

Strategies For Increasing Customer Loyalty PT. BRI Multifinance Banyuwangi

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Abstract: PT. Banyuwangi Indonesia Multifinance BRI is an institution that distributes financing for motorized vehicles and heavy equipment, and machinery. Along with the development of the City of Banyuwangi, many similar institutions operating in this city include PT. Mandiri Tunas Finance, PT. BFI Multifinance and others. Each institution certainly wants to serve its customers as well as possible so that in the long run it remains its customer. Customers like this are called loyal customers. To get loyal customers, of course it must be followed by fulfilling the basic needs for service to these customers. In order to further increase customer loyalty, PT. BRI Multifinance Banyuwangi seeks to research, discover and implement Customer Loyalty Enhancement Strategies using SWOT analysis. SWOT analysis is an effort to identify the scope of strengths, weaknesses, opportunities, and threats that determine the company's performance. The results of the analysis show that the problems faced by PT. Banyuwangi BRI Multifinance is a relatively long process / stage of financing because it is associated with a processing system that is centralized at the Jakarta Multifinance BRI Head Office. In addition, workers / employees who are relatively new, have not been educated properly, so that product knowledge and mastery of the work field are not optimal.

Index Terms: Loyalty, BRI Finance, SWOT Analysis

1. INTRODUCTION

Banyuwangi is the capital of Banyuwangi Regency located in East Java Province, Indonesia. Banyuwangi Regency consists of 24 sub-districts. The area of 5,782.50 km² consists of forest areas covering 183,396.34 ha or 31.72%, rice fields covering an area of 66,152 ha or 11.44%, plantations covering an area of 82,143.63 ha or 14.21%, residential area of 127,454.22 ha or 22.04%, the remainder in the form of roads, fields and others. The coastline is 175.8 km. The population in 2015 was 1,668,438 people consisting of 838,856 men and 829,582 women. Banyuwangi City has facilities: 2 (two) Inter-city Bus Terminals, 2 (two) Railway Stations, 1 (one) Seaport, and 1 (one) Airport to support transportation. In the past five years, Banyuwangi's economic growth has increased, one indicator that reflects the size of the regional economy is gross regional domestic product (GRDP). In 2010 Banyuwangi GRDP amounted to 32.46 trillion, continuing to increase by Rp. 36.95 trillion (2011), Rp. 42.10 trillion (2012), Rp. 47.23 trillion (2013) and Rp. 53.37 trillion (2014). The impact of economic growth increases the income per capita of the community. Based on data from the Central Statistics Agency (BPS) of Banyuwangi, the per capita income of the Banyuwangi community increased by 62 percent from Rp. 20.8 million (2010) to Rp. 33.6 million (2014). The ability of the Regional Revenue and Expenditure Budget (APBD) continues to increase, which also drives the economy. In 2015 the Regional Budget was Rp. 3 trillion increased compared to 2010 amounting to Rp. 1.29 trillion. There was an increase in the APBD by 133 percent or an average increase of 34.28% per year. Positive developments in the business world in Banyuwangi were also confirmed through banking performance. Based on official data from Bank Indonesia (BI), lending in Banyuwangi in 2010 amounted to 3.29 trillion, continuing to grow to Rp. 8.93 trillion in 2015. Cumulatively grew 171.43 percent or an average of 34.82 percent per year. This growth is above the average credit growth nationally, which is only around 15 percent per year. Non-performing loans (NPLs) were also successfully suppressed from 4.1 percent to 2.1 percent in 2015. This indicator shows that Banyuwangi's economy is improving [1]. From the data above, it appears that the economy of Banyuwangi

Regency is very good, so many leasing / Multifinance institutions in Banyuwangi, including: PT BRI Multifinance, (owned by Bank BRI), PT Mandiri Tunas Finance (owned by Bank Mandiri), PT. Central Sentosa Finance (owned by BCA), PT BFI Multifinance, and many others. PT. BRI Multifinance Banyuwangi provides financing for the purchase and rental of four or more wheeled motorized vehicles, heavy equipment, printing machines, and factory machinery. In anticipation of competition, PT. BI Multifinance Banyuwangi concentrated on financing heavy equipment of technology [2]. The problem at PT BRI Multifinance Banyuwangi for customers is that there are complaints that the financing service process is relatively long, sometimes comparing with competitors such as PT. Mandiri Tunas Finance, PT. BFI Finance is mainly related to the speed of the financing process. Credit process at PT. Banyuwangi BRI Multifinance for an average of 14 days from the request until the disbursement, it is felt by the customer is relatively long compared to PT BFI which is only 3-7 days. This condition must be a concern of PT BRI Multifinance because it will affect customer loyalty. Competition in the leasing / multifinance business in Banyuwangi is getting tougher, so PT. Banyuwangi Multifinance BRI must be able to determine the right steps in achieving the goals. The company's goals include survival, being able to compete, continue to grow, and be able to retain existing customers. So as not to move to another leasing company. Therefore PT. Banyuwangi BRI Multifinance must know the Strengths, Weaknesses, Opportunities, and Business Threats or what is known as SWOT (Strength, Weakness, Opportunities, Threats), so that they can take strategies that can affect the success and development of their business [3] SWOT analysis is used to analyze the company's internal and external conditions qualitatively to determine the strategies that can be applied by PT. BI Multifinance Banyuwangi in developing sales turnover, overcoming competition and most importantly maintaining existing customers so as not to switch to competitors. This strategy is intended to utilize existing resources optimally to achieve company goals.

