Determinants Factor of Interest Rate and Their Effect on Satisfaction

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Abstract. The strategy of a bank in increasing the amount of credit, can be in the form of getting new debtors and increasing the credit of existing debtors. The strategy to increase the credit of existing debtors starts from the idea that the cost of retaining customers is much cheaper than the cost of acquiring new customers. The bank will try to find ways to maximize the sales potential of its existing customer base. This study will examine the interest rate and its effect on customer satisfaction in taking credit. The population used in this study were new customers who applied for credit loans at BPR Semarang Regency in January-February 2022. The samples taken in this study were customers who had applied for credit loans more than once at BPR Semarang Regency, totaling 35 people. . The method in this study uses a quantitative approach and uses multiple linear regression analysis. The results show that interest rates need to be maintained, even increased in order to increase customer satisfaction. Satisfaction is an important factor for an organization, such as a BPR, because if the customer is satisfied, it will increase the BPR's profits.

Keywords: Interest rate, Customer satisfaction, Bank

Introduction

The strategy of a bank in increasing the amount of credit can be in the form of getting new debtors and increasing the credit of existing debtors. There are three ways to get new debtors, namely attracting people who do not have bank credit, seizing other bank debtors, and attracting former debtors. The strategy to increase the credit of existing debtors starts from the idea that the cost of retaining customers is much cheaper than the cost of acquiring new customers.

Companies will try to find ways to maximize sales potential from their existing customer base. According to Vavra (2005), the longer a customer buys a product or service from a company, the more dependent the customer on the company's product or service, the less likely the customer is tempted to switch to another company that offers cheaper prices. In addition, along with increasing loyalty, customers have the opportunity to become advocates for the company by spreading positive communication and encouraging business partners to buy products or services from the same company.

According to Kotler and Keller (2009), customer satisfaction is a function of how well the buyer's expectations of the product are with the performance that the buyer thinks about the product. If the product's performance is lower than expectations, the customer will be disappointed. Conversely, if it turns out to be as expected, the customer will be satisfied. If it exceeds expectations, the customer will be very satisfied. These feelings will determine whether the buyer will repurchase the product and discuss favorable or unfavorable things about the product with others.

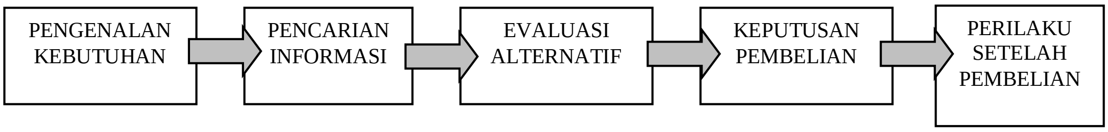
Efforts to retain customers require an understanding of the factors that cause customers to switch. Souza (1992) identifies six types of customers who switch to competitors, namely: (1) customers who switch because of the pursuit of lower prices; (2) customers who switch because they find a superior product; (3) customers who switch because they get better service elsewhere; (4) customers who switch due to moving to other markets; (5) customers who switch due to a change in technology; (6) customers who switch due to political pressure.

Moving on from the description above, a more in-depth study of the factors that influence credit customer satisfaction at BPR Semarang Regency was carried out, especially regarding interest rates, and customer satisfaction, so that it had a positive impact on increasing the number of loans.

Literature and Research Results

Consumer Satisfaction

According to Kotler and Keller (2009), customer satisfaction is a function of how well the buyer's expectations of the product are with the performance that the buyer thinks about the product. In the five-stage model of the buying decision process (Kotler and Keller, 2009), satisfaction or dissatisfaction is at the behavioral stage after the purchase and can be depicted in Figure 2.1. as follows:



Sumber: Kotler dan Keller (2009)

After taking credit or interest, customers will experience some level of satisfaction or dissatisfaction. If the product's performance is lower than expectations, the customer will be disappointed. Conversely, if it turns out to be as expected, the customer will be satisfied. If it exceeds expectations, the customer will be very satisfied. These feelings will determine whether the buyer will repurchase the product and discuss favorable or unfavorable things about the product with others.

According to Sumarwan (2004), consumers will not stop at the consumption stage without carrying out the next process, namely evaluating the products they consume. This process is then called post-consumption, where after consuming the product or service the consumer will have a feeling of satisfaction or dissatisfaction with the product he consumes.

Interest Rate

The interest rate is the price of the use of investment funds (loanable funds). The interest rate is one indicator in determining whether someone will invest or save (Boediono, 1994). If in an economy there are members of society who receive income in excess of what they need for their consumption needs, the excess income will be allocated or used for saving. Offers for loanable funds are formed or obtained from the total savings of the public in a certain period. On the other hand, during the same period, community members need funds for operations or business expansion.

