

# **Decision Factor Towards Product to Become Customer of Bank BNI Batam Branch in Indonesia**

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## **Abstract**

This research focus on decision factor towards product to become customer of Bank BNI Batam Branch in Indonesia. The purpose of the research is to examine if there is any relationship between sales promotion and publicity as decision factor to become customer of Bank BNI Batam Branch in Indonesia. The data self-collected, using quantitative based-study. Data will be collect by surveyed questionnaire and be analyzed by using Statistical Package for the Social Science (SPSS). A hundred respondents of people who have become a customer on Bank BNI Batam Branch have been chosen in the field of research in Batam, Indonesia. The metode instrument was using questionnaires and made up of five variables. The questionnaires distributed were made up of three variables, where two were independent variables and one was dependent variable. By using multiple regression analysis, it is found that each independent variable has strong correlation with the single variable. it can be concluded that the sales promotion, publicity and become customer of Bank BNI Batam branch have a positive relationship.

**Keywords:** Sales Promotion, Publicity, Bank BNI Batam

## **1.0 Introduction**

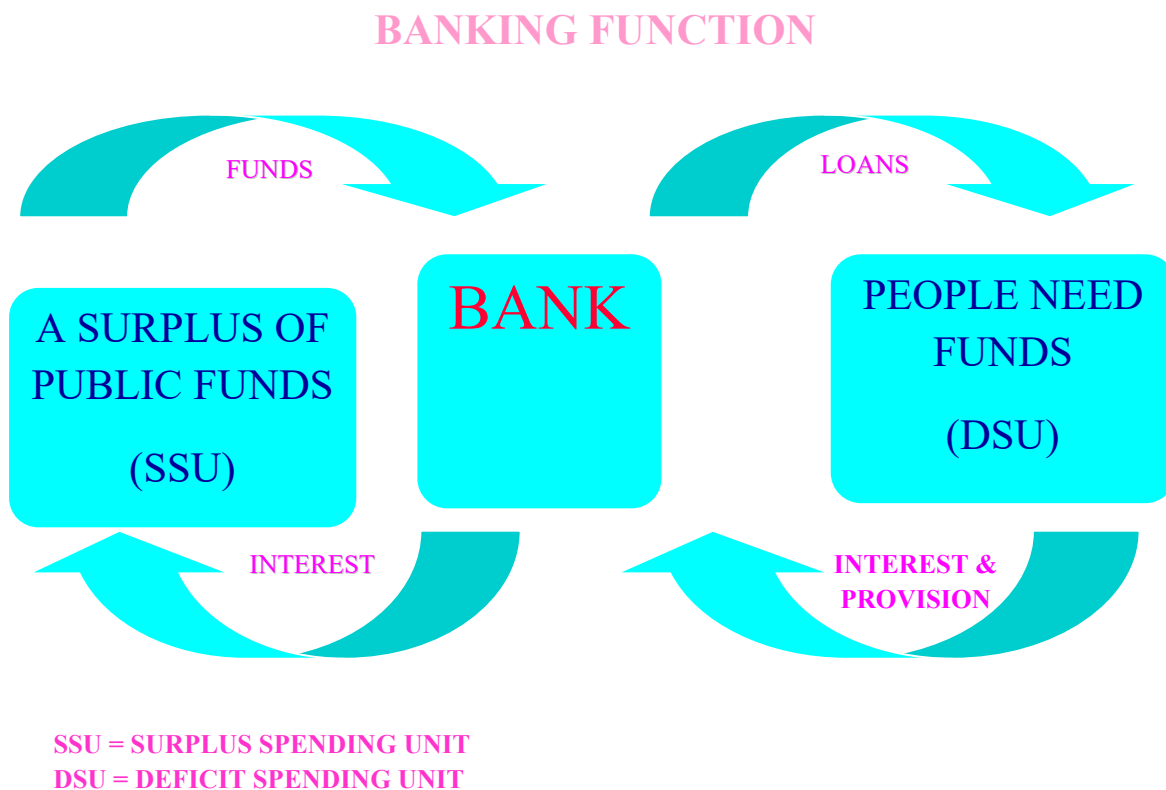
Sales is one of the important activities for a company to develop and maintain the company's survival. The market is a physical place where buyers and sellers gather to exchange goods, so the market becomes a destination or target place for companies to sell the products. So, to be able to take advantage of all the opportunities and potential that exist in the market, the company must find the right sales strategy for the chosen market (Kotler, 2016).

