



ISSN 2809-8501 (Online)

UTSAHA (Journal of Entrepreneurship)

<https://journal.ifpublisher.com/index.php/joe>

Vol. 2, Issue. 3, July 2023

doi.org/10.56943/joe.v2i3.371

Marketing Mix Strategy to Increase Microfinance Distribution at PT Permodalan Nasional Madani Indramayu

Irmana

neezeirmana1203@gmail.com

Perbanas Institute

ABSTRACT

Marketing strategies will be effective if supported by the right marketing mix strategy. One of the business units of PT Permodalan Nasional Madani Indramayu is required to contribute by achieving branch income in accordance with the predetermined target. Revenue optimization can be achieved by maximizing the distribution of financing to ultra-micro, micro and small businesses. This research aims to determine the effect of marketing mix (product, price, place, promotion, people, physical evidence, and process) on the decision to become a microfinance customer at PT Permodalan Nasional Madani Indramayu so that the right marketing mix strategy can be determined to increase the distribution of microfinance at the company. This research is quantitative with a correlational approach. In addition, the sampling technique used in this research is slovin technique. Research uses 2 variables. The dependent variable used the customer's decision, while the independent variable, that is, the variable that is used as the cause of changes or that affects the dependent variable, is the marketing mix which includes product, physical evidence, people, process, promotion, place, and price.

Keywords: *Customer Decision, Marketing Mix Strategy, Microfinance Distribution*

INTRODUCTION

In this globalization era, the growth in business is highly correlated with increased display competition. In order to differentiate itself from bussniness competition and able to attract new new customers for the products it sells, any business must continually arrange some new innovation to improve its products and services. Moreover, it also important to make sure the devision and planned objectives before arranging the new innovation for the company. The detailed information about the products has an impact on customer decisions regarding their purchasing choices. A purchase decision is a choice made by an individual that he chooses one of several elective actions in decision-making process and combines information attitudes to evaluate at least two selective actions.

As a business unit of PT Permodalan Nasional Madani Indramayu, it is required to assist in achieving branch income based on planned goals. As a financial institution that distributes financing without collecting public funds, PT Permodalan Nasional Madani Indramayu obtain its income from financing distribution in the form of interest, administrative fees, and other income. Moreover, the revenue optimization can be conducted by maximizing the financing distribution to ultra-micro, micro, and small business customers.

The marketing strategies will run effectively when it supported by right marketing mix strategy. Marketing mix strategy is a set of marketing tools used by companies to fulfill their objectives in target markets (Armstrong et al., 2015). Meanwhile, Kotler & Keller (2016) state that the marketing mix for service companies includes 7P, such as product, price, place, promotion, people, physical evidence, and process. Unfortunately, the implementation of marketing mix strategy by PT Permodalan Nasional Madani Indramayu has been not resulting in maximum and reliable distribution of microloans yet.

Several previous studies on marketing mix by Kondoy et al (2016) proves that place, promotion, price, and product have a significant effect on the decision to become a customer at BPR Prisma Dana Manado. In addition, the results of coefficient of determination, the effect is 90.2%, while 8.8% is determined by other factors. Moreover, Sumantika & Ardiyanto (2017), in their research explained that physical evidence and products have a significant positive effect on loan selection decisions by MSME entrepreneurs at Yoyakarta Regional Bank, while the process, people, place, promotion, and price have no significant effect.

Idrus & Syam (2022) state that the influence of promotional factors, location, price, product, human resources, physical evidence and process have an effect of 78.8% on customer decisions in taking credit at BRI Bank Watampone. Then, the other external factors have an effect of 21.2% on customer decisions in choosing credit at BRI Watampone. Meanwhile, Husni (2018), proves that place and promotion have a significant influence on customer purchasing decisions at Bank Nagari Siteba. Then, the products, prices, people, physical facilities, and processes

are not significant to influence the customers in making purchasing decisions. Therefore, this research aims to determine the effect of marketing mix (product, price, place, promotion, people, physical evidence, and process) on the decision to become a microfinance customer at PT Permodalan Nasional Madani Indramayu so that the right marketing mix strategy can be determined to increase the distribution of microfinance at the company.

