
The Effect of Service Quality and Marketing Programs on Third Party Funds

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Submitted: 2 August 2019. Revised: 26 August, 13 Sept 2019. Published: 30 October 2019.

ABSTRACT

Competition between banks is currently very tight. To win the competition the bank must pay attention to the needs and desires of its customers. The quality of services and marketing programs is thought to play an important role in the growth of Third Party Funds. This study aims to examine the Effect of Service Quality and Marketing Programs on Third Party Funds at DKI Bank Sunter Branch. This research uses quantitative research methods by distributing questionnaires. The population of this research is all new customers in 2018 at DKI Bank Branch Sunter, which numbered 1000 customers, with a sample of 150 respondents. The results showed that partially and simultaneously the quality of services and marketing programs had a significant effect on Third Party Funds

Keywords: DKI Bank, Service Quality, Marketing Programs, Third Party Funds

INTRODUCTION

Competition between banks is currently very tight. To win the competition, each bank must pay attention to the needs and desires of its customers, and try to meet their expectations, in order to provide the satisfaction to its customers. Customer satisfaction is built through the relationship between the bank and its customers. A good relationship will create the customer loyalty, and this can give profit on the company.

The banking system has an important role in supporting the real sector. The bank acts as a financial intermediary, it connects the parties, those who are excess money and who need money (Sukmana & Suryaningtyas, 2016). The role of the Bank is varies, from being a financial intermediary, facilitator, and supporter. But the bank places itself as a trusted body for depositors, business partners and investors.. Liquidity risks can arise from these diverse operations, because they are fully responsible for providing liquidity when determined by third parties (Akhtar, Ali, & Sadaqat, 2011).

Common Bank products, known as Third Party Funds (TPF) consisting of: current accounts, savings and deposits. These funds come from the community. This activity of collecting funds from the community is called funding. Funds raised by banks are channeled back to the community in the form of loans or credit (Sofyan, 2015). In addition to offering products, The banks also compete through services in the service sector, the quality of service at bank is maintained by meeting the service standards. From the consumer's perspective, quality of service means value, i.e. how good a product or service is in presenting something. For example, the speed in serving customers, friendliness of bank officers, and how bank officers handle the

complaints, is something that is highly valued by customers. With a quality system and service, it is expected that customers will feel satisfied, so that they will be loyal to the Bank, and establish the strong ties with the Bank.

The implementation of marketing programs has an important role for the success of a company's business in general, and in the field of marketing in particular. The marketing program must be able to provide a clear and purposeful of what the company will do in using every opportunity in several target markets. Many companies are competing to create marketing programs to attract the customers. This also happened in the banking industry. Likewise, DKI Bank Sunter Sub-Branch continues to carry out the integrated marketing activities. Especially through product development and various promotional activities in order to spur growth in demand for its products.

Basically, the sales is one of marketing performance achieved by the company during the period, then it's compared to the operational goals, standards and criteria that have been set previously

The marketing program used to achieve the growth of current accounts, savings, and deposits is *canvassing*, which is the activity of making contact with customers or prospective customers. Besides canvassing, marketing programs such as giving souvenirs and open tables are carried out on certain days. Through this program, the bank hopes to get an increase in current accounts, savings and deposits. The marketing strategy used to satisfy customers that ultimately foster high loyalty is to provide a good image through excellent service to their customers (Mutmainnah, 2018). Based on data processing obtained by DKI Bank Sunter Branch, recorded the Giro, Savings and Time Deposit growth as follows:

Table 1. Growth of Current Accounts, Savings, Deposits at DKI Bank Sunter Branch, Period 2015-April 2019 (Rp. Billion)

Product	2015	2016	2017	2018	April 2019
Giro	14.007	13.619	6.236	5.957	2.850
Savings	29.407	29.387	21.598	43.488	29.419
Deposits	5.304	5.721	4.799	5.953	5.440
TOTAL	48.719	48.724	32.633	55.398	37.710

Table 2. The Growth of DKI Bank Sunter Branch Customer, Period 2015-April 2019

Product	2015	2016	2017	2018	April 2019
Giro	102	127	127	118	123
Savings	16.251	16.890	18.030	19.476	22.106
Deposits	76	75	79	80	86
TOTAL	16.429	17.092	18.236	19.674	22.315

Source: (DKI Bank Sunter Branch, Processed)

The data in the table above shows that the placement of current accounts (giro), savings, and deposits in 2015-2016, at DKI Bank Sunter Branch, is relatively stable and decreased in 2017 and then increased again in 2018. From the Bank's records, information is obtained that

customers close their accounts in DKI Bank Sunter Branch because it is influenced by national economic policy factors, it is no longer in use, switch to other banks and because of the business situation.