The definition of services according to Kotler (2016), is every action or activity that can be offered by one party to another party, which is basically intangible and does not result in any ownership. Services are highly variable because they are non-standardized output, it means that there are many variations in form, quality and type,

depending on who, when, and where the service is produced. Service buyers are very concerned with this high variability and often they ask other people's opinions before deciding to become a customer.

Bank is one of service company. According to Indonesian Rules No.10 (1988), Bank is a business entity that collects funds from the public in the form of deposits and distributes them to the community in the form of credit and or other forms in improving the lives of many people. Banking activities are always related to finance. The main banking activity is raising funds from the wider community. The meaning of raising funds is to collect or find funds by buying from the public. So that people want to save their money in the bank, the banking sector provides stimulation in the form of services that will be provided to the depositors. The fee can be in the form of interest, profit sharing, gifts, services or other services.

After obtaining funds in the form of deposits from the public, the bank will play these funds back or sell them back to the community in the form of loans or better known as lending. In granting loans, loan services are also charged to credit recipients (debtors) in the form of interest and administrative costs. Then the bank functions can be seen in Figure 1.1 as follows:



**Figure 1.1 Bank Function**

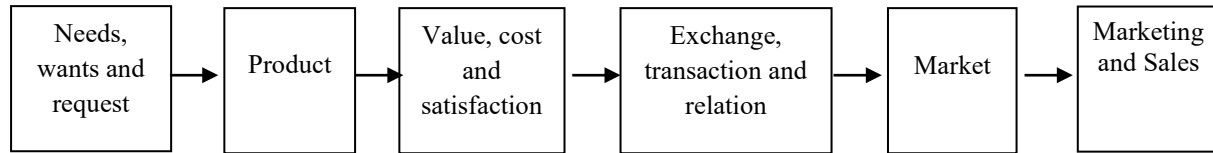
Bank as an intermediary that is collecting funds from the public or channeling funds back to the community, the bank markets its products as below:

- Products in the context of fund raising or product funding
- Products in the context of channeling product lending funds
- Bank products in the framework of banking services or services products

## 2.0 Literature Review

Sales promotion is a form of direct persuasion using various incentives that can be arranged to stimulate product purchases immediately and / or increase the number of items customers buy Tjijptono, (2012). According to Utami (2008), that sales promotion is short-term impulse for buying or selling a product or service. While Marketing is a

social and managerial process where individuals and groups get what they need and want through the creation, supply and exchange of all things of value (product of value) with other people or groups. This definition is based on the core marketing concept proposed by Kotler (2016):



**Figure 2.1. Main Concept of Marketing**

According to Basu Swastha and Ibnu Sukotjo (1995) quoted that a business philosophy that states which satisfying customer needs is an economic and social for the survival of the company. Based on Ollman and Bertel (1988) Publicity is a form of presentation of the non-personal distribution of ideas, goods, and services, for which the person or organization that benefits does not pay for it. Publicity is the use of news values contained in a product to build the image of the product. Public relations is a variety of program designed to promote or protect a company's image or individual products. According to Kotler (2016) Public relations involves several existing marketing tasks including:

- Build or maintain an image
- Support communications activities
- Solving Problem
- Strengthen Positioning
- Affect certain public
- Help launch new products

According to Parta Setiawan (2019), the public relations is a process of interaction where public relations creates public opinion as an input that benefits both parties, and instills understanding, fosters motivation and public participation, aims to instill goodwill, trust in mutual understanding, and a good image of the public. Publicity is a form of presentation of the non-personal distribution of ideas, goods, and services, where the person or organization that benefits does not pay for it. Publicity is the use of news values contained in a product to build the image of the product (Lingga Ramadhana Arfi, 2012).

