The Determinant of Credit Decisions in PT. Polatama Kusuma Madiun Financing

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ABSTRACT

This study aims to determine and provide empirical evidence between interest rates, service quality, and corporate image on the decision to take credit at PT. Polatama Kusuma Madiun Financing The sample was taken using purposive sampling technique, that is, the sample was taken based on criteria, with a total of 96 respondents from Polatama Kusuma People's Credit Bank. The data analysis used is multiple linear regression. The results of this study indicate that interest rates, service quality, and corporate image have a significant positive effect on the decision to take credit at the Polatama Kusuma People's Credit Bank. The results show the value of the standardization coefficient or service quality variable compared to the standardization coefficient or interest rate and company image. This means that the service quality variable has a dominant influence on the decision to take credit at PT. Polatama Kusuma Madiun Financing.

Keywords:
Interest Rates, Service Quality, Company Image, Decision to Take Credit

Abstrak : Penelitian ini bertujuan untuk mengetahui dan memberikan bukti empiris antara suku bunga, kualitas layanan, dan citra perusahaan terhadap keputusan mengambil kredit pada PT. Pembiayaan Polatama Kusuma Madiun Pengambilan sampel menggunakan teknik purposive sampling yaitu dilakukan pengambilan sampel berdasarkan kriteria, dengan total 96 responden nasabah Bank Perkreditan Rakyat Polatama Kusuma. Analisis data yang digunakan adalah regresi linier berganda. Hasil penelitian ini menyatakan bahwa suku bunga, kualitas pelayanan, dan citra perusahaan berpengaruh positif signifikan terhadap keputusan mengambil kredit pada Bank Perkreditan Rakyat Polatama Kusuma. Dengan hasil menunjukkan nilai koefisien standarisasi atau variabel kualitas layanan dibandingkan dengan nilai koefisien standarisasi atau suku bunga dan citra perusahaan. Artinya variabel kualitas pelayanan mempunyai pengaruh yang dominan terhadap keputusan mengambil kredit pada PT. Pembiayaan Polatama Kusuma Madiun.
Kata Kunci : Suku Bunga, Kualitas Layanan, Citra Perusahaan, Keputusan Mengambil Kredit

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1. Introduction

One important element for national development, one of which in the financial sector in the banking industry. In this era of globalization, competition in the banking industry is very tight, requiring banks to continue to increase development and make customers a top priority. Increased development in the company's economy requires capital from outside the company, Likewise the community, in fulfilling the various needs of society according to what they want, with this the achievement of needs is only limited, this causes the community to need assistance or sources of funds to improve their business. the. This source of funds can be obtained by making a loan from a bank called credit (Agilwaseso, 2014).

One of the banking institutions that makes credit loans is the PT. Polatama Kusuma Madiun Financing. The definition of a Rural Bank is a banking institution that carries out conventional, principled activities and does not provide traffic payment services. PT. Polatama Kusuma Madiun Financing is one of the banking institutions in rural to sub-district / regency areas, the majority of which have not been reached by service competition by general banking institutions. Factors from people who want to decide on taking credit are due to interest rates. Interest rates are the main monetary policy related to the country's economic growth. The strategy in banking institutions that can be improved is the issue of interest rates, because interest rates in a bank can compete with similar banks. Credit interest rates can provide benefits for bank companies obtained from borrowed funds with a calculation of the time agreed upon by the borrower (Ahmed, 2018).

A credit activity carried out by a customer is influenced by external factors including service quality. The quality of service to banking is said to be good if a service provider provides what customers and prospective customers want, while the quality of service is not good if the expectations of the customers and prospective customers cannot be fulfilled. Service quality is a top priority in a company to win a banking competition. The service aims to create a good relationship between customers with smooth transactions provided by banking institutions. Increasing service quality makes it important for customers and will have a direct impact on the company's image. Banking institutions have their own way, namely fast service in transactions. In this way, the public prefers banks that have a positive image, because the assessment of banks can affect customer satisfaction. The management of banking institutions needs to improve the quality of easy services in the hope that it can improve a good image (Mulyaningsih, 2016).

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2. Literature Review

2.1. Understanding Interest Rates

The interest rate is the price that must be paid by the customer with the terms of the loan that have been agreed with conventional principles (Kasmir, 2008).

According to (Kasmir, 2008) the indicators are divided into 5, including:

1) Competition

2) Needs in the form of funds

3) The specified period

4) Quality and value

5) The profit target that will be desired

2.2. Definition of Service Quality

According to (Tjiptono, 2016) service is a process consisting of intangible activities that usually occur in relationships between customers and employees as well as physical resources that can be provided as solutions to customer problems. Meanwhile, service quality is the level of excellence desired and is related to the level of control to fulfil consumer desires. It is said that good and bad service quality consistently affects the ability of service provision in terms of meeting the desires of consumers.

This indicator is better known as SEQUAL (Service Quality) which comes from ten dimensions made easy into five main dimensions (Tjiptono, 2016), namely tangible, reliability, responsiveness, assurance, and empathy