

## Marketing Mix Analysis on Outstanding Financing Outcomes: A Case Study in Indonesia Eximbank, Medan, Indonesia

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### ABSTRACT

Indonesia Eximbank (IEB) Medan has provided National Export Financing. One of them is in the form of working capital funding and investment to SMEs exporters in Sumatra. The magnitude of the financing provided to the debtor is the outstanding financing amount. In 2016 there was a decline in the achievement of outstanding financing. From the target outstanding financing of IDR 1,136,606 million only reached about 88.70% or IDR 1,180,441 million. Therefore, the realization of outstanding financing in 2016 has not met the outstanding financing target expected by the company. This case indicates that the company's marketing activities aimed at improving outstanding lending are not yet effective.

This study aims to investigate the factors of the marketing mix that may influence the lending decisions which result in the achievement of outstanding financing in IEB. Methods of data analysis used include descriptive analysis and quantitative analysis. The findings of the findings show that the seven independent variables, namely product, price, place, promotion, peoples, process, and physical evidence affect 73.8% of the lending decisions in IEB. Other findings show that promotions and processes have a significant and positive impact on lending decisions. The physical evidence has a significant and negative effect on the lending decision.

**Keywords:** Marketing Mix, Lending Decision, Outstanding Financing, Indonesia Eximbank

### INTRODUCTION

Indonesia Eximbank (IEB) has another name Indonesia Export Financing Institution (LPEI) which is a financial institution established in 2009 based on Law No. 2 of 2009. IEB has the task of providing National Export Financing in the form of Financing, Guarantee, Insurance, and Services Consultation. National Export Financing is provided by Indonesia Eximbank to a business entity that is in the form of a legal entity or is not a legal entity incorporating an individual in the framework of export. The goals of national export financing are to accelerate the pace of growth of foreign trade in Indonesia, improve the competitiveness of business actors and support Government policy in promoting the National Export Program. IEB supports increased exports by providing financing in the form of working capital and investment to exporters of SMEs in Sumatra. The indicator of the amount of financing granted to the customers is the value of outstanding financing.

Outstanding financing is the total loan outstanding of the client which has not been paid in a certain period.

During this time Indonesia Eximbank has been conducting marketing activities by offering direct financing products to entrepreneurs on special occasions such as business gathering and trade expo, as well as visiting business locations, using advertising media, e-mails, and letters, as well as referral systems from existing customers and partner companies like insurance companies. Even Indonesia Eximbank always includes promotional activities when conducting consultancy services.

Marketing activities that have been undertaken by companies aimed at increasing outstanding lending are not yet effective. One of the reasons is that many small and medium enterprises do not know the existence of Indonesian companies Eximbank. That indicates that the Indonesian company Eximbank has not been widely known.

IEB in the course of its business activities which also offer products in the form of services is also not out of marketing activities but has never evaluated the marketing activities conducted so far. Therefore, it is necessary to evaluate the relationship between marketing mix consisting of product, price, place, promotion, peoples, process, and physical evidence (Rao, 2009).

In relation to these problems, the fundamental question in this research is whether marketing mix factors consisting of product, price, place, promotion, peoples, process and physical evidence will have a significant effect on the lending decisions? Referring to the problem formula in the research, the expected goal in this research is to analyze the marketing mix factor which has a significant effect on the lending decisions in Indonesia Eximbank.

## **LITERATURE REVIEW**

### **Marketing Mix**

Marketing is a social and managerial process where the needs and desires of individuals and groups are provided through the production, provision, and exchange of valuable goods (Holm 2006, in Pour et al., 2012). While marketing management is defined as the analysis, planning, implementation and monitoring of programs to create, provide and maintain profitable transaction processes with customers in order to achieve organizational goals (Cutler in Pour et al., 2012). The role of marketing today is not only delivering products or services to consumers but also how the product or service can provide customers with satisfaction by generating profits. The goal of marketing is to attract new customers by promoting superior values, attractive prices, distributing products easily, effectively promoting and retaining existing customers while maintaining the principle of customer satisfaction (Shinta, 2011). Marketing contributes significantly to building a strong brand and a loyal customer base for the company. Maintaining existing customers and attracting new customers requires the overall aspect of effective and efficient bank management with emphasis on marketing management (Ranjbarian 2006, in Tavakoli et al., 2015). Rao (2009) defines the marketing mix for services organizations consisting of product, physical evidence, price, place, peoples, promotion, and process.

