

# THE EFFECT OF CUSTOMER PROMOTION AND INCOME ON SAVING MOTIVATION IN BANK MUAMALAT, CASE STUDY BANK MUAMALATCAPEM BOALEMO

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## ABSTRACT

The research objectives are: To determine the effect of promotion and income at the Muamalat Capem Boalemo bank.

This type of research used in this research is a type of quantitative research. This quantitative research approach is used by researchers because it was collected either through observation or through a questionnaire (questionnaire), then described in the form of numbers.

The results of this study are from the results of the above research that promotion has no effect on the motivation to save at Bank Muamalat Boalemo Branch. Evidenced by the regression test results Promotion coefficient (X1) of -0.130. The negative coefficient value indicates that (X1) against (Y) has no positive effect. In promotion there are 4 indicators, namely advertising, sales promotion, publicity and personal selling. The results of the validity test show that all statements are valid, while the reliability test shows that the research indicators are reliable. Promotion at Bank Muamalat, Boalemo branch, has no effect because the access is too far. Then there is no cash office in the district. And the operational car is not yet owned at Bank Muamalat Capem Boalemo.

**Keywords:** the influence of promotion, income, and motivation

## INTRODUCTION

The more promotions carried out by Bank Muamalat Capem Boalemo the more customers are interested in saving as well as the more income customers get also affects the high interest of customers to save at Bank Muamalat.

Bank Muamalat Capem Boalemo is one of the banks in its operational system based on sharia. The Sharia system used is the tendency to use and further emphasize Islamic values. One example is if in conventional banks the term for a commercial bank uses the term "bank interest" for the term profit, then in Muamalat Syariah bank the profit earned by the customer is called profit sharing or in sharia terms it is called Mudharabah.

Based on preliminary observations made by researchers at the Muamalat Capem Boalemo bank, it was found that problems in finding customers include constraints on access/allocation of villages in remote sub-districts, the absence of cash offices in certain sub-districts, and unavailability of service cars that go directly to sub-districts. which is in Boalemo district.

Various trends in several concepts and research results identified the development of Islamic banks and the many factors that influence customers in using Islamic banking services. This encourages the author to conduct research at one of the Islamic banks in Boalemo Regency regarding Islamic bank customers in general by taking several

factors which in previous studies have a positive effect on customer decisions, namely products, promotions, income and access.

Management is the process of planning, organizing, directing, and supervising the efforts of organizational members and the use of other organizational resources in order to achieve predetermined organizational goals [8].

Management is a typical process consisting of planning, organizing, directing, and controlling actions to determine and achieve predetermined goals through the use of human resources and other sources [7].

Management is the ability or skill in carrying out tasks through the work of other people and with all the potential that an organization has to achieve the results or goals of the organization. Management enables the achievement of organizational goals effectively and efficiently in the use of all resources and strengths owned by an organization.

The management functions are as follows:

1. Planning (planning), Various limitations on planning from very simple to very complicated. For example, simply formulating planning is the determination of a series of actions to achieve a desired result. The final limitation for formulating planning is establishing answers to the following six questions:
  - a. What action must be done?
  - b. What is the reason for that action to be done?
  - c. Where should the action be done?
  - d. When should the action be done?
  - e. Who will do the action?
  - f. How do you carry out this action?
2. Organizing (Organizing), a process of determining, grouping and organizing various activities needed to achieve goals, placing people in these

activities, providing the tools used, determining the relatively delegated authority to each individual who will carry out these activities.

1. Motivating, is one of the management functions in the form of providing inspiration, enthusiasm and encouragement to subordinates, so that subordinates carry out activities voluntarily according to what the superior wants,
2. Control (Controlling), is the process of regulating various factors in a company, so that it is in accordance with the provisions in the plan,
3. Evaluating, is one of the functions of management to provide assessment in various activities and assess the extent to which efforts have achieved predetermined goals [3].

Marketing (marketing) comes from the word market (market). Marketing is a factor in which a company runs its business, especially those related to consumers, marketing an activity to meet their needs and desires through an exchange process [9].

Another definition of marketing according to According to marketing experts, it is all of business activities that are shown to plan, determine prices, promote, and distribute goods and services that can satisfy consumer needs [5].

