identify the relationship between the variables. The study's findings demonstrate that the marketing mix significantly influences people's desire to apply for credit at the Bank.

Keywords: Marketing Mix, Public Interest in Applying for Credit.

1. Introduction

The development of Indonesia's banking sector as a financial institution benefits the country's economy. Currently, such a substantial market share allows corporate players to easily expand as Indonesian banking develops. The analysis of marketing mix variables that are considered in decision-making has been the subject of numerous research [1]. Always flexible, the marketing mix must be able to change with the internal and external environment. A corporation cannot control external elements, which include rivals, technology, rules and regulations, the economy, and the socio-cultural environment. In contrast, internal elements are the four marketing mix variables Product, Price, Place, and Promotion [2]. The contribution of the micro, small, and medium-sized enterprises (MSMEs) sector to the country's gross domestic product is expected to increase by 5% in 2019 according to Ikhsan Ingratubun, the chairperson of the Indonesian Micro, Small, and Medium-Sized Enterprises Association (Akumindo). With this predicted rise, he predicts that MSMEs would contribute a total of 65%, or around IDR 2,394.5 trillion, to the country's GDP this year. In contrast, MSMEs really contributed about 60.34% of the country's GDP last year. He asserted that MSMEs need assistance from the government to realise this goal, particularly in terms of access to extra capital. This is because the People's Business Credit (KUR) policy facilitated by the government has not been effective enough in encouraging MSME performance because it is only given to trading businesses, not production businesses [3].
The increasing number of economic needs that must be met by entrepreneurs in terms of meeting personal or business needs. Many entrepreneurs choose to make credit-taking decisions at financial institutions that aim to meet all needs that have a positive impact on the success of their business [4]. Credit-taking decisions made by an entrepreneur are an act of choosing one alternative from a series of existing alternatives. This decision is important to make before entrepreneurs take credit at financial institutions so that there are no obstacles to taking credit and getting what is expected [5]. Alternatives provided by each financial institution provide choices for the public in selecting products according to their needs and desires. People consider a financial institution's ability to deliver goods and services in accordance with the needs and preferences of the community as a criterion when determining whether to apply for credit with them [6]. Financial institutions compete to offer outstanding service and straightforward procedures because of this. Banks entrust their financial interests to a large number of consumers. In order for the marketing mix to survive, it is crucial that the bank pay attention to it. For customers to ultimately be able to develop good ideals in their thoughts, banks must be able to offer services that please them. If product performance is significantly lower than customer expectations, buyers will not be interested. If performance exceeds expectations, more customers will be interested. The form of marketing mix that can be provided by the Bank consists of credit facilities, services, locations, and credit procedures. If the Bank is able to improve the marketing mix concept, customer satisfaction will increase [7]. Behavioral intention is a person's desire (or interest) to perform a behavior which is predicted by his attitude towards it and how he thinks others will judge him if he does it. Interest is a tendency of the soul to pay attention and remember some activities. So, if someone is interested in paying attention to an activity and carrying it out, it must be based on a sense of pleasure in doing it. If it creates

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a feeling of pleasure, then someone in the future will constantly want to use it. The function of interest is closely related to feelings and thoughts. Humans will provide an assessment, determine after choosing the desired option, and directly make a decision. Interest is a strong emotional inclination towards something that results from an unmet need or from a strong desire for something in particular [8].