LITERATURE REVIEW

The growth of fierce business competition requires finance companies to implement marketing strategies effectively and efficiently. American Marketing Association explains that marketing is the activity of an institutions to create, communicate, deliver, and exchange offers that have value for partners, clients, customers, and wider community (Kotler & Keller, 2021).

Moreover, it is impossible to separate customer behavior from customer decision making (Indrasari, 2019). The customer decisions are about how customers, both as individuals and as groups, buy or use the desired goods with their considerations to satisfy their desires. In addition, Kotler & Keller (2016) state that the indicators of purchasing decisions such following below:

1. Purchasing the product after understanding the product information;
2. Purchasing the product since it comes from favorite brand;
3. Purchasing the product based on customer's need and desire; and
4. Purchased the product because other people recommendation.

The financial corporation must implement a marketing mix strategy in order for the customer accepted and approved its products. In addition, the marketing mix for service companies includes 7P, which in Murtini (2019) is defined as follows:

1. Product
Everything the manufacturer provide for market consumption, usage, or purchase, as well as for market research, demand, or attention as a fulfillment based on the demands of relevant market. A product is something that is offered to the market to get attention, purchase, use, or consumption that can fulfil desires and needs.
2. Physical Evidence
Something that significantly influences the decision to buy and use the product services offered. Physical evidence includes all physical evidence that can help consumers understand the products or services offered by the company which includes physical facilities, brands, packaging design, and others. The company must ensure that all physical evidence provided is good quality and professionalism.
3. People
Actors who have a role in product service, and they can influence customer perceptions. The company must ensure that everyone involved

in the business such as employees have sufficient skills and knowledge to provide a good experience to consumers.

4. Process

Including all the standardized procedure, flow, and mechanism of activities, that the services and deliveries are provided through an operating system (Setiawan & Sugiharto, 2014). Good processes can help companies improve efficiency and service quality, and increase customer satisfaction.

5. Promotion

It is an activity conducted by companies to convey the product benefits and encourage customers to make purchases (Kotler & Keller, 2021). In addition, the promotion also be defined as a company's effort to influence consumers to purchase the products offered (Nurhayaty, 2022).

6. Place

It is a strategy to determine how and where to sell a particular product (Kotler & Armstrong, 2020). In this strategy, the most important thing is to determine the outlets, distributors, or locations where customers can buy and see the products offered. Companies must ensure that products can be reached by consumers easily and effectively. The same thing applies if you have a website to market your products. Make sure your website can be easily navigated by consumers.

7. Price

Price is the exchange rate provided by consumers to obtain the products offered by the company. The price must be in accordance with the value of the product and be able to compete with the prices of similar products on the market. Pricing must also consider factors such as production costs, profit margins, and marketing strategies.

The appropriate marketing mix strategy will influence potential customers to buy or use products from the company. As an ultra-micro, micro, and small financing institution, PT Permodalan Nasional Madani Indramayu is required to design the correct marketing mix strategy in influencing the customers to use microfinance products at PT Permodalan Nasional Madani Indramayu Branch.

RESEARCH METHODOLOGY

This research is quantitative with a correlational approach. Quantitative research methods are methods for testing certain theories by examining the relationship between variables (Kusumastuti et al., 2020). The variables are measured with research instruments, and the data that consisting of numbers can be analyzed based on statistical procedures. Meanwhile, correlational research is the interdependence between two or more research aspect situations. This research aims

to examines the relationship between two or more aspects of existing situations and phenomena (Darwin et al., 2021).

Sample is part of population's number and characteristics (Sugiyono, 2016). In this research, the sampling technique was conducted using simple random sampling since the population sampling was conducted randomly without noticing the population's strata. In addition, the sampling technique used in this research is slovin technique. According to Sanusi (2017) in determining the research sample size, Slovin includes an element of allowance for inaccuracy due to sampling errors that can still be tolerated.