Besides, it explains that marketing is a social and managerial process in which individuals and groups fulfill their needs and desires by creating, offering and exchanging something of value with other parties [6].

In simple terms, a bank is defined as a financial institution whose business activities are to collect funds from the public and channel these funds back to the public and provide other bank services. Meanwhile, the definition of a financial institution is any company engaged in

finance where its activities are only collecting funds or only channeling funds or both [7].

Types of Banks in terms of their functions

- a. The Central Bank is a bank that functions as a regulator of banks in a country. There is only one central bank in each country and has offices in almost every province. The central bank in Indonesia is Bank Indonesia.
- b. Commercial Banks are those that carry out business activities conventionally and/or based on sharia principles which in their activities provide services in payment traffic.
- c. People crediting banks are banks that carry out business activities conventionally or based on sharia principles, which in their activities do not provide services in payment traffic. BPR cannot provide services in payment or demand deposit traffic. The function of BPRs is generally limited to providing services only in collecting funds from the public and distributing them to the community.

A bank is seen from the perspective of ownership, meaning who can own the bank, this can be seen from the deed of establishment. In terms of ownership, banks can be divided into several types, including:

- a. Government owned bank
- b. National private owned bank
- c. Cooperative owned bank
- d. Foreign owned bank
- e. Mixed bank.

Type of Bank in terms of Status:

- a. Foreign Exchange Bank is a bank that can carry out transaction activities abroad and/or transactions related to foreign currencies as a whole. The products offered by foreign exchange banks are more complete than those offered by non-foreign exchange banks.

- b. Non-foreign exchange banks are banks that do not yet have a license to carry out activities such as foreign exchange banks. Transactions conducted by non-foreign exchange banks are still limited to domestic transactions and/or rupiah currency only. A Non-Foreign Exchange Bank may change its status to a Foreign Exchange bank if it meets the requirements to become a Foreign Exchange bank. One of the requirements to become a foreign exchange bank is to have earned profit for the last two consecutive years.

Types of Bank in terms of Pricing Method

- a. Conventional banks are banks that use interest in determining prices as remuneration. Refunds received by the bank for channeling funds to the public, as well as remuneration paid by the bank to the public for raising funds. In addition, in order to benefit from its services, conventional banks will charge fees customers.
- b. Islamic banks are banks whose activities refer to Islamic law, and in their activities do not charge interest, nor pay interest to customers. Rewards received by Islamic banks, as well as those paid to customers, depend on the contract and agreement between the customer and the bank. The agreement is based on sharia law, whether the agreement is entered into by the Bank with the customer in raising funds, as well as in channeling it. The agreement (contract) contained in Islamic banking must comply with the terms and conditions of the contract.

Banking includes institutions, business activities, as well as methods and processes in carrying out business activities. Sharia banks are banks that carry out their business activities based on sharia principles and by type consist of Islamic commercial banks and sharia financing banks. Some examples of Islamic banks include Syariah Mandiri,

Muammalat Indonesia, BNI Syariah, Permata Syariah, and BRI Syariah.

Types of Bank in terms of Level:

In managing its business, banks will differentiate bank types based on their levels. The different types of levels are seen from the objectives and volume of activities, the completeness of the bank's products and services provided, the authority in decision making, and the area of operation.

The types of levels of the Bank's head office are as follows:

- a. Head office is a bank office that is the head office of branch offices in all regions of the country, as well as in other countries. Each bank has only one head office and is located in the country where the Bank is established. Bank headquarters may not be located outside the territory of Indonesia,
- b. Regional Office is a representative of the head office in charge of a particular region. The division of regional offices is based on the size of the bank, as well as the areas that are the target of its marketing. The regional office does not serve directly to the general public in selling its products, but acts as the coordinator of the branch office in achieving the target of raising funds, channeling funds, and providing services,
- c. Full Branch Office is a branch office that is authorized by the head office or region to carry out all banking transactions. In other words, all banking transactions can be carried out by a full branch office. The full branch office serves all products related to the three main functions of the bank, namely offering products for raising funds, channeling funds and providing banking services. The full branch office oversees the sub-branch office and cash office, therefore, the sub-branch office and is fully responsible

to the branch office in carrying out its operational activities [2].