RESEARCH PURPOSES

1. Identifying problems faced by PT. BRI Multifinance Banyuwangi in carrying out its operations.
2. Looking for solutions that can overcome existing problems.

2. LITERATURE REVIEW

Companies that have started to recognize that marketing is an important factor in achieving successful business, will know of new ways and philosophies involved. This new way of philosophy is called the marketing concept. As a business philosophy, the concept of marketing aims to give satisfaction to the wants and needs of consumers, or be consumer oriented. This is different from the previous product oriented product philosophy. Moreover, the orientation of these concepts departs from the company's products, and sees as the company's task, sales and promotions to stimulate profitable sales volumes, then the marketing concept teaches that the marketing activities of a company must begin with an effort to recognize and formulate the wants and needs of its customers. Then the company must formulate and compile a combination of production, price, promotion and distribution policies as precisely as possible so that the needs of its customers can be met [4].

DEFINITION OF CUSTOMER LOYALTY

Suggesting customer loyalty is the customer's commitment to a brand, store, and supplier, based on a very positive attitude and reflected in a positive repurchase [5]. Customer loyalty as a customer who is satisfied with the company's products or services and they become enthusiastic word of mouth advertisers, loyalty not only to the company's products and services, but also the entire portfolio of products and services of the company as part of their lifetime loyalty to them forever. According to Bothe quoted from Vanessa [6]: Bothe also states that it has become apparent now that guest satisfaction is no longer the main key to a company's success, but guest loyalty is the dominant key to the success of a business. Another concept regarding customer loyalty states that the concept of loyalty is more directed towards behavior compared to attitude and a loyal customer because it shows purchase behavior that can be interpreted as a regular and long-term purchase pattern carried out by the unit. unit maker or decision maker. According to Baloglu [6] it can be concluded that loyalty is the attitude and behavior of customers which shows that there is a repeat purchase of an item or service besides also showing a high commitment to the brand or company. This research uses loyalty theory from Baloglu as a reference for research. Customer loyalty in general can be interpreted as someone's loyalty to a product, both certain goods and services. In addition, customers who have a high commitment to loyalty will not be affected by the forms of marketing products or services provided by other companies and will continue to choose the products and services they have chosen beforehand. Customer loyalty will be the key to success, not only in the short term, but a sustainable competitive advantage.

CUSTOMER LOYALTY BASED ON BEHAVIOR AND ATTITUDE

Zikmund in Vanessa [6] revealed that there are two basic approaches to customer loyalty as behaviors and attitudes.

The loyalty approach as a behavior includes the consistency of customers in repurchasing. There are five forms of loyalty based on behavior, namely [6].

1. Undivided loyalty, namely the behavior of consumers who always buy the same brand on a product.
2. Occasional switcher, which is always choosing the same brand but changing if the product is not available on the market.
3. Switched loyalty, namely consumers who previously had loyalty to a brand but moved to another brand.
4. Divided loyalty, namely consumers who have loyalty to several brands.
5. Indifference (distinguishing behavior), namely consumers who do not have loyalty to a brand and he has no concern for this.