However, Lupiyoadi (2008) explains that additional elements are indispensable in the service business, namely: peoples, physical

evidence and processes where these additional elements can result in enormous differences in customer satisfaction. The seven variables in this marketing mix is a set of variables that can be controlled and used by companies to influence consumer responses in their target markets. Such variables or activities need to be combined and coordinated by companies as effectively as possible in performing their marketing tasks or activities. Thus, the company not only has the best combination of activities, but it can coordinate the various marketing mix variables to implement the marketing program effectively. The banking industry uses full marketing to generate profits (Rullis and Sloka, 2010). By using the ability to develop marketing mix elements, banks can establish good communications and build close relationships with their customers (Grzywacz 2006, in Lena 2011).

### **Product or Service**

The product contains the meaning of everything that the producer can offer for the attention, demand, search, purchase, use, or consumption of the market as a fulfillment of the relevant market demand (Hurriyati, 2010). While the service is an intangible product consisting of a series of features and benefits that are interconnected and aimed at specific target markets. This case is due to the high degree of flexibility and opportunity to innovate in designing a product offering (Rao, 2009). There are several products offered by Indonesia Eximbank, which are financing products, guarantees, insurance and consulting services. However, that will be the main point of this research is the financing products, either in export investment credit and export working capital credit

### **Price**

Price is meant for banking is the interest rate and service charges. According to Dutta and Dutta (2009), the evaluation of India's banking services does not have much difference in prices (due to the Reserve Bank of India regulation). Therefore, the main distinguishing of banking service valuation lies in Servqual dimension, service systematization, servicescape, and social responsibility. It suggests that prices are not crucial in Indian banking. However, the Associated Chambers of Commerce and Industry of India (2009) surveyed on the growth and emergence of the public and private bank sectors in India revealed that the public sector

did not like traditional things such as financing as an offer because of difficulties in understanding and understanding the level high-interest rates, where the general bank is more reliable in understanding the lower interest rates (Kaura, 2013)

### **Place**

Place on the banking service means providing the banking service at the right time in a convenient way. The inseparable thing between production and consumption is the most attractive characteristic of service products. The relationship between the service provider and the resulting service product, the involvement of the customer in the production process of the service and the involvement of other customers in the production of services will create a challenge for the service provider. Customers may expect convenience from service reservation from service providers, including banks such as electronic transaction facilities, banking services transmitted via the internet, transactions using a mobile phone, voice response system, call center, direct contact at the office, or visiting a customer's residence. Only causes a wide range of costs for the bank but also provides a drastic effect on service experience for customers. The more complex the services are, the more favoring customers are face-to-face interactions with service providers (Kaura, 2013). For the use of financing services, the customer must rely on personal channels. Consequently, location convenience plays a vital role in customer perceptions of banking services. Berry et al. (2009) state that convenience is the key to controlling customer choice in general (Kaura, 2013).

### **Promotion**

Communication on marketing will help in terms of distinguishing services when no difference can be seen (Jauhari and Dutta, 2009). A clear focus of mutual influence between the customer and the promotion is as an aspect that the bank marketing cannot avoid. Through the promotion, banks can communicate messages contained in their products as well as offerings that can be provided to their customers. According to Lovelock et al. (2009) in service settings, marketing communication tools are essential because it helps to create a sharp picture, credibility, trust, and sense of security. Without effective communication, prospective customers cannot understand the existence of the services

offered by the bank, such as why they should be offered to them and how to use them for the best possible profit. In emerging markets competitively, marketers use promotion tools in aggressive ways to differentiate their products from competitors.

