# Relationship of Marketing Aspects:

## Financial, Funds, Technical, and Management on Cut Credits in Bank Mandiri in Jakarta

Yohannes Yahya Welim*
Information System
Budi Luhur University
Jakarta, Indonesia
*yahyabl88@gmail.com

Erwin Rasjid, Reza Suriansha
Management
STIE UniSadhuGuna
Jakarta, Indonesia
erwinrasjid1970@gmail.com, Reza@ubs-usg.ac.id

*Abstract*—**Bank bad loans lately often occur and many causes that influence it. Increasing and decreasing BDR & NPL at a bank can be influenced by various factors. In this research, the factors that are suspected to influence the level of BDR & NPL are caused by internal factors of customers in managing their loan funds towards the management of their businesses. Disasters for customers or for customers' business activities, declining economic activities and high lending rates are aspects that cannot be managed by customers. Credit Management is credit management carried out by banks including planning, organizing, implementing, and supervising in such a way that the credit runs well in accordance with the agreement between the bank and the debtor. The bank comes from the Italian Language Banco which means bench. This bench is used by bankers to serve their operational activities to customers, then this term has changed to become a popular and official bank. According to Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998, the Bank is a business entity that collects funds in the form of deposits and distributes them to the public in the form of credit and or other forms, in order to increase the standard of living of many people. According to the Law of the Republic of Indonesia Article 5 Number 10 of 1998, there are two types of banks which are divided into Commercial Banks and Credit Banks. Commercial Banks here are banks that carry out business activities conventionally and or based on sharia principles which in their activities provide services in payment traffic. In this study, researchers only examined aspects that could be controlled by customers, such as aspects of marketing, aspects of financial regulation, aspects of funds, technical aspects and management aspects of their contribution to BDR and Bank Mandiri's NPL The effect of marketing aspects on bad credit can be seen from the T Test, amounting to -5,297 and T table 0.236. The effect of financial regulation aspects on bad credit can be seen from the T test, amounting to 5,173 and T table 0.236. The influence of the aspect of funds on bad loans can be seen from the T test, amounting to -3.698 and T table 0.236. The influence of technical aspects on bad credit can be seen from the T test, amounting to 2,094 and T table 0.236. The effect of management aspects on bad loans can be seen from the T test of 2,308 and T table 0.236. The simultaneous influence of marketing aspects, financial regulation aspects, financial aspects, technical aspects and management aspects of bad credit can be seen from the results of the F test in which the F count is 14.506 and F count is greater than F table.**

*Keywords: aspects, credit, customers, financial, bank*

## I. INTRODUCTION

### A. Background

One of the business entities engaged in finance is the Bank. The business entity whose function is to collect funds from the public in the form of deposits and redistribute the funds to the community who need loans in accordance with Law No.10 of 1998. The main effort of banks is to collect funds in deposits which are the source of bank funds. then in channeling funds, banks must also pay attention to the quality of their credit. because if there is a lot of problem loans will harm the bank itself. The main source of income of commercial banks comes from credit and funding for losses resulting from risks that may arise due to lending must be borne by themselves, does not involve customers in bearing credit risk, the bank only applies an interest system so that makes commercial banks more vulnerable to non-performing loans. Lending offered by banks is not always of good quality. Many loans that have been given to customers (debtors) have become problematic due to various reasons, for example businesses financed with credit have experienced business slumps, decreased sales, lost competition, the economic crisis and others. Banks as debtors certainly do not necessarily take legal action. Banks as far as possible avoid legal actions on the assets of the debtor, because the debtor is a very important business partner for the bank in increasing bank income. Non-performing loans are always present in banking activities because banks are unlikely to avoid having non-performing loans. Banks only try to reduce the minimum amount of non-performing loans so that their health levels remain good according to the provisions of Bank Indonesia as banking supervisor. Determination of the ratio of problem loans usually uses the BDR indicator (Bad Debt Ratio). Loans with non-performing loans, plus loans with doubtful collectability that have the potential to become non-performing [1]. After a problematic loan, the possibility that it will be repaid is considered to be much lower. If the debtor starts making payments again on the problem loans, it becomes a loan that can provide a return.

*1) Problem formulation:* Based on the description above, the problem can be formulated as follows:
- Is there a partial relationship of the Marketing Aspect of the customer with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit?