The approach to loyalty attitudes reflects loyalty that includes things that are more than repurchases. This approach confirms that customer loyalty involves an attitude that reflects commitment every time. In other words, customer loyalty is a behavioral response to attitudes on a product. To understand loyalty attitudes, companies must be able to explain to customers about actual information or beliefs about the product, so that customers can understand the product and feel confident about the product. Baloglu [7] also revealed two basic approaches to customer loyalty based on behavior (attitude) and attitude (attitude). The loyalty approach as a behavior includes the consistency of customers in repurchasing. While loyalty as an attitude is shown by the commitment or emotional bond to the brand or company. Baloglu [7] divides loyalty in four typology segments obtained from a combination of levels of behavior and attitudes of loyalty, namely:

1. True loyalty (true loyalty), which is a customer who has a high repurchase behavior and a high commitment to the brand and company. Those who have true loyalty almost always buy from a particular company or brand and are least vulnerable to offers offered by competitors.
2. Latent loyalty, namely customer behavior that has a low rate of repeat purchases even though they have a strong commitment to the company. Low frequency of repeated purchases can occur due to the lack of sufficient resources to increase the frequency of their purchases which can encourage them to become repeat customers such as price, accessibility, or distribution strategies.
3. Spurious loyalty, namely customer behavior that has a high frequency of repeated purchases but no emotional ties or certain commitments to the company. The high frequency of repeat purchases can occur due to several factors such as buying habits, convenience, finance, lack of product alternatives, and factors related to the buyer's situation.
4. Low loyalty (low loyalty / no loyalty), at this stage repeat buying behavior and commitment attitude is very low. False loyalty and low loyalty are very vulnerable to offers offered by competitors.

LOYALTY AND CUSTOMER PURCHASE CYCLE

Every customer buys a product, the consumer moves through the buying cycle. According to Griffin [5] first-time consumers will move through five steps:

1. Recognizing the product, namely the formation of a share of mind to position product superiority in the minds of prospective customers through advertising and other promotions, so that prospective customers are aware of the existence of the product.
2. Make an initial purchase. This is important in maintaining customer loyalty because from the initial purchase a positive or negative impression arises on the product, so there is an opportunity to grow customers.
3. Post-purchase evaluation. There is satisfaction or dissatisfaction which is the basis for consideration to switch to other products or not.
4. The decision to buy again is the most important attitude for loyalty. Companies try to instill ideas in the customer's mind that switching to another product will waste time, money or customer performance barriers. So there is an emotional bond.
5. Buy back. Customers are said to be loyal when buying repeatedly or continuously.

3. METHOD

In this study, the approach used is a descriptive approach with the type of research using qualitative data. The analysis is done using the Matrix SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis [8] Definition of Descriptive Research is research to find facts for the right interpretation and is a non-experimental research. Definition Descriptive statistics are statistics used to describe or give pictures of objects studied through samples or populations of factual data without analyzing and making conclusions that apply to the public According to Rangkuti [3], the process of preparing strategic planning in a SWOT analysis is carried out through 3 stages of analysis, namely [3]:

Data Collection Phase

This stage is an activity to collect data and information related to internal and external factors of a company. The company's internal factors include marketing, production, finance, and human resources. The company's external factors include economic, political, social and cultural conditions.

Analysis Stage

The values of internal and external factors are explained in the form of a SWOT diagram by subtracting strength values with weakness values, and opportunity values with threat values. All information is arranged in the form of a matrix, then analyzed to get the appropriate strategy to optimize the efforts that want to be achieved that are effective, efficient and sustainable. Therefore, the SWOT matrix is used to analyze the 4 strategies that apply to the organization to develop. The results can be whether the Strength-Opportunity (SO) Strategy, Weakness-Opportunity (WO) Strategy, Strength-Threat (ST) Strategy, or Weakness-Threat (WT) Strategy.

Decision Making Stage

At this stage, it is a review process of 4 strategies that have been formulated in the analysis phase. Next, make decisions in determining the most profitable, effective, and efficient strategies for organizations based on the SWOT

Matrix. Finally, a strategic plan can be prepared to be used as the principle of carrying out further activities.

METHOD OF COLLECTING DATA

Data collection is done in several ways, namely through interviews with the owners and employees of the company, and direct observation at the place of business. The problems examined in this study are outlined in the form of interviews with local company authorities. Detailed interviews are not structured, which means that the researcher does not prepare a list of questions in advance. This type of interview is considered appropriate by researchers to explore perceptions of the problems or challenges faced by the company. Through in-depth interviews, researchers filtered and concluded into several types of common challenges faced by companies.