The modified SERVQUAL scale is used to ensure the functional dimensions of service quality specifically for the industry and service context under study (Muhammad Awan, Shahzad Bukhari, & Iqbal, 2011). Service quality has a positive effect on overall customer satisfaction. Empathy and responsiveness play the most important role in the level of customer satisfaction (Shanka, 2012). Service quality is one of the critical points for the banking industry which is engaged in the service sector. Good service quality will create customer satisfaction and encourage customer loyalty (Wijaya, Beik, & Sartono, 2017). Improved service quality can increase funding customer loyalty (Ubaidillah, Rohman, & Rofiaty, 2017). Quality online services are not the right method to retain customers, banks must provide a user friendly and efficient website while also developing trust in the website. Because not all DKI bank customers are tech savvy

METHOD

The research method is basically a scientific way to get data with specific purposes and uses. The research method used in this study is a quantitative research method with a descriptive approach. Quantitative research is a research method based on the philosophy of positivism, used to examine populations or specific samples, collecting data using research instruments, and analyzing quantitative or statistical data, in order to test the hypothesis that has been set.

The population in this study is all new customers at DKI Bank Sunter Branch in 2018, namely a number of 1,000 customers and of all customers will only be a part of the research sample. Until the end of April 2019, DKI Bank Sunter Branch has a total of 22,315 customers consisting of old and new customers. So this study takes the population of new customers in 2018 namely 1,000 customers. From this population 15% of the population is taken so that the number of samples is $15\% \times 1,000 \text{ customers} = 150 \text{ customers}$.

RESULT AND DISCUSSION

Table 3. F-test Result

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	400.168	2	200.084	34.599	.000 ^b
	Residual	850.105	147	5.783		
	Total	1250.273	149			
a. Dependent Variable: Third Party Funds						
b. Predictors: (Constant), Service Quality, Marketing Program						

Based on the table above, the calculated F_{value} of $34.599 > F_{\text{table}} 3.06$ with a significant level of $0.000 < 0.05$. Thus H_0 decision was rejected and H_a accepted. This means that all independent variables together can significantly influence the dependent variable.

Table 4. t-test result

Model		Coefficients ^a			T	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	5.299	2.343		2.262	0.025
	Service Quality	0.164	0.054	0.242	3.053	0.003
	Marketing Program	0.360	0.071	0.402	5.063	0.000

Quality of service (X_1) = $t_{\text{value}} 3.053 > t_{\text{table}} 1.976$ with a significance of $0.003 < 0.05$. Thus it shows that there is a significant effect between service quality on Third Party Funds. Every improvement in service quality was affects the growth of Third Party Funds by 16.4%.

Marketing Program (X_2) = $t_{\text{value}} 5,063 > t_{\text{table}} 1,976$ with a significance of $0,000 < 0.05$. Thus showsthat there is a significant influence between marketing programs on Third Party Funds. Each increase in marketing program was affects the growth of Third Party Funds by 36.0%.

Thus the main factor in this research that affects the growth of Third Party Funds is the Marketing Program. It can be understood that the majority of Bank DKI customers are DKI Jakarta Provincial Government employees, primarily those who work in Sunter District. While there are still very few customers outside government employees, so it's need a marketing program that attracts the prospective customers to save at DKI Bank Sunter Branch.

CONCLUSION

Service quality factors have a significant influence on the growth of current accounts, savings, and deposits. The marketing program factor has a significant influence on the growth of Third Party Funds. Service quality factors and marketing programs together have a significant influence on the growth of Third Party Funds.

The quality of services at DKI Bank Sunter Branch needs to be maintained and continuously improved, so the customers do not think about closing their accounts and moving to other banks. The marketing program at DKI Bank Sunter Branch must be more scheduled and implemented by bringing souvenirs and marketing more interesting products.

The results of this study can still be redeveloped regarding the service quality variables and marketing programs for the growth of Third Party Funds. And it is recommended to do a deeper study of the company.

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