RESULT AND DISCUSSION

The Influence between Product on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

Nowadays, the microfinance is a very competitive industry, that there are 228 microfinance institution registered with OJK as 31th December, 2021. This requires PT Permodalan Nasional Madani Indramayu to arrange an effective marketing strategy to increase the financing distribution to ultra-micro, micro and small business customers. There are several procedures and agreements that must be fulfilled by prospective customers when they want to apply for the loan, such as:

1. The prospective customers are obliged to make a letter of application for financing and submit it to the bank;
2. When the financing application letter has been received by Bank, the bank will examine that the financing requested is included in target market and KRD (Risk Criteria) and whether it has fulfilled the administrative requirements in applying financing application or not;
3. When the financing application letter is included in above category, the bank will visit the prospective customer;
4. After conducting the analysis above and the financing decision is made, the bank issues a letter (SP3) regarding the financing.

Based on research result, it can be concluded that Sig. Product (0.009) < 0.05 and the t_{value} (2.676) > t_{table} (1.982) with a regression coefficient of 0.131. This means that there is a positive influence between product on customer decisions. It proved that customer decision is depends on product value, and vice versa.

The Effect of Price on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

Price determination of the products aims to maintain and improve market share and price stability. Moreover, pricing strategy is can be used as a quality determining instruments. Then, the customer will determine the benefits after purchasing the product. The price of a product offered is the main determinant of market demand to increase the amount of microfinance. Price is the only element

of marketing mix that resulting in revenue, while all other elements of the marketing mix are costs. In addition, price is the amount of money (plus some goods if possible) needed to combine between goods and services. The pricing of each micro product has been determined by Coordinating Ministry for economy issued by the government. Then, the cheapest micro product is People Bussiness Loan (KUR).

Based on research result, it can be concluded that Sig value. Price (0.002) < 0.05 and the t_{value} (3.128) > t_{table} (1.982) with a regression coefficient of 0.139. This means that there is a positive influence (unidirectional) between Price on Customer Decisions. It proved that the high cuystomer dicision for purchasing the products depends on the good price value of the product itself.

The Influence between Promotion on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

Promotion is the activity of communicating product advantages and persuading target customers to purchase the product. In addition, promotion is one of marketing mix activities, that promotion is something crucial as well as price, product and location. According to Hurriyati (2015), promotion is a form of marketing communication, which is a marketing activity that aims to convey the information, influence or persuade the target market of the company and its products to be willing to accept, buy and become loyal customer for the company concerned. Based on research result, it can be concluded that Sig value. Promotion (0.022) < 0.05 and t_{value} (2.331) > t_{table} (1.982) with a regression coefficient of 0.164. This means that there is a positive influence (unidirectional) between promotion on customer decisions. It proved that customer decision in purchasing the products depends on the promotion value provided by the company.

The Effect of Location on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

Location is a long-term investment that determines the interest of potential customers and able to create loyal customers to its financial institution. This also supported by 24 hour ATM that can facilitate the transactions for customers. The objectives for determining the location include near to market, residence, shopping centers and industry for the bank able to market their products widely.

In addition, location refers to the place where a business maintains its main office and conducts its operations. One of the key elements that influence of company development is its location. The strategic location will attract many customers, increase the sales and profits (Lupiyoadi, 2014). Moreover, Kotler and Armstrong (2018) define location as the process of selecting and controlling trade routes used to distribute goods or services based on the target markets.

Based on research result, it can be concluded that Sig value. Place (0.000) < 0.05 and t_{value} (5.934) > t_{table} (1.982) with a regression coefficient of 0.344. This means that there is a positive influence (unidirectional) between place on customer

decisions. It proved that the customer will be more satisfied and comfortable in purchasing the product that located in the strategic place.