Marketing is one of the main activities that a company needs to carry out to run its business [9]. With a good marketing function, companies have the ability to produce product criteria according to what consumers want. For a company, marketing activities play a crucial role because they are aimed at generating revenue that enables the company to sustain its viability [10]. Moreover, marketing activities are conducted to accomplish company objectives that align with expectations. Many individuals define marketing solely as a sales endeavor, despite it being just a small fraction of marketing [11]. Marketers hold a pivotal position in attaining company success. To achieve marketing triumph, every company must formulate an efficient marketing strategy by integrating components in the marketing mix. Variables in the marketing mix have a mutually reinforcing effect on one another, which the business then combines to produce the desired results in the target market. The business can affect the demand for its products by using these strategies [12]. "The collection of manageable tactical marketing tools - product, price, place, and promotion - that the firm blends to elicit the desired response in the target market" is the definition of the marketing mix [13]. According to this concept, the marketing mix consists of a number of controllable tactical marketing instruments, including product, pricing, location, and promotion. The evidence shows that it is difficult to fully understand the demands and preferences of consumers. Consumers can alter their preferences at the last moment. Naturally, marketers anticipate that consumers will respond positively, meaning they are willing to purchase the offered goods. To attract or cultivate consumers' interest in buying, marketers must first understand how consumers make decisions. Purchase intention refers to consumer behavior that arises in response to stimuli indicating a person's desire to make a purchase. Consumer buying interest is an immensely intricate matter, but it must remain a focal point for marketers. Consumers' interest in buying can emerge as a result of stimuli presented by the company. Each of these stimuli is designed to prompt consumer buying actions [14].

The purpose of this study was to evaluate how the public's interest in requesting credit from the Bank was impacted by Product, Price, Place, and Promotion [15]. Evaluation of the statistical values, means, and proportions of one or more samples under investigation is the goal of hypothesis testing. This test examines opposing hypotheses to determine whether the initial hypothesis (null) is accepted or rejected. The statistical values of a sample are tested because the hypothesis can be either true or false [16]. In this study, a partial test (t-test) is used to test the hypothesis, and a significant test utilising the null hypothesis (Ho) and the alternative hypothesis (Hα) is used to identify the hypothesis. The t-test is used to show the individual effects of each independent variable on the dependent variable and to partially test the hypothesis [17]. To ascertain the degree of influence the independent variables have on the dependent variable, the regression coefficient of each independent variable on the dependent variable is tested. The Marketing Mix affects whether clients are interested in requesting credit from the Bank. Product affects the interest of customers to apply for credit at the Bank. Price affects the interest of customers in applying for credit at the Bank. Location affects the interest of customers in applying for credit at the Bank. Promotion affects the interest of customers in applying for credit at the Bank.

2. Research Methods

The population in this research consists of clients of the Bank. The sample in this research consists of a portion of the bank's clients. The sampling technique employed in this research is based on the non-probability sampling method, utilizing a purposive sampling approach. Purposive sampling is utilized because not all samples meet the established criteria. Hence, the selected sample is intentionally determined based on specific criteria established by the author to obtain a representative sample. Data analysis techniques in quantitative research employ statistics. In this study, descriptive statistical techniques will be used for data analysis. Before utilizing the research instrument to collect data, it is necessary to assess its validity. This is done to obtain valid data from reliable instruments. This correlation technique is commonly employed by researchers to analyze the validity of research instruments. After testing the instrument for validity, the next step is to assess its reliability. The method used to determine data reliability is Cronbach's alpha (α). Cronbach's alpha (α) utilized in this research is α 0.60. Considering that the research data utilized is primary data, in order to meet the specified requirements before conducting the hypothetical test through partial and simultaneous tests, it is necessary to assess some of the classical assumptions used, namely Autocorrelation, normality, and heteroscedasticity, in detail, as deviations from these assumptions can invalidate the preceding F and T tests and potentially confuse the obtained conclusions. Therefore, assumption testing is conducted. This study used multiple linear regression analysis as its analysis method. The purpose of this study is to ascertain the degree to which the independent variable (X) has an impact on the dependent variable (Y). A strategy of making decisions based on data analysis from both controlled experiments and uncontrolled observations is known as hypothesis testing. An outcome is deemed statistically significant in statistics if, within preset probability limitations, it can hardly be explained by random variables.