- Is there a partial relationship between the Financial Regulations of the customer and the bad credit (substandard, doubtful and bad credit) of Bank Mandiri Consumer Credit?

- Is there a partial relationship of the Customer Funds Aspect with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit?

- Is there a partial relationship of the Technical Aspects of the customers with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit?

- Is there a partial relationship between the aspects of customer management and bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit?

- Is there a relationship between Marketing Aspects, Financial Regulatory Aspects, Funds Aspects, Technical Aspects, Customer Management Aspects simultaneously with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit?

*2) Research urgency:* Given the increasing value of bad loans that occur in consumer loans Bank Mandiri branch building Aneka Tambang Jakarta, it is necessary to immediately know the cause of the increase in bad loans. It is expected that after this research can be input to the Bank Mandiri branch building Aneka Tambang Jakarta in order to reduce the value of the bad credit.

## B. Research Methodology

Multiple linear regression is a linear regression model whose dependent variable is a linear function of several independent variables. Multiple linear regression is very useful for examining the effect of several variables that correlate with the variables tested.

The relationship of function between one dependent variable with more than one independent variable can be done with multiple linear regression analysis, where bad credit is the dependent variable while marketing, competition, and government policy aspects are independent variables.

The multiple regression equation is a regression equation using two or more independent variables. The general form of this multiple regression equation is [2]:

Information:

Y: Dependent variable

a: Constant coefficient

b1.b5: Regression coefficient

X1: First independent variable (Marketing management)

X2: The second independent variable (competition level)

e: error

From this equation we will predict the value of Y if the value of the independent variable (X) is known.

## C. Prior Research

TABLE I. PRIOR RESEARCH

| No | Researcher (year) | Research Title | Research variable | Analysis Techniques | Research result |
|---|---|---|---|---|---|
| 1 | Muslim, 2012 [3] | Analysis of Factors Affecting Bad Credit (Sub-standardized, Doubtful and Bad) at the Mebeldi Industrial Industry in Jepara Regency in 2012 | Marketing management, level of competition, financial management, technical management, and government policy. | Multiple linear regression | Marketing and technical management have a negative effect while competition, government policies, and financial management have a positive effect |
| 2 | Ida Ayu Aishwarya Rai, 2017 [4] | Factors affecting credit at national private foreign exchange banks | DPK, CAR, NPL, SBI, and loan interest rates | Multiple linear regression | DPK, CAR, NPL, and loan interest rates have a positive effect while SBI has a negative effect |
| 3 | Claudia Hazaro Romalo, 2016 [5] | Factors that influence the occurrence of non-performing loan banks in Indonesia | Inflation, institutional ownership, and independent commissioners | Multiple linear regression | Inflation has a positive effect while institutional ownership has a negative effect and independent commissioners have no effect. |
| 4 | Muhammad Arfan Harahap, 2016 [6] | Factors that influence non-performing financing in Islamic banks | Inflation, exchange rates, interest rates and profit sharing margins | Multiple linear regression | Inflation and the exchange rate have a negative effect, while interest rates and profit sharing margins have a positive effect |
| 5 | Kurnia Dwi Jayanti, 2013 [7] | Analysis of factors affecting non-performing loans | CAR, LDR, SIZE, CAP, and BOPO | Multiple linear regression | CAR has a negative effect while SIZE, KAP, and BOPO have a positive effect. |
| 6 | Romo Putra Mada, 2015 [8] | Analysis of factors affecting non-performing loans in Indonesia | SiZE, Loan to deposit ratio, Capital adequacy ratio, BOPO, and loan interest rates | Multiple linear regression | BOPO and credit interest rates have a positive effect while the loan to deposit ratio, size and capital adequacy ratio have a negative effect. |
| 7 | Puput Wijayanti, 2014 [9] | Analysis of the factors that influence bad credit in Islamic microfinance institutions Baitul Maal wa Tamwil Surya Madani Boyolali in 2013 - 2014 | The role of Bmt, customer intention, planning, customer administration, disaster, season, government regulations and bad credit | Multiple linear regression | Customer intention significantly influences bad credit (positive) |
| 8 | Sari Mukhsinati, 2011 [10] | Analysis of the factors causing the occurrence of bad credit at bank x in the district of Jember. | Character, capacity, capital, collateral and condition. | Multiple linear regression | Character, capacity, and capital have a significant effect, while collateral and condition berpengaruh tidak signifikan |

*1) Population and sample:* The sample in this study was Bank Mandiri customers who experienced bad credit in 2017. The population in this study was 9,704 customers. In order to obtain representative samples, the researchers used the Slovin formula [11], which is as follows.