The Influence of People (Employees) on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

The improvement of human quality resources is can be conducted by providing the job training and public speaking, as well as all the employee should be in good appearance, neat, and friendly in serving or communicating with their customers. In addition, the employee who has extensive knowledge about the product they sold will resulting in good satisfaction for the customers. Based on research result, it can be concluded that Sig value. People $(0.001) < 0.05$ and $t_{\text{value}} (3.299) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.226. This means that there is a positive influence (unidirectional) between People on Customer Decisions. It proved that the high quality of human resources or employee will resulting in high value of customer decision for purchasing the products.

The Effect between Physical Facilities on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

Akomolafe & Adesua (2016) state that physical facilities is a situation or condition that includes the office's atmosphere which has the functions as a service location. Moreover, Noviana (2013) emphasizes that one of the key elements of service marketing is the use of supporting infrastructure since it needed to provide services to customers. In addition, physical facilities are evaluated based on their capacity to provide services and aesthetic appeal of the facilities, including the buildings. Physical facilities is one factors that able to influence consumer decisions in offering products or services. In other words, all equipment needed to support business operations is considered tangible facilities (Panjaitan & Muslih, 2019). According to Ismanto et al., (2022), all facilities objects that provide details about the company are physical evidence.

Physical facilities from PT Permodalan Nasional Madani Indramayu are in the form of clean office facilities, a spacious and comfortable waiting room, the scent of the room, and the availability of clean and fragrant bathrooms. In addition, the uniforms used by the employees are neat and clean and along with their business cards to make it easier for customers to clearly recognize each employee. Based on research result, it can be concluded that Sig value of physical facilities of $(0.458) > 0.05$ and the value of $t_{\text{count}} (-0.745 = |0.745|) < t_{\text{table}} (1.982)$ with a regression coefficient of -0.078. This means that there is no influence between physical evidence on customer decisions.

The Influence of Process on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

The process strategy conducted by PT Permodalan Nasional Madani Indramayu is the promotion of micro products. In addition, it is also explained

that the requirements and files must be submitted when the customers are going to purchase one of micro products of PT Permodalan Nasional Madani Indramayu.

The process strategy in marketing the products of PT Permodalan Nasional Madani Indramayu is through direct interviews with customers, or the customers are able to come directly to the office for more convenient experience in knowing the product details, along with the advantages of each products. When the customers has made the decision in purchasing the product of PT Permodalan Nasional Madani Indramayu, the marketing staff will explain the requirements and filed that needed, including the photocopy of ID card, family certification, and business license. Furthermore, the document requirements are needed, such as houses, land, vehicles, shop houses and others. Then, the customers can do their payment with an installment amount that will not change during the agreement period.

Based on research result, it can be concluded that Sig. Process (0.013) < 0.05 and $t_{\text{value}} (2.529) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.134. This means that there is a positive influence (unidirectional) between process on customer decisions. It proved that high process value will result in the increase of customer decision value for purchasing the products.

The Effect between Product, Price, Promotion, Place, People, Physical Evidence, and Process on Customer Decisions to Use Financing at PT Permodalan Nasional Madani Indramayu

The model's calculated $F_{\text{value}} (55.727)$ is bigger than $F_{\text{table}} (F (0.05, 7/102) = 2.001)$ and the Sig. value in the table is $0.000 < 0.05$. It can be concluded that the linear regression model in estimated model is feasible to use. This explains the significant effect of independent variables (Product, Price, Promotion, Place, People, Physical Facilities, and Process) on dependent variable of customer decisions. In addition, the research from Ajeng Larasati & Seno Aji, (2019) proves that there is an influence of product, price, promotion, place, people, physical facilities, and process on customer decisions. This result of this research proved that product, price, promotion, place, people, physical facilities, and process have a positive effect on customer decisions.