Promotion is primarily a communication with customers. In banking services, promotion helps communication with customers in terms of offering new products, interest rate changes, special offers, opening new branches, etc. The media is effectively used by banks to communicate their services at the right time to provide satisfaction to their customers. Due to price complexity, customers have little choice but require interaction with employees to get a more detailed explanation. The right choice of advertising media by banks to communicate their services can provide customer satisfaction. The most critical scheme is the verbal communication between employees to customers. The decision to buy a bank service is broadly dependent on the decision of the convenience provided by employees. Announcement boards at a bank branch also play a significant role in providing information to customers. (Kaura, 2013)

### **People**

Customers and employees participate in the delivery process. According to Hubbert (1995), customers can not be separated from the process of production of a company's services and contribute to their satisfaction, but the level of participation may vary depending on the difference in service companies. The Client must provide relevant information and physical documents to the Bank's employees to do the service. In this case, the customer must actively cooperate with the service provider to produce services. Also, inputs from customers regarding service products such as account opening, financing, and other services require the participation of banking customers as moderate participation.

If the bank customer gives all the information needed by the bank employees required in the process of generating services such as account opening, financing, and others, the service will not be delayed. According to Armando (2005), the success of service providers in satisfying bank customers requires human element, including face-to-face interaction with customers. It is helpful to mention that employee attitudes play a key role in

diversifying banking services. Welcoming customers with smiling faces, hospitality, courtesy, understanding customer issues, and so on have a positive impact on customer perceptions.

### **Process**

A process is an integral part of customer satisfaction as customers are present during the service delivery process. The process describes how service organizations provide services. Technology has a tremendous influence on the growth of service delivery options (Dabholkar & Bagozzi, 2002). Many banks are competing to adopt the latest technology to deliver their services, and this results in cost reduction, creating value-added services to customers (Zhu et al., 2002). According to Milakovich (1995), the process renewal has become a focal point for the service quality revolution, due to the speed of responding to its customers compared to competitors.

### **Physical Evidence**

Tangibles are defined as the physical appearance of facilities, equipment, personnel, and communication materials (Zeithaml et al., 2009). The tangible indicator of the physical environment from the service company affects customer attitudes and purchasing decisions in the future (Burgers et al., 2000). Customers look at tangible elements and estimate service companies and their capabilities. The tangible aspect of good service quality at bank branches will increase customer satisfaction (Lenka et al., 2009).

Physical evidence is crucial for banks because it is an environment where services are provided and where bank employees and customers interact. According to Bitner (1992), the physical environment helps distinguish a service provider from competitors and facilitates the influence of customer attitudes.

### **Purchase decision**

The purchase decision is an individual activity that is directly visible in the decision making to purchase the product offered by the seller. Understanding purchasing decisions according to Kotler and Keller (2012) is the stage in the purchasing decision process where consumers actually to purchase. Decision making is an individual activity that is directly involved in obtaining and using the goods offered.

Based on previous studies the authors compiled the hypotheses are as follows:

H1: Product has an effect on lending decisions.

H2: Price has an effect on lending decisions.

H3: Place has an effect on lending decisions.

H4: Promotion has an effect on lending decisions.

H5: Peoples has an effect on lending decisions.

H6: Process has an effect on lending decisions.

H7: Physical evidence has an effect on lending decisions.

H8: Service marketing mix has an effect simultaneous on lending decisions.

## **RESEARCH METHODS**

This research is a correlational study based on the method used. This correlational study aims to detect the extent to which variations in a related factor or correlate with one or more other factors based on correlation coefficients (Sinulingga, 2012).

The population of this study covers all financing clients in Indonesia Eximbank Medan Regional Office during the period of 2012 up to 2016. Based on data from the company, the number of customers in that period was 35 people. Due to the population size of not more than 100 people then the sample size used equals population size is 35 people.

In the questionnaire distribution, five respondents did not return the questionnaire. Therefore the total questionnaire received was 30 questionnaires. Referring to Gay and Diehl (1992) statement that for correlational research a sample size of at least 30 people. Therefore, the number of 30 coefficient in this study is considered representative, and the result can be generalized. The data needed in this study are primary data and secondary data. The primary data were obtained from respondents' answers in various questions in the questionnaire. Questionnaire categorization used in this research is Likert scale 5 point scale, consisting of five alternative option answers by using Likert scale 1 to 5 which modified the attitude scale by eliminating negative statement. In this study, the authors tested in two forms, ie, partial test (T-test) and simultaneous test (F-Test). The data analysis used is a multiple linear regression model.