- d. Branch office, unlike a full branch office that can serve banking transactions, sub-branch offices can only serve a number of banking activities. In general, sub-branch offices focus more on third party fundraising activities. In channeling funds (credit) to debtors, sub-branch offices are only authorized to find prospective debtors. The decision to approve or reject the credit application of a prospective creditor is made by a full branch office. The head of the sub-branch office is one of the committees that take part in making the credit decision.
- e. The Cash Office is the smallest branch office, because the activities that can be carried out by the cash office include transactions related to savings both with cash deposits and withdrawals, opening transactions of current accounts, deposits, credit transfer services, clearing, and collection handled by the full branch office as parent [10].

In the latest development, cash offices can also directly serve payment traffic transactions, such as making transfers, clearing, intercity clearing, and other payment traffic transactions. The cash office is also targeted to increase credit customers, although the decision to approve or reject a loan application from a prospective debtor remains the authority of the full branch office. The cash office only looks for customers and collects credit applicant data, then credit applications are forwarded to the full branch office for processing. Credit analysis, credit disbursement, and credit documentation are the full responsibility of the branch office [15].

The Bank's Routine Activities are:

1. Raising funds from the public (funding) in the form of:

- a. Demand Deposit, which is a deposit at a bank where withdrawals can be made at any time by using a check or bilyet giro.
  - b. Savings Savings (Saving Deposits), namely deposits in a bank that can be withdrawn according to the agreement between the bank and the customer and withdrawal using a withdrawal slip, savings book, ATM card or other means of withdrawal.
  - c. Time Deposits are deposits at banks whose withdrawals are according to the maturity (maturity) and can be withdrawn with a deposit slip or certificate of deposit [17].
2. Channeling funds to the public (Lending) in the form of credit such as:
- a. Investment credit credit provided to investors for long-term investment.
  - b. Working capital loans are loans that are given to finance the activities of a business and are usually short-term in nature to facilitate trade transactions.
  - c. Trade credit credit provided to traders, both agents and retailers.
  - d. Consumptive credit is credit that is used for consumption or for personal use.
  - e. Productive credit is credit that is used to produce goods or services.
3. Providing other bank services (services), including:
- a. Receiving deposits such as tax payments, telephone, water, electricity, and tuition fees.
  - b. Serving payments such as salary/pension/honorarium, dividends, coupons, bonuses/gifts.
  - c. In the capital market, banks can provide or become underwriters, underwriters, trustees, securities brokers, securities traders and fund management companies.
  - d. Transfer(money transfer) is a money transfer service between banks, both between the same bank and different banks. Money can be transferred within the city, outside the city or abroad.
  - e. Collection is a collection service for bank drafts originating from outside the city in the form of checks, bilyet giro or other securities, either from domestic or foreign bank notes.
  - f. Clearing (clearing) is a service for withdrawing documents (check or BG) originating from within one city, including transfers within cities between banks.
  - g. *Safe deposit box* is a document storage service, in the form of documents or valuable objects. Safe deposit boxes are better known as safe counters.
  - h. *Bank card* is a credit card issuance service that can be used in various transactions and cash withdrawals at an ATM (Automated Teller Machine) every day.
  - i. *Bank notes (foreign currency)* is an activity of buying and selling foreign currencies.
  - j. Bank Guarantee is a guarantee given to customers in financing certain projects.
  - k. Bank referral is a reference letter issued by the bank.
  - l. *Draft Bank* represents a draft issued by the bank.
  - m. *Letter Of Credit (L/C)* is a service provided in the framework of supporting export-import activities or transactions.
  - n. Travel Checks are travel checks that are commonly used by tourists and spent in various places.
  - o. And other services [3].
- Bank is a business entity that collects funds from the public in the form of savings and distributes them to the community in the form of credit or other forms in order to improve the standard of living of the people at large [3].

Commercial banks are banks that carry out business activities conventionally providing services in payment traffic [4].