Another understanding of interest rates is the price of using money for a certain period of time. The definition of the interest rate as a “price” is stated as the price to be paid in the event of an “exchange” between one rupiah now and one rupiah later. According to the Marshall Principle: "interest as the price that must be paid for the use of capital in all markets, tends towards equilibrium, so that the total capital in the market according to the interest rate is the same as the supply that appears at that level". The interest rate is set at the point where the savings representing the supply of new capital is equal to the demand.

The basic understanding of the theory of interest rates (macro) is the price of using money for a certain period of time. Interest is a reward for the inconvenience of letting go of money, thus interest is the price of credit. The interest rate is related to the role of time in economic activities. Interest rates arise from a penchant for having money now.

The classical theory states that interest is the price of loanable funds (investment funds) thus interest is the price that occurs in the market and investment. According to Keynes's theory, the interest rate is a monetary phenomenon. This means that the interest rate is determined by the supply and demand for money (determined in the money market). The interest rate is the price of funds that can be loaned, the amount is determined by the preferences and sources of loans of various economic actors in the market. Interest rates are not only influenced by changes in the preferences of economic actors in terms of lending and lending but are influenced by changes in the purchasing power of money, market interest rates or the prevailing interest rates change from time to time. It is not uncommon for banks to set hidden interest rates, i.e. the interest rates on deposits given are higher than those officially announced through the mass media in the hope that an increased interest rate will cause the amount of money in circulation to decrease because people prefer to save rather than turn their money around. productive sectors. High interest rates will encourage investors to invest their funds in banks rather than investing them in the production sector or industry that has a greater level of risk. Thus, the inflation rate can be controlled through interest rate policies.

Table 1. Table title. Table captions should always be positioned *above* the tables.

Model	Beta	t	Sig.
Interest Rate	,764	4,156	,000

From the results of the data that has been processed, it is obtained that the Interest Rate on Customer Satisfaction has a significant result, which is less than 0.05 ($p < 0.05$) and the Interest Rate on Customer satisfaction shows a positive direction. Such conditions indicate that the interest rate has a positive and significant effect on customer satisfaction. So the higher the interest rate, the higher the customer satisfaction.

According to Ratnasari and Aksa (2011), there are five factors that influence the level of debtor satisfaction, namely: credit product quality, service quality, emotional, price, and cost. The factors studied in this study include services, prices, and products with considerations including:

1) Service, price, and product are factors that can be controlled by a bank and become part of a bank's strategy formulation in distributing credit to the public. And, 2) For credit, the price includes credit interest and costs arising from a credit realization.

Satisfied debitors are debitors who take credit where the product is in accordance with the information previously obtained and matches their needs, while dissatisfied debtors are debtors who take credit but do not match the perceptions and needs of the debtor. Satisfied debtors will have a positive impact on the bank, including: 1) The debitor will buy other product lines in the bank. If the debitor had previously taken i credit, then it has the potential to open a savings account, submit a credit card application, take home ownership loans, take vehicle ownership loans, and so on. 2) The debtor will inform other people about the product. This kind of word of mouth information will be much more useful in the product marketing process compared to advertising or promotion through other media. 3) Debitors will obscure competitors' products. However good the credit features of competing banks are, debtors will not look again because they have received products and services that match their expectations and needs.

The customer's interest in saving in banking institutions is generally influenced by many factors, the customer's interest in saving is very influential on the survival in the banking world. No interest in saving customers, then the economy in Indonesia will suffer because it does not happen circulation of money that runs the nation's economy. Institutional business Banking is a service business based on the principle of trust so that Service quality problems are a very decisive factor for success a banking institution. In addition to service quality, customer interest in saving also influenced by the interest rates provided by banking institutions, both loan interest rates and savings interest rates. Interest rate is the opportunity cost of holding money so that the interest rate higher tends to increase savings.

Conceptually the interest rate refers to the cost of funds issued by banking institutions, for funds entrusted to customers in the form of savings or known as the lending rate, or fees charged by banking institutions to borrowers in the form of: loan interest or known as the borrowing rate. In addition, conceptually the product is the subjective understanding of banking institutions on something that can be offered as an effort to achieve goals through meeting needs and activities in accordance with the competence and capacity of banking institutions and market purchasing power. In addition, banking institutions are required to provide services that meet optimal service quality standards. That matter as the accountability of banking institutions in order to be able to compete with other banking institutions.

Banking institutions are declared successful, not only on products that are superior but also the quality of service which is a very important element significant effect on the perceived service to each customer. If these elements are ignored then in a short time, banking institutions will lose many customers and be shunned by candidates customer. Customers will switch to other banking institutions that meet the requirements customer expectations, this is because customers are very valuable assets valuable in developing any banking institution.

Banking institutions always have a motto of customer satisfaction become a priority, but in reality there are still disappointed customers with employee services, in addition to many customers who think that saving in a banking institution the interest rate given is not in accordance with the the amount of their savings in the bank. Bank interest charged provide is actually lower than the tax charged to customers. Thus, there is a public perception that the level of interest rates are interrelated to customer satisfaction

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