**RESULTS & DISCUSSION**

**Validity Test**

Table 1 shows all items declared valid.

**Table 1.** *Validity Test Results*

Statement Item	r-count	r-table	Validity
Product 1	0.477	0.361	Valid
Product 2	0.717	0.361	Valid
Product 3	0.719	0.361	Valid
Product 4	0.618	0.361	Valid
Price 1	0.809	0.361	Valid
Price 2	0.540	0.361	Valid
Price 3	0.878	0.361	Valid
Place 1	0.471	0.361	Valid
Place 2	0.748	0.361	Valid
Place 3	0.578	0.361	Valid
Place 4	0.749	0.361	Valid
Promotion 1	0.513	0.361	Valid
Promotion 2	0.683	0.361	Valid
Promotion 3	0.699	0.361	Valid
Promotion 4	0.610	0.361	Valid
Promotion 5	0.452	0.361	Valid
Promotion 6	0.550	0.361	Valid
Peoples 1	0.485	0.361	Valid
Peoples 2	0.652	0.361	Valid
Peoples 3	0.706	0.361	Valid
Peoples 4	0.621	0.361	Valid
Peoples 5	0.642	0.361	Valid
Process 1	0.654	0.361	Valid
Process 2	0.663	0.361	Valid
Process 3	0.731	0.361	Valid
Process 4	0.789	0.361	Valid
Process 5	0.504	0.361	Valid
Process 6	0.591	0.361	Valid
Physical Evidence 1	0.496	0.361	Valid
Physical Evidence 2	0.388	0.361	Valid
Physical Evidence 3	0.518	0.361	Valid
Physical Evidence 4	0.461	0.361	Valid
Physical Evidence 5	0.488	0.361	Valid
Physical Evidence 6	0.487	0.361	Valid
Physical Evidence 7	0.580	0.361	Valid
Lending Decision 1	0.803	0.361	Valid
Lending Decision 2	0.874	0.361	Valid

**Reliability Test**

The reliability test results show that the Alpha Cronbach value is 0.766. Because Alpha Cronbach value (0,766) is higher than the alpha

comparator (0.6), it can be concluded based on instrument reality test using alpha Cronbach otherwise reliable and can be used for further testing.

**Table 2.** *Reliability Test*

Reliability Statistics	
Cronbach's Alpha	N of Items
.766	8

**Hypotheses Test**

H1: Product has an effect on lending decisions.

The analysis of the effect of product (X1) on lending decisions (Y) shows that the result is not

proven and rejected. The t-counts <t-table (0.722 < 2.045) and sig values in the table are 0.478 (> 0.05). It can be concluded that the variable of product (X1) does not have a significant effect on lending decisions (Y).

H2: Price has an effect on lending decisions.

Analysis of the effect of price (X2) on lending decisions (Y) shows that the result is not proven and rejected. Because t-count < t-table (1.530 < 2,045). Also, the value of significance is 0.140 (> 0.05) hence it can be stated that variable price (X2) does not have a significant effect on lending decisions (Y).

H3: Place has an effect on lending decisions.

Analysis of the effect of place (X3) on lending decisions (Y): The value of the t-count <t-table (-0.040 <2.045). Besides the sig value of 0.968 (> 0.05) (X3) does not have a significant effect on lending decisions (Y).

H4: Promotion has an effect on lending decisions.

An analysis of the influence of promotion (X4) on lending decisions (Y) has proven that the proposed hypothesis is proven and accepted. The t-count value> t-table (2.267> 2.045), besides the sig value of 0.034 (<0.05). Hence it can be stated that promotion (X4) has a significant effect on lending decisions (Y).

H5: Peoples has an effect on lending decisions.

The analysis of the effects of peoples (X5) on lending decisions (Y) indicates the proposed hypothesis is rejected. The value of t-count < t-table (1.127 <2.045) and the sig value is equal to

0.272 (> 0.05), then it can be stated that peoples (X5) do not have a significant effect on the lending decisions (Y).

H6: Process has an effect on lending decisions.