3. Results and Discussion

Respondents were female, with 55 customers, or 55%, and 45 male customers, or 40.7%. The data explains that women carry out transactions at the Bank. The majority of respondents are aged 30–40 years, with 40 customers, or 40%. The data explains that the most dominant transactions at the Bank are with customers aged 30–40 years. In general, someone who is 30–40 years old is well established in their job, and they know that saving is very important in the long term for a better life in the future and for preparation for old age. With a total of 50 consumers, or 50%, the majority of responders with the most recent education were high school graduates. The data explains that customers who save at the Bank are customers with a high school education. Someone who is highly educated also has better knowledge about the benefits of saving and investing for long-term interests. The majority of respondents' jobs are civil servants, with a total of 33 customers, or 33%. The data explains that the most dominant customers at the Bank are civil servants. It is easier for civil servants to save because they have a fixed salary that can be used as business capital in the future, to plan better education for their children, and to prepare for old age. The validity and reliability of each question item will be evaluated based on the tabulation results of the respondents' data in order to ascertain their efficacy. The product, price, place, promotion, and interest in applying for credit are all components of the marketing mix, and the validity test on these variables reveals that all 24 question items are legitimate since they have a corrected item value with a total correlation above 0.361. The study's correlation coefficient (R) of 0.914 shows a significant association between the independent and dependent variables. The coefficient of determination (R2) is 0.828, indicating that the independent variables have an influence on 83.5% of the dependent variable while other factors have an influence on the remaining 16.5%. The product variable (X1) has a significance value of 0.017, less than 0.05, showing a substantial relationship between the product and interest in applying for financing. The price variable (X2) has a significance value of 0.002, which is more than 0.05, indicating a strong influence of price on interest in applying for credit. The location variable (X3), on the other hand, has a significance value of 0.259, which is more than 0.05 and indicates that there is no significant relationship between location and interest in applying for credit. However, the promotion variable's (X4) significance value is 0.000, which is less than 0.05, indicating a significant impact of promotion on interest in applying for credit.

In terms of the outcomes of the multicollinearity examination in this research, it is evident that each VIF value is less than 5. Therefore, it can be deduced that there is no multicollinearity in the regression equation. The normality examination in this study employs graphical analysis examinations and statistical analysis examinations. Basically, normality can be determined by looking at the distribution of data (points) on the graph's diagonal axis or by inspecting the residuals' histogram. A comparison between the observed data and the distribution is conducted to identify a normal distribution. Hence, it can be inferred that the regression model executed by the author satisfies the normality assumption. The information is scattered all along the diagonal line and moves in that direction. The residual data also shows a normal distribution. The Durbin Watson method was used in this study's autocorrelation analysis, specifically by contrasting the Durbin Watson values derived from the regression results with the Durbin Watson values from the table. It is noted that the value of 2.103 for Durbin-Watson falls between dU and 4-dU. Therefore, it may be said that the regression model has no autocorrelation problems.

If the Product (X1), Price (X2), Location (X3), and Promotion (X4) variables have constant values, no values, or zero, the interest in applying for a loan (Y) will fall by -0.381. Product (X1) of 0.292 means that if the product variable has increased while the variables X2, X3, and X4 have a constant or non-existent value or are equal to zero, then the variable interest in applying for credit (Y) has increased by 0.862. The price (X2) is 0.319, which means that if the product variable has increased while the variables X1, X3, and X4 have a constant or non-existent value or are zero, then the variable interest in applying for credit (Y) has increased by 0.319. Location (X3) of -0.039 means that if the product variable has increased while the variables X1, X2, and X4 have a constant or non-existent value or are equal to zero, then the variable interest in applying for credit (Y) has increased by -0.039. Promotion (X4) of 0.541 means that if the product variable has increased while the variables X1, X2, and X3 have a constant or non-existent value or are equal to zero, then the interest in applying for credit (Y) has increased by 0.541. Negative constants are not a problem and can be ignored as long as the regression method tested meets the other classical assumptions for multiple regression. Additionally, since the slope value is not zero, negative constants are not a concern.

On the basis of the aforementioned linear regression equation, it can be seen that there are 4 (four) positive regression coefficient values for each independent variable and 1 (one) negative value. The dependent variable will move in the same direction (up or down) as the independent variable, showing that there is one independent variable that is directly proportional to or travelling in the same direction as the dependent variable. For the four positive variables, the dependent variable shifts in the opposite direction, i.e. down, if the independent variable shifts up, and vice versa. the variables linked to the product, price, location, and promotion have a significant simultaneous impact on the variable interest in applying for credit, according to the results of the F test, which reveal that the significance value of 0.00 is less than 0.05. The marketing mix is a tool for marketers that consists of several marketing programme components that must be taken into account in order for the established marketing strategy and positioning to be successfully implemented. The marketing mix for products contains the 4Ps, or product, price, place, and promotion. This is different from the marketing mix for services that we currently understand.