A good image is also a top priority used as a reference or basis for determining the choices made by consumers in purchasing decisions. A good image is also one of the effective ways to attract new consumers to make purchasing decisions (Dede Ansyari Guci and Ghazali, P. L., 2017). According to Indonesian Rules No.10 (1988), Bank is a business entity that collects funds from the public in the form of deposits and distributes them to the community in the form of credit and or other forms in improving the lives of many people. Banking activities are always related to finance.

### **3.0 Methodology**

Based on survey by Dede Ansyari Guci et. al., (2018) a field study was conducted to examine if there is any relationship between sales promotion and publicity as decision factor towards product to become customer of Bank BNI Batam Branch in Indonesia. The questionnaires were a hundred questionnaires which were delivered in people who have become customer on Bank BNI, Batam Branch. Respondents were chosen among the people who had become customer on Bank BNI, Batam Branch. By using slovin formula (Wiratna Sujarweni, 2015), to get the respondents as below:

$$n = \frac{N}{1 + N (e^2)}$$

n = Sample

N = Population  
e = standard error (10%)

$$n = \frac{114.350}{1 + 114.350(10\%^2)}$$

n = 99,91263  
n = 100

The questionnaire was adopted from Machirori, T. L, (2012) and Prahald, K, (2004). The questionnaire has three constructs, where two constructs are independence variables and one construct is dependent variable. By using five Likert-Scale for each question of the questionnaire where one is for strongly disagree and five for strongly agree. There were two hypotheses tested, denoted as H<sub>1</sub> to H<sub>2</sub>, and is listed as in Table 1 below.

**Table 1: List of Hypotheses**

	Hypothesis
H <sub>1</sub>	Sales promotion significantly have relationship towards product of Bank BNI Batam Branch Office
H <sub>2</sub>	Publicity significantly have relationship towards product of Bank BNI Batam Branch Office

As the field study was completed, the responds then entered Statistical Packages for Social Science (SPSS) version 21. Inferential statistics was adopted and correlation between two independent variables and single dependent variable was analyzed. The finding of the field study is presented in result part of this article.

## 4.0 Results and Discussion

### 4.1 Multiple Regression Analysis

The design of organizing the study was to analyze the regression. Below is the result of multiple regression analysis for the study.

**Table 2: Multiple Regression Analysis**

Variables	Regression Coefficient	t-Count	Sig.	No. of Item
Sales Promotion	0,166	2,543	0,013	5
Publicity	0,062	0,953	0,343	5
F Count = 59.536 R <sup>2</sup> = 0,760				

From the table above, multiple regression models can be formulated from the factors that influence the level of decision factors towards product to become customers at the Bank BNI Batam Branch as follows:

$$Y = 6.936 + 0.166X_1 + 0.062X_2$$

The constant of 6.936 indicates that the decision factor towards product to become a customer at Bank BNI will increase (Y) if sales promotion factor and publicity factor are considered constant, meaning that there is an additional decision factor towards product to become a customer at Bank BNI 6.936. by Sekaran and Bougie (2006).

Regression coefficient of Sales Promotion (X<sub>1</sub>) is 0.166 and Publicity is 0.062. This shows the magnitude of the influence of these variables on the decision factor towards product to become a customer at Bank BNI Batam Branch. The positive sign shows significantly correlated of the positive relationship by Sekaran and Bougie (2006).

### 4.2 Coefficient of Determination Test

The coefficient of determination (R<sup>2</sup>) to show how much the proportion of variations in the independent variable can explain variation in bound (Pallant, J., 2007). From the Table 2 above the regression results show the coefficient of determination (R<sup>2</sup>) 0.760. This means that 76.0% of the dependent variable is the decision factor towards product to become a customer at the Bank BNI Batam Branch which can be explained by its independent variables namely sales promotion and publicity. While 24.0% are influenced by other factors such as systems, locations, competing banks and others.

## **5.0 Conclusion**

From the multiple regression analysis and coefficient of determination test result, it had shown that each independent variable has strong correlation with the single variable. it can be concluded that the sales promotion and publicity have a positive relationship. To protect the decision factor in the IR.4.0 world, we need the takaful protection (Ghazali, P.L., et. al., 2012a, 2012b, 2015, 2017 and 2019). Risk transfer is the one protection for decision factor towards product to become customer (Azhar, N.N.Z.B.A et. al. 2012).

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