Analysis of the effect of the process (X6) on the lending decision (Y) shows that the t-count> t-table (2.218> 2.045) and the sig value is equal to 0.037 (<0.05). The findings show that the process (X5) has a significant effect on the decision of lending (Y)

H7: Physical evidence has an effect on lending decisions

Analysis of the effect of physical evidence (X7) on lending decisions (Y) indicates that the t-count value <t-table (-2.419 <2.045) and the sig value is equal to 0.024 (> 0.05). The results prove that physical evidence (X7) has a significant effect on the decision of lending decision (Y).

H8: Service marketing mix has an effect simultaneous on lending decisions.

Results show that the F-count value is equal to 8.874. F-table value (8,874)> from F-table (2.46) and test significance level F is equal to 0.000 (p <0.05) It can be concluded that there is a significant effect of product (X1), price (X2) X3), promotion (X4), peoples (X5), process (X6), and physical evidence (X7) on simultaneous lending decisions (Y).

**Determination Coefficient**

**Table 3:** Results of Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 <sup>a</sup>	.738	.655	.38613

**Predictors:** (Constant), product, price, place, promotion, peoples, process, physical evidence

The table above explains that the value of the determination coefficient (R square) is influenced by the effects of product variables (X1), price (X2), place (X3), promotion (X4), peoples (X5), process (X6) X7) is worth 0.738

meaning 73.8% variation of lending decisions can be affected by product (X1), price (X2), place (X3), promotion (X4), peoples (X5), process (X6) (X7), while the remaining 26.2% is explained by other reasons not discussed in this study.

**Table 4:** Multiple Linear Regression Results.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.000	.993		.000	1.000
	Product	.122	.169	.093	.722	.478
	Price	.332	.217	.279	1.530	.140
	Place	-.007	.171	-.006	-.040	.968
	Promotion	.573	.253	.418	2.267	.034
	People	.181	.161	.141	1.127	.272
	Process	.446	.201	.329	2.218	.037
	Physical Evidence	-.611	.252	-.359	-2.419	.024

**Dependent Variable:** lending decisions

Therefore the multiple regression equation of the above values is:

$$Y = 0,122 X_1 + 0,332 X_2 - 0,007 X_3 + 0,573 X_4 + 0,181 X_5 + 0,446 X_6 - 0,611 X_7 + \varepsilon$$

Based on the pattern or form of influence, it can be concluded that the most influential on the lending decision is promotion equal to 0.573 and process 0, 446, while physical evidence variable give negative influence that is -0.611.

## **DISCUSSION**

### **The Effect of the Product on Lending Decisions**

Based on the result of this study, there is a positive relationship between the lending decision in Indonesia Eximbank and the debtor's perception of Indonesian Eximbank products, although the relationship is not significant. This case means the better the quality of the products offered by Indonesia Eximbank regarding the diversity of financing facilities, attractive financing schemes, the suitability of the type and adequacy of the product, will further increase the debtor's lending decision. The same result with Suryani's research (2007) mentions that there is a relationship between the product variables and the level of loyalty. The result is in line with Kotler's theory (2003) which mentions that purchasing behavior is affected by the product. The product will be a consideration for someone before deciding to choose one of several alternative options. Financing products are the main products in Indonesia Eximbank in addition to guarantee products, insurance, and consulting services. The types of financing facilities, financing schemes, and the adequacy of the existing products provided by Eximbank Indonesia have been adjusted to meet the needs of the customers, taking into account the benefits, risks, and costs the customers will receive

### **The Effect of Price on Lending Decisions**

Proper pricing is essential and will determine the continuity of a service in a service company. Based on the result of this study, there is a positive relationship between the lending decision in Indonesia Eximbank and the debtor's perception of Indonesia Eximbank's price, although its relationship is not significant. According to Kotler (1998), prices play a role in consumer purchasing. For companies, compared to other marketing mixes that require large amounts of funds, the price is the only marketing mix element that benefits.

The ones included in the price elements in Indonesia Eximbank include interest rates, fees, and other fees. Selection of Bank products by customers is generally based on consideration of the benefits, costs, and risks of the products offered by the Bank. The same applies to finance products offered by Indonesia Eximbank. Therefore, the transparency of lending rate information is essential to provide clarity to customers and to facilitate customers in assessing the benefits and costs of financing offered by Indonesia Eximbank.