Sharia principles are rules of agreements based on Islamic law between banks and other parties to deposit funds and/or finance business activities or other activities that are declared in accordance with sharia, including financing based on the principle of profit sharing (mudharabah), financing based on capital participation (musyarakah), principle of sale and purchase of goods by obtaining profit (murabahah), or financing of capital goods based on the principle of pure lease without choice (ijarah), or with the option of transfer of ownership of goods leased from the bank by another party (ijarah wa iqtina) [5].

The characteristics of a Sharia Bank areriba means taking additional assets or capital in vanity. Islamic law strictly prohibits usury in all its forms and prohibits taking usury of any kind. The prohibition so that Muslims do not involve themselves with usury comes from various suras in the Al-Qur'an and the Hadiths of the Prophet Muhammad [19].

The profit sharing principle is a general characteristic and the basic foundation for the operational activities of Islamic banks as a whole. Islamic banks will function as partners for customers, both those who are saving and borrowing funds. With a profit sharing system, all parties will receive a fair profit, so that it will boost productivity, encourage the smooth flow of goods/services, and maintain a balance between the amount of money in circulation and the availability of goods and services.

From the description above, it can be concluded that Islamic commercial banks are banks that carry out business activities based on sharia principles which in their activities provide services in payment

traffic. Definition of Income, Income is also a determining factor in a person's decision to use Islamic banking services. Income that is saved is the share of income that is consumed in the same period. Because saving is a function of the level of income. Not all of the income earned by the community is spent on goods and services, but some will be saved depending on the size of the income that is ready to be spent. Therefore, the desire to save will increase according to the level of income [8].

The main objective of running a trading business is to earn income, where this income can be used to meet the necessities of life and the survival of the trading business. Income can also be used as a tool to measure the economic condition of a person or household. Income shows all money or other material results that are achieved from the use of wealth or services received by a person or household during a certain period of time in an economic activity [18].

The types of income are permanent (permanent income) is income that is always received in a certain period and can be predicted beforehand, for example income from salary or wages. This income is also the income derived from all the factors that determine a person's wealth (which creates wealth).

Transitory income is income that cannot be estimated. The definition explained by Winardi about income is a level of income that can be enjoyed [8].

## RESEARCH METHODS

Researchers use associative research with a quantitative approach. This type of associative research is research that aims to determine the relationship/influence between two or more variables [11].

Quantitative approach is a type of research in which the research data is presented in the form of numbers [12]. This quantitative research approach is

used by researchers because it is collected either through observation or through a questionnaire, which is then described in numbers.

The sample is part of the number and characteristics possessed by the population. If the population is large, and the researcher is not possible to study everything in the population, for example because of limited funds, energy and time, the researcher can use a sample drawn from that population.

Given the large population in the bank, a quota sample of 30 people was taken [14].

Instrument is a tool used to measure observed natural and social phenomena. Specifically, all of these phenomena are called research variables [14].

The instrument used to measure these two variables was a questionnaire. is a data collection technique which is done by giving a set of questions or written statements to the respondent to be answered [13].

In this study, data collection was carried out using the following data collection techniques:

1. Observation, Observation data collection techniques are used when the research is concerned with human behavior, work processes, natural phenomena and when the observed respondents are not too large. In its implementation, the researcher uses the type of participatory observation, that is, the researcher is involved with the day-to-day activities of the person being observed or who is used as a source of research data.
2. Questionnaire (Questionnaire), The questionnaire will provide a number of questions that will be answered by the respondents who have been determined.
  - a. Multiple Regression Analysis, Quantitative analysis with multiple regression to determine the quantitative influence of a change in

events (variable X) on other events (variable Y). In this study, multiple regression analysis acts as a statistical technique used to test the influence of internal and external factors on non-performing loans. The regression analysis uses the multiple regression equation formula as follows, namely, the Multiple linear Regression Equation Formula:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where:

Y = Motivation to Save

$b_1, b_2, b_3$  = constant value of Y if X = 0

X<sub>1</sub> = Promotion

X<sub>2</sub> = Income

e = Standard error

$$n \left( \sum n (\sum xy) - (\sum x) (\sum y) \right)$$

$$r_{hitung} = \frac{\sum xy - \frac{(\sum x)(\sum y)}{n}}{\sqrt{\left( \sum x^2 - \frac{(\sum x)^2}{n} \right) \left( \sum y^2 - \frac{(\sum y)^2}{n} \right)}}$$

$$\sqrt{\left( \sum x^2 - \frac{(\sum x)^2}{n} \right) \left( \sum y^2 - \frac{(\sum y)^2}{n} \right)}$$

Where:

$r_{hitung}$  = correlation coefficient

X = independent variable

Y = dependent variable

n = Number of respondents

Validity Test for, the number of sample members used for testing is 30 (thirty) people. After the data was tabulated, the construction validity test was carried out by factor analysis, namely by correlating the scores of the instrument items in a factor and correlating the factors with the total score [16]. Furthermore, the results of these calculations are compared with the rtable value (0.355). If  $r_{count} > r_{table}$ , then the item can be declared valid. Conversely, if  $r_{count} < r_{table}$ , then the item is declared invalid.

Reliability testing is done by using internal consistency with the split half technique which is analyzed by the Spearman Brown formula. For this purpose, the instrument items are divided into two groups, namely the odd group and the even group instrument. Furthermore, the data scores for each

group were compiled independently. The item scores are added together to produce a total score. Furthermore, the total score between odd and even groups is sought for a correlation. This correlation coefficient is then entered in the Spearman Brown formula.

The data normality test is used to determine whether the data on the variables are normally distributed or not. If the analysis uses parametric, then the requirements for normality must be fulfilled, namely the data is normally distributed. In this study, the One Sample Kolomogorov-Smirnov test will be used. The data is declared to be normally distributed if the significance is greater than 0.05.

## **RESEARCH RESULTS AND DISCUSSION**

From the results of the above research that promotion has no effect on motivation to save at Bank Muamalat Boalemo branch. Evidenced by the regression test results Promotion coefficient (X1) of -0.130. The negative coefficient value indicates that (X1) against (Y) has no positive effect.

In promotion there are 4 indicators, namely advertising, sales promotion, publicity and personal selling. The results of the validity test show that all statements are valid while the reliability test shows that the research indicators are reliable. Promotion at Bank Muamalat, Boalemo branch, has no effect because the access is too far. Then there is no cash office in the district. And the operational car is not yet owned at Bank Muamalat Capem Boalemo.

In the advertising indicator, there is no distribution of brochures. Billboards related to Bank Muamalat Capem Boalemo do not yet exist. Bank Muamalat Capem Boalemo's advertisement has not been on TV, radio and even social media. In the sales promotion indicator, usually

doing publicity or by doing a show. Even then, only certain events such as regency birthdays are held. While the publicity indicator, employees at Bank Muamalat Capem Boalemo are still lacking in publicity.

Private selling is done more to bureaucrats or agencies. Meanwhile, for the common people, sometimes they don't get a response or they waste time.

The Effect of Income on Motivation to Save

Whereas for the income variable (X2) on the interest in saving (Y), the t-value = 0.371 with a significance level of 0.001. With a significance limit ( $\alpha$ ) of 5% = 1.312, it can even be proven in the validity and reliability test that some statements are invalid and not reliable.

This is because related to income indicators such as permanent income, customers who are going to save will have an agreement made according to the agreement between the bank and the customer.

So what is received by Bank Muamalat Capem Boalemo is adjusted to the profit sharing system. The provisional income indicator at Bank Muamalat Capem Boalemo, revenue is carried out in terms of benefits and margins. Or just adjust depending on the amount of savings. Even according to the agreement, the system used in the customer who chooses the prize will be adjusted according to the savings according to the goods. So that it will adjust the customer's balance.

From the results of the research and discussion above, it can be concluded as follows:

1. Based on the results of the research and discussion above, it is concluded that promotion has no positive and insignificant effect on the motivation to save at Bank Muamalat Capem Boalemo. Evidenced by the results of



- the regression test, simultaneous test and partial test,
2. Based on the results of the research and discussion above, it is evident that income has no positive and insignificant effect on the motivation to save at Bank Muamalat Capem Boalemo. With proven regression test, simultaneous test and partial test.
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