CONCLUSION AND SUGGESTION

Conclusion

Sig. Product (0.009) < 0.05 and $t_{\text{value}} (2.676) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.131. This means that there is a positive influence (unidirectional) between Product on Customer Decisions. This means that there is a positive influence between product on customer decisions. It proved that customer decision is depends on product value, and vice versa. Then, Sig value. Price (0.002) < 0.05 and $t_{\text{value}} (3.128) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.139. This means that there is a positive influence (unidirectional) between Price on Customer

Decisions. It proved that the high customer decision for purchasing the products depends on the good price value of the product itself. Meanwhile, Sig value. Promotion (0.022) < 0.05 and $t_{\text{value}} (2.331) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.164. This means that there is a positive influence (unidirectional) between Promotion on Customer Decisions. It proved that customer decision in purchasing the products depends on the promotion value provided by the company. Sig value. Location (0.000) < 0.05 and $t_{\text{value}} (5.934) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.344. This means that there is a positive influence (unidirectional) between Place on Customer Decisions. It proved that the customer will be more satisfied and comfortable in purchasing the product that located in the strategic place. Then, Sig value. People (0.001) < 0.05 and $t_{\text{value}} (3.299) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.226. This means that there is a positive influence (unidirectional) between People on Customer Decisions. It proved that the high quality of human resources or employee will resulting in high value of customer decision for purchasing the products. In addition, Sig value. Physical Facilities (0.458) > 0.05 and the value of $t_{\text{count}} (-0.745 = |0.745|) < t_{\text{table}} (1.982)$ with a regression coefficient of -0.078. This means that there is no influence between Physical Evidence on Customer Decisions. Sig value. Process (0.013) < 0.05 and $t_{\text{value}} (2.529) > t_{\text{table}} (1.982)$ with a regression coefficient of 0.134. This means that there is a positive influence (unidirectional) between Process on Customer Decisions. It proved that high process value will result in the increase of customer decision value for purchasing the products. The last, The model's calculated $F_{\text{value}} (55.727)$ is bigger than $F_{\text{table}} (F (0.05,7/102) = 2.001)$ and Sig. value in the table is 0.000 < 0.05. This explains that there are significant influence of independent variables (Product, Price, Promotion, Place, People, Physical Evidence, and Process) on dependent variable of Customer Decisions.

Suggestion

The company must optimize its strategies in introducing this micro product to all levels of society, both in the village and in the city. In optimizing the implementation of marketing mix strategy, PT Permodalan Nasional Madani Indramayu should use personal selling, advertising, and socialization strategies for its micro products can be widely known. For academic communities, it is hoped that this research can be used as a reference for further research that has a similar theme related to marketing mix strategy to increase microfinance distribution at PT Permodalan Nasional Madani Indramayu.