Eximbank Indonesia provides a complete description of the financing facilities offered to its customers through the Letter of Approval of Offering Financing or Offering Letter. Includes information on credit rates so that customers can consider the benefits gained and the costs and risks that will be incurred during the use of the financing facilities. The results show that prices do not have a significant effect on loan decisions indicate that customers do not question the price of lending. This case is because the quality of products and services provided by Indonesia Eximbank to its customers is excellent and customers consider that the benefits derived from the use of the financing facilities are much greater than the costs and risks that will be borne by the customers who do not feel reluctant to spend on financing facilities.

### **The Effect of Place on Lending Decisions**

Based on the results of this study, there is a negative and insignificant relationship between the lending decision in Indonesia Eximbank and the debtor's perception of Indonesia Eximbank. This condition indicates that the quality of the place where the Indonesian Eximbank debt service production process has not affected the debtors to continue to choose the Indonesian Eximbank financing products. This case is because the place provided by Indonesia Eximbank has been considered to have complied with the comfort level of its debtors but not the priority that affects them in performing their lending. Also, the cause of the place does not lead to a significant relationship with the lending decision is that Indonesian customers of Eximbank Medan are spread throughout Sumatra such as Aceh, West Sumatra, Jambi, and South Sumatra. It indicates that location spacing is not an obstacle for Indonesian Eximbank customers in conducting financing transactions. Selection of

the location of Indonesia office Eximbank is considered to be strategic by the customer, which is in JW Marriott's well-known and highly reputable building as well as in the Medan City which is the largest industrial development center in the region of Sumatra. The customer does not have difficulty finding the place of Indonesia Eximbank. Medan.

#### **The Effect of Promotion on Lending Decisions**

Based on the results of this study, there is a positive and significant relationship between the lending decisions in Indonesia Eximbank and the debtor's perception of the promotion of Indonesia Eximbank. In Kotler and Armstrong (2004) books, it is mentioned that promotion as one of the elements of the marketing mix will stimulate buyers. The buyer will know more about a product or company through promotion. The information obtained through the promotion will affect the consumer perception of the product or company. It indicates that the better the quality of promotions conducted by Indonesia Eximbank will be the greater the level of lending performed

#### **The Effect of People on Lending Decisions**

Based on the results of this study, there is a positive and insignificant relationship between the lending decision in Indonesia Eximbank and the debtor's perception of the people comprising Indonesian employees Eximbank. According to Armando (2005), the success of service providers in satisfying bank debtors requires human element, including face-to-face interactions with debtors. It is helpful to mention that employee attitudes play an important role in diversifying banking services. Welcoming debtors with smiling faces, hospitality, courtesy, understanding of debtor issues, and so have a positive impact on debtors' perceptions.

Customer perceptions of service quality will be influenced by the customer's view of employee performance. The results of the study indicate that companies in debtors in Indonesia Eximbank are not so influenced by the aspects that concern employees of Indonesia Eximbank such as hospitality, courtesy, ability to deal with the problems faced by the debtor.

#### **The Effect of the Process on Lending Decisions**

The process measured in this study is to include measurable variables of procedures, involvement, and sequence of actions. Based on the results of this study, there is a positive and

very significant relationship between the lending decision in Indonesia Eximbank and the debtor's perception of Indonesia Eximbank process. It has been identified that the process of granting financing facilities by Indonesia Eximbank has been very influential on the lending decision was taken by business actors as debtors and prospective debtors. Based on the results of the questionnaire, existing processes are still considered less efficient. One of the reasons is that in the process of filing a financing proposal involves other divisions such as the Business Risk Analysis Division, the Compliance Division, and the Legal Division located at the Jakarta Head Office so that the proposed analysis process takes longer.

Hence, the process becomes the second most crucial element of lending decisions, by Milakovich (1995)'s opinion that process renewal has become the focal point of the service quality revolution, due to the speed of responding to its debtors compared to competitors. In fact, many banks are competing to adopt the latest technologies to deliver their services, and this results in cost reduction, creating value-added services for debtors (Zhu et al., 2002).