According to the results of the multiple linear regression test, the product variable (X1) has a positive regression coefficient with a magnitude, and the partial t test's results show a significance value of 0.017 less than 0.05, indicating a significant relationship between the product (X1) and the interest credit application (Y). This shows that the higher the influence on a person's desire to apply for credit using bank loan products, the better the product the bank owns. Therefore, it is acceptable to accept the hypothesis (H1) that the product has a favourable and considerable impact on consumers' interest in applying for credit utilising bank loan products. The size of the output variable's (X2) regression coefficient is positive, and the findings of the statistical examination (t test) (partial test) reveal a significance level of 0.002 lower than 0.05, suggesting that there is a notable correlation between cost (X2) and desire to seek credit from the bank (Y). This shows that the interest in applying for credit utilizing bank loan products increases in direct proportion to how well the bank's price offer is performing. Consequently, it is acceptable to accept the hypothesis (H2) that price has a favorable and considerable impact on interest in applying for credit utilizing bank loan products.

The findings of the examination for multiple linear regression suggest that the position factor (X3) possesses an adverse regression coefficient, and the outcomes of the partial statistical t-test (partial test) suggest a significance level of 0.259 higher than 0.05, demonstrating that there is no noteworthy correlation between position (X3) and the desire to apply for credit from the Bank (Y). This shows that the less desirable a bank's location is, the less people are interested in applying for credit utilising bank loan products. Therefore, the hypothesis (H3) that claims the product has a favourable and significant impact on the interest in applying for credit utilising bank loan products is disproved. The t-test (partial test) findings reveal a p-value of 0.000 below 0.05, indicating a substantial correlation between promotion (X4) and interest in applying for credit (Y) at the bank. The size of the regression coefficient for the promotion variable (X4) is positive. This suggests that a bank's promotional offer will have a higher impact on applicants' interest in applying for credit utilizing bank loan products the better it is. Therefore, it is acceptable to accept the hypothesis (H4), which claims that promotion has a favorable and considerable impact on the interest in applying for credit using bank loan products.

4. Conclusion

The F test results indicate that the significance value of 0.00 is less than 0.05, suggesting that the variables associated with the product, price, location, and promotion have a significant simultaneous impact on the variable interest in applying for credit. The regression coefficient for the product variable (X1) is positive, according to the results of the multiple linear regression test, and the statistical t test (partial test) results indicate a significance value of 0.017, which is less than 0.05, suggesting a significant relationship between the product (X1) and the interest credit application (Y) at the Bank. The multiple linear regression test results show a positive regression coefficient for the product variable (X2), and the statistical t test (partial test) results indicate a significance value of 0.002, which is less than 0.05, indicating a significant relationship between price (X2) and interest (Y) at the Bank. The multiple linear regression test results reveal that the location variable (X3) has a negative regression coefficient, and the partial statistical t test results indicate a significance value of 0.259, which is greater than 0.05, indicating that there is no significant relationship between location (X3) and interest in requesting credit from the Bank (Y). The multiple linear regression test results demonstrate that the regression coefficient for the promotion variable (X4) is positive, and the statistical t test (partial test) results indicate a significance value of 0.000, which is less than 0.05, signifying a significant influence of promotion (X4) on interest credit application (Y) at the Bank. The location owned by the bank is good enough. But it needs to be improved again for motorized vehicle parking. Because customers find it difficult to park motorcycles and cars, it would be nice for the bank to expand the vehicle parking space. In preparing this thesis, the researcher must have shortcomings so that further research can improve it. It is hoped that researchers can add independent variables that can influence interest in applying for credit using bank loan products, such as the 7P marketing mix, level of religiosity, and others. Research should be conducted in multiple agencies so that customer behavior can be compared.

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