4. ANALYSIS METHOD

SWOT ANALYSIS

SWOT analysis includes analysis based on the situation that occurs in the company including strengths, weaknesses, opportunities, and threats. The strengths and weaknesses of the company are based on their internal conditions, while opportunities and threats are based on the external situation of the company. Companies must have strategic planning. Company leaders must find a balance between internal strength and external forces (opportunities and threats) on the market. The activities closely observe competition, regulation, inflation, business cycles, consumer desires and expectations, and other factors that can identify opportunities and threats. The existence of selected alternative strategies is positioned in one of 4 (four) quadrant choice strategies (positioning strategies) on the large strategy matrix (David, 2002), namely: (a). SO Strategy, (b). WO Strategy, (c). Strategy ST, (d). WT Strategy. To determine the chosen strategy will use the results of the weighting of the IFI Matrix and IFE Matrix. The chosen strategy can be determined from the total total value with the highest value (highest). This is based on the scores obtained whether there are opportunities (positive values) or threats (negative values), and whether strength (+) outperforms weaknesses (-), thus the recommendations of the four quadrants are reached. The Cartesian quadrant diagram of the SWOT analysis can be seen in Figure 1. Strategy Strength-Opportunities (SO) is a strategy that is based on the way companies think, namely to utilize all the power to capture and exploit as many opportunities as possible. The ST strategy is a strategy in using the company's strengths to overcome threats. The WO strategy is a strategy based on utilizing existing opportunities by minimizing weaknesses. The WT strategy is a strategy based on defensive activities and tries to minimize weaknesses and avoid threats [9].



Figure.1. Chart Diagram of SWOT Analysis

SWOT MATRIKS

This matrix can show clearly how the opportunities and external threats faced by the company can be adjusted to their strengths and weaknesses. This matrix can produce 4 sets of alternative strategic possibilities, based on the analysis carried out in the decision strategy.

5 RESULTS AND DISCUSSION

PT. BRI Multifinance Indonesia was established in 1983, focusing on financing capital goods leasing that is used in various industries. PT. BRI Multifinance Indonesia was previously known as PT BTMU-BRI Finance. As a result of the acquisition of PT BTMU-BRI Finance by PT Bank Rakyat Indonesia (Persero) Tbk, the name of PT BTMU-BRI Finance changed. On September 30, 2016, PT. BRI Multifinance Indonesia operates as a subsidiary of PT Bank Rakyat Indonesia (Persero) Tbk. Wisma 46 Central Office, 10th Floor - BNI City Jl. Gen. Sudirman Kav.1, Jakarta Phone (021)-5745333 Facsimile (021)-5745444 PT. Indonesian Multifinance BRI provides finance leases, which are essentially all profits from transfer of ownership to loans at the end of the lease period; also known as capital or full rent. In addition, PT. BRI Multifinance Indonesia provides leasing financing facilities in all types of capital equipment for various business sectors with simple procedures and high service quality. To meet the needs of the community, PT. Indonesian Multifinance also provides financing facilities for four-wheeled motorized vehicles and above, also provides refinancing facilities for capital goods / motorized vehicles that are already owned by prospective customers / customers to support working capital and other capital goods. PT. Banyuwangi BRI Multifinance is the 18th working unit / outlet of 18 work units throughout Indonesia, established and operated on August 9, 2018. Office at Jalan Jaksa Agung Suprpto No. 72 Banyuwangi, Phone: (0333)-3385555 and (0333)-3385557. The presence of PT BRI Multifinance Indonesia in Banyuwangi in the context of business development and to meet the needs of the community / business people for the finance services of motor vehicles and high equipment. As a newcomer to Banyuwangi, Banyuwangi Indonesia Multifinance BRI PT certainly has to deal with competitors who first operate in Banyuwangi. From several competitors in Banyuwangi, which deserve to be carefully considered and addressed is PT. Mandiri Tunas Finance Banyuwangi owned by Bank Mandiri and PT. BFI Multifinance Banyuwangi. These two companies belong to the top Finance companies in Indonesia, especially operating earlier than PT. Indonesian

Multifinance BRI Banyuwangi. The large potential of Banyuwangi Regency makes PT. Banyuwangi Indonesia Multifinance BRI has a great opportunity to develop. This is supported by the existence of the BRI Banyuwangi Branch as a large family of Bank Rakyat Indonesia owners of PT. BRI Finance Indonesia which has a customer base will certainly help each other in developing their respective businesses optimally, efficiently and effectively. As a new work unit / outlet, of course there are still shortcomings both in the field of human resources and experience. Such conditions must be overcome by making breakthroughs through strategies based on the strengths and weaknesses of PT. Banyuwangi Indonesia Multifinance BRI to capture business opportunities that are still wide open and overcome threats systematically. For this reason, PT. Banyuwangi Multifinance BRI needs to implement a reliable strategy based on existing strengths, weaknesses, opportunities and threats.