Information:

n = Number of Samples

N = Number of population

e = Percentage of allowance due to sampling errors that can still be tolerated (inaccuracy) is 10%.

Then:

$$n = \frac{9704}{1 + 9704(10\%)^2}$$

$$n = \frac{9704}{1 + 97,04}$$

$$n = \frac{9704}{98,04}$$

$$n = 98,98 = 100$$

*2) Hypothesis:* Problem under study. Therefore, a hypothesis does not arise suddenly. In formulating a hypothesis must be supported by prospective theories or references of previous studies. Then the hypothesis in this study is:

- It is suspected that there is a partial relationship of the Marketing Aspects of the customers with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit.

- It is suspected that there is a partial relationship between the financial aspects of the customer's management and bad credit (substandard, doubtful and loss) of Bank Mandiri Consumer Credit.

- It is suspected that there is a partial relationship of Fund Aspects with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit.

- It is suspected that there is a partial relationship of Technical Aspects with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit.

- It is suspected that there is a partial relationship of Management Aspect with bad credit (substandard, doubtful and bad) Bank Mandiri Consumer Credit.

- Allegedly there is a relationship between Marketing Aspects, Financial Regulatory Aspects, Funds Aspects, Technical Aspects, Management Aspects simultaneously with bad loans (less smooth, doubtful, and bad) Bank Mandiri Consumer Credit.

*D. Research Benefits*

- Provide input for the development of knowledge, especially those related to human resource management.

- Can compare between theories obtained in the teaching and learning process during lectures with the practice that is applied.

- For the object of research in this case PT Bank Mandiri (Persero) Tbk, is expected to contribute thoughts for the owner and management in taking policies related to efforts to increase employee productivity.

- The results of this study can be used as input and increase the treasury of UBS library.

In addition to the activities that can be carried out by commercial banks above, there are also activities that are prohibited for commercial banks as follows:

- Conducting equity participation, except at banks or other companies in the financial sector and except temporary capital investments to overcome the consequences of credit defaults or financing failures based on sharia principles.

- Doing insurance business.

- Doing other business outside business activities as stated in banking duties.

In general, the function of banks is as a financial intermediary institution (financial intermediation). Specifically, the function of the bank is divided into three namely:

- Agent of trust, namely banking activities based on trust.

- Agent of development, namely expediting production, distribution and consumption activities.

- Agent of service is a variety of services offered by banks.

Basically, a bank has three alternatives to raise funds for business purposes, namely:

- Own funds

- Funds from depositors

- Loan funds

- Other sources of funds

In order to increase sources of revenue for banks and to provide services to their customers, banks provide various forms of services. This form of services has always been developing from time to time, while the form of bank services currently available include:

- Remittances (transfers), which means money transfer services through banks.

- Clearing (clearing), which means billing of documents (securities) such as checks, gyro originating from within the city.

- Collection (collection), which means billing documents originating from outside the city or abroad.

- Credit card or ATM or bank card.

- Letter of Credit (L / C), meaning payment from the importer to the exporter through the designated bank.

- Travel checks (travelers check) means travel checks that are usually used by tourists or tourists.

- Other activities.

*E. Credit*

The Bank manages public money and circulates it in a variety of investments to improve people's lives. One of them is in the form of credit. According to Law Number 10 of 1998, namely: Credit is the provision of money or bills that can be likened to it, based on a loan agreement between the bank and another party that requires the borrower to repay the debt after a certain period of time with interest. Credit is the provision of money or bills based on an agreement or agreement between the bank and another party that requires the borrower to pay off obligations after a certain period [12].

Based on the above statement it can be concluded that the credit is a certain nominal amount entrusted to another party with a certain time suspension which will be included in the payment of additional interest as compensation for the risk borne by the party providing the loan. Whereas in the granting of credit, the element of trust is a very fundamental thing that creates an agreement between the party giving the credit and the party receiving the credit to be able to carry out the agreed rights and obligations, both from the loan period until the loan repayment period and the rewards obtained by the lender as a risk borne if a violation of the agreement has been made. The elements contained in the granting of a credit facility according to Kasmir [13].