#### **The Effect of Physical Evidence on Lending Decisions**

Based on the result of this study, there is a negative and significant relationship between the lending decision in Indonesia Eximbank and the debtor's perception of Indonesia Eximbank's physical evidence. It identifies that the physical evidence in Indonesia Eximbank has a strong influence on lending decisions. However, based on the negative influence it can be concluded that the customer does not question the physical evidence. Indonesia Eximbank should not apply changes to physical evidence indicator components such as change of signboard placement and logo, employee appearance, office space layout, parking area additions, forms of forms that are caused by components of existing physical evidence indicator with customer perceptions. If changes are made, it is feared that it will lower the customer's positive perceptions of lending in Indonesia Eximbank.

According to Lenka et al. (2009), customers see the tangible elements and estimate the service companies and their capabilities. Better tangible aspect of service quality at bank branches increases debtors' satisfaction. However, this does not apply to Indonesian Eximbank customers because of the tangible aspect that

has been reflecting the quality of Indonesia Eximbank in the provision of financing facilities. Therefore, there is nothing to be done concerning physical evidence strategy and maintaining the quality of existential Indonesia Eximbank physical evidence.

## **CONCLUSIONS & SUGGESTIONS**

### **Conclusion**

Based on the analysis and discussion that has been described earlier, it can be concluded as follows:

1. The product has a positive and insignificant effect on the lending decision. This positive influence means that if the quality of the product gets increased, then the lending decision (outstanding lending) will increase.
2. Price has a positive and insignificant effect on the lending decision. This positive influence means that if the price is increasing, then it will further increase the lending decision.
3. The place has a negative and insignificant effect on the lending decision. The negative effect indicates if the quality of the place is better, but it does not affect the lending decision.
4. The promotion has a positive and significant effect on lending decisions. The positive influence means that if the promotion is getting better, then lending decisions will also increase.
5. Peoples have positive and insignificant influence on lending decisions. The positive influence means that if the quality of the people is getting better, then it will increase the lending decision.
6. The process has a positive and significant effect on lending decisions. This positive influence means that if the loan submission process is enhanced, then it will further improve the lending decision.
7. Physical evidence has a negative and significant effect on lending decisions. The negative effect means that if physical evidence is increasing, then it will not increase the lending decision.
8. Based on the F test, it is known that product, price, place, promotion, peoples, process and physical evidence simultaneously have a significant effect on lending decisions.
9. Based on the value of determination coefficient (R<sup>2</sup>), the effect of the product, price, place, promotion, peoples, process and

physical evidence on lending decisions are 0.738 meaning that 73.8% employee performance can be explained by product, price, , promotion, peoples, process and physical evidence. While 26.2% is explained by other factors not discussed in this study.

### **Suggestions**

Based on the analysis and conclusions that have been obtained, the researchers can suggest that Indonesia Eximbank is as follows:

1. It is recommended that Indonesia Eximbank increase existing promotional activities over the years. Promotion can be done by advertising Indonesia Eximbank as well as its products through television media which deals with business, commerce, and economy as well as print media such as business and economics special magazines and newspapers.
2. Based on the results of the debtor's questionnaire analysis, the existing process is still considered to be less efficient because in the process of filing a financing proposal involves other divisions such as Business Risk Analysis Division, Compliance Division, and Legal Division located at Jakarta Head Office. Based on the interviews with Indonesian Eximbank Kanwil Medan, the division that is most related to Kanwil Medan is the Division of Business Risk Analysis and Legal Division. Therefore the writer suggests that the Business Risk Analysis Division and Legal Division will place its representative in the Medan Regional Office to make the financing process more efficient.
3. Based on interviews with representatives of Indonesia Eximbank Medan Regional Office, Notary is one of the critical components as a partner in undertaking financing agreement agreements. The partner notary of Indonesia Eximbank currently, in particular, the notary partner in North Sumatra is still limited and the relatively low quality compared to the notary in Jakarta. Therefore, the settlement of the financing agreements takes relatively more extended than the binding in Indonesia Eximbank Center. It is advisable to Indonesia Eximbank to add a list of notary associates by making a notary in Medan as a partner.

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