SWOT ANALYSIS RESULTS

Strength In SWOT Analysis

The strength possessed by PT. BI Multifinance Banyuwangi is as follows:

1. PT. BI Multifinance has diverse and complete products starting financing for motorized vehicles to heavy equipment, this is to meet the needs of consumers (consumer oriented).
2. Products offered in terms of the amount of rupiah unlimited depending on customer needs and the ability to pay for cashflow.
3. The location of the office is in the city center on the protocol road, namely Jalan Jaksa Agung Suprpto No.72 Banyuwangi so that it is easily accessible to consumers
4. PT. BI Multifinance as a subsidiary of BRI, connected to the BRI work network throughout Banyuwangi district, making it easier for customers to transact.
5. Competitive interest rates because under the control of BRI as the parent, are not merely seeking profits but BRI as a state-owned bank also acts as Agent of Development
6. PT. BRI Multifinance implements and cultivates Good Corporate Governance (good corporate governance) reflected in the relationship of superiors and subordinates who are professionally familiar and there are no illegal fees.

Weakness In SWOT Analysis

Weaknesses at PT. Banyuwangi Multifinance BRI is as follows:

1. The service aspect of the financing process is relatively long because the process stages are still centralized to BRI Multifinance headquarters in Jakarta, so there is a lot of waiting time.
2. The workforce aspect is still 3 people, so it has not been optimal in the marketing process and the financing process undertaken by officers.
3. The promotion aspect is lacking, for example promotion through the internet and social media, is lacking, so that it is not well known by the public.
4. Cooperation with car dealers such as Honda, Toyota is still lacking because they have their own leasing /

multifinance institutions, causing potential customers who are interested in vehicles from these brands that cannot be served properly and optimally.

5. Product Knowledge from workers / employees is still lacking, because on average they are still new employees of PT BRI Multifinance and have not received adequate training, As a result prospective customers are less well-informed, in turn move to leasing institutions / other finance companies.
6. Comprehensive work planning has not been consistently carried out, so that it is not directed at its implementation.

Opportunities In Swot Analysis

Opportunities at PT. Banyuwangi BRI Multifinance is utilizing the data base of prospective customers in BRI and BRI's extensive network so that they can be faster in gathering information and can pick up the ball in serving customers / prospective customers.

Threats On SWOT Analysis

Threats that exist for PT. Banyuwangi BRI Multifinance is:

1. Strict competition from other multifinance companies such as: PT. Mandiri Tunas Finance, PT. BFI Multifinance, PT Central Sentoso Finance, and many others offer services quickly (3 days) lower interest rates.
2. The existence of employee turnover is relatively fast because of job offers from competitors who promise greater rewards, so they must educate new employees / replacements.

Generated Strategy

Strategies that can be recommended to be carried out optimize the resources that are owned and take advantage of opportunities in every condition that surrounds them to achieve company goals.

The strategies referred to are as follows:

ST Strategy:

Creating a conducive working atmosphere, for example holding regular recitations, and helping each other in terms of work that does not contain material risks and asks for additional employees to PT. Jakarta BRI Multifinance Center.

SO Strategy:

Utilizing a database of prospective customers at BRI, selected potential customers who are not vulnerable compare with other multi-finance companies, especially old BRI customers / debtors (> 5 years to become BRI customers) whose loyalty has been tested.

WO Strategy:

Promotion through Internhet, WA or SMSblas, radio, and brochures so that the existence of PT. Banyuwangi BRI Multifinance is more widely known by the Banyuwangi community

WT Strategy:

Undertake employee training efforts to improve product knowledge and make a more personal approach to

prospective customers to foster intimate / familial relationships, reduce formalization bulkhead.

5 CONCLUSION

1. Problems faced by PT. Banyuwangi BRI Multifinance is a relatively long process / financing phase because it is related to a centralized processing system at the Jakarta Multifinance BRI Head Office.
2. Workers / employees are relatively new, have not been educated properly, so product knowledge and mastery of the work field are not optimal.

The strategies that can be carried out by PT. BI Multifinance Banyuwangi to improve its performance are as follows:

1. Utilizing a database of prospective customers at BRI, selected potential customers who are not vulnerable compare with other multi-finance companies, especially old BRI customers / debtors (> 5 years as BRI customers) whose loyalty has been tested.
2. Creating a conducive working atmosphere, for example holding regular recitations, and helping each other in terms of work that does not contain material risks and asks for additional employees to PT. Jakarta BRI Multifinance Center.
3. Promotion through the Internet, WA or SMSblas, radio, and brochures so that the existence of PT. Banyuwangi BRI Multifinance is more widely known by the Banyuwangi community
4. Undertake employee training efforts to improve product knowledge as well as to make more personal approaches to prospective customers to foster intimate / familial relationships, reduce formalization bulkhead.

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