## II. Results and Discussion

*1) Test t:* This test is carried out to find out partially the independent variables significantly or not influence the dependent variable. This test is carried out using a two-way test with the following hypotheses:

- Ho = b1 = 0, meaning that there is no significant effect of the independent variable on the dependent variable.

- Ho = b1 $\neq$ 0, meaning that there is a significant influence of the independent variable on the dependent variable.

To assess t arithmetic used the formula:

- Determine the level of significance $\alpha = 5\%$

The testing criteria used are as follows:

- Ho is accepted and Ha is rejected if t arithmetic <t table. This means that the independent variable does not significantly influence the dependent variable.

- Ho is accepted and Ha is rejected if t arithmetic> t table. This means that the independent variable significantly influences the dependent variable.

*2) Test F:* F test is performed to determine whether the independent variables together have a significant effect on the dependent variable. This test is carried out using a two-way test with the following hypotheses:

- Ho: b1 = b2 = b3 = b4 = b5 = b6 = b7 = 0, meaning that there is no significant influence of the independent variables together.

- Ho: b1 $\neq$ b2 $\neq$ b3 $\neq$ b4 $\neq$ b5 $\neq$ b6 $\neq$ b7 $\neq$ 0, meaning that there is a significant influence of the independent variables together.

- Determine the level of significance $\alpha = 5\%$

Calculate the amount of Fhit using the formula:

Information

R = Determinant coefficient

n = Number of observations

k = Number of variables

The testing criteria used are as follows:

- Ho is accepted and Ha is rejected if F arithmetic <F table. This means that the independent variables together do not significantly influence the dependent variable.

- Ho is accepted and Ha is rejected if F arithmetic> F table. This means that the independent variables together significantly influence the dependent variable.

*3) Determination coefficient test (R2):* To find out more about the relationship between variables, one analysis tool that can be used is the coefficient of determination. With the coefficient of determination we can find out how big is the relationship of several variables in a clearer sense. The coefficient of determination will explain how much change or variation in a variable can be explained by changes or variations in other variables. To be able to calculate the value of the coefficient of determination, we can calculate the variation of the dependent variable that can be explained by the variation of the independent variable. We can also get the coefficient of determination and can also calculate by squaring the correlation coefficient [2].

The magnitude of the coefficient of determination between 0 and 1. If the value of the coefficient of determination is getting closer to number 1 means the relationship between these variables is getting tighter. According to Gujarati the magnitude of the coefficient of determination can be found using the formula [14]:

Information:

R2: The coefficient of determination.

ESS: Number of squares explained.

TSS: Total number of squares which is the sum of ESS and RSS for the dependent variable (substandard, doubtful credit and MSME default).

To get the R2 value, SPSS assistance is used.

## III. Conclusions

Based on the results of research and discussion conclusions can be drawn, among others;

- There is an effect of marketing aspects on bad credit at pt bank mandiri (persero) tbk. This can be seen from the t test, obtained t count of -5,297 and t table of 0.236. T count is greater than t table.

- There is an influence of financial regulation aspects on bad credit at pt bank mandiri (persero) tbk. This can be seen from the t test, obtained t count of 5,173 and t table 0.236. T count is greater than t table.

- There is an influence of the aspect of funds on bad loans at pt bank mandiri (persero) tbk. This can be seen from the t test, obtained t count of -3,698 and t table 0.236. T count is greater than t table.

- There is an influence of the technical aspects of bad credit at pt bank mandiri (persero) tbk. This can be seen from the t test, obtained t count of 2,094 and t table 0.236. T count is greater than t table.

- There is an influence of management aspects on bad credit at pt bank mandiri (persero) tbk. This can be seen from the t test, obtained t count of 2,308 and t table 0.236. T count is greater than t table.

- There is a simultaneous influence on marketing aspects, financial regulation aspects, fund aspects, technical aspects and management aspects of bad credit at pt bank mandiri (persero) tbk. This can be seen from the results of the f test where the f count is 14.506 and f table 3.13. F count is greater than f table.

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