REFERENCES

- Ajeng Larasati, D., & Seno Aji, T. (2019). Pengaruh Marketing Mix-7P Terhadap Kepuasan Nasabah BRI Syariah Kantor Cabang Malang. *Jurnal Ekonomi Islam*, 2(3), 42–53.
- Akomolafe, D. C. O., & Adesua, D. V. O. (2016). The Impact of Physical Facilities on Students' Level of Motivation and Academic Performance in Senior Secondary Schools in South West Nigeria. *Journal of Educational and Practice*, 7(4), 38–42.
- Armstrong, G., Kotler, P., Trifts, V., Buchwitz, L. A., & Gaudet, D. (2015). *Marketing: An Introduction* (5th Canadi). Pearson.
- Darwin, M., Reynalda, M., Mamondol, Sormin, S. A., Tambunan, Y. N., Sylvia, D., Adnyana, I. M. D. M., Prasetyo, B., Vianitati, P., Gebang, A. A., & Tambunan, T. S. (2021). *Metode Penelitian Pendekatan Kuantitatif*. Media Sains Indonesia.
- Hurriyati, R. (2015). *Bauran Pemasaran dan Loyalitas Konsumen* (Cetakan ke). Alfabeta.
- Husni, K. (2018). Pengaruh Bauran Pemasaran Tempat Terhadap Keputusan Pembelian Nasabah PT. Bank Nagari Cabang Siteba Padang. *Jurnal Marketing*, 1(1).
- Idrus, M., & Syam, M. (2022). Analisis Pengaruh Bauran Pemasaran Terhadap Keputusan Pengambilan Kredit Usaha Bagi Nasabah Di Sentra Kredit Kecil PT. BRI (Persero) Cabang Watampone. *Jurnal Ilmiah Mandala Education*, 8(1), 433–443. <https://doi.org/10.58258/jime.v8i1.2625>
- Indrasari, M. (2019). *Pemasaran dan Kepuasan Pelanggan*. Unitomo Press.
- Ismanto, Subagiyo, & Darlius. (2022). The Impact of the Marketing Mix on College Selection: A 7- Parameter Analysis. *Jurnal Manajemen Bisnis*, 9(2), 376–391.
- Kondoy, B. M. . J., Tewal, B., & Worang, F. (2016). Bauran Pemasaran Dan Pengaruhnya Terhadap Keputusan Menjadi Nasabah di BPR Prisma Dana Manado. *Jurnal EMBA : Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 4(4).
- Kotler, P., Armstrong, G., & A. (2018). *Principles of marketing*. Pearson.
- Kotler, P., & Armstrong, G. (2020). *Principles of Marketing, Global Edition* (18th Ed). Pearson Education.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management Global Edition* (Vol. 15E). <https://doi.org/10.1080/08911760903022556>
- Kotler, P., & Keller, K. L. (2021). *Marketing Management* (Global Edi). Pearson

Education.

- Kusumastuti, A., Khoiron, A. M., & Achmadi, T. A. (2020). *Metode Penelitian Kuantitatif*. Deepublish.
- Lupiyoadi, R. (2014). *Manajemen pemasaran jasa: Berbasis kompetensi* (Edisi 3). Salemba Empat.
- Murtini, A. (2019). Analisa Bauran Pemasaran (7P) untuk menentukan Strategi Pemasaran dalam meningkatkan Volume Penjualan. *Jurnal Progresif Manajemen Bisnis*, 6(4), 288–298.
- Noviana, B. I. (2013). Pengaruh Service Marketing Mix Terhadap Kepuasan Konsumen Hotel Amaris Surabaya. *Urnal Hospitality Dan Manajemen Jasa*, 1(2), 472–482.
- Nurhayaty, M. (2022). Strategi Mix Marketing (Product, Price, Place, Promotion, People, Process, Physical Evidence) 7P di PD Rasa Galendo Kabupaten Ciamis. *JMT: Jurnal Media Teknologi*, 8(2), 119–127.
- Panjaitan, D. K., & Muslih, M. (2019). Manajemen Laba: Ukuran Perusahaan, Kepemilikan Manajerial dan Kompensasi Bonus. *Jurnal ASET (Akuntansi Riset)*, 11(1), 1–20. <https://doi.org/10.17509/jaset.v11i1.15726>
- Sanusi, A. (2017). *Metodologi Penelitian Bisnis: Disertai Contoh Proposal Penelitian Bidang Ilmu Ekonomi dan Manajemen* (Cet. 7). Salemba Empat.
- Setiawan, W., & Sugiharto, S. D. (2014). Pengaruh Marketing Mix terhadap Keputusan Pembelian Toyota Avanza Tipe G di Surabaya. *Jurnal Manajemen Pemasaran*, 2(1), 1–8.
- Sugiyono. (2016). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. PT Alfabeta.
- Sumantika, A., & Ardiyanto, F. (2017). Analisis Faktor-Faktor Bauran Pemasaran (7P) yang Mempengaruhi Keputusan Pelaku Usaha UMKM dalam Pemilihan Pengajuan Kredit pada Bank di Daerah Istimewa Yogyakarta. *Jurnal Manajemen*, 7(2). <https://doi.org/10.26460/jm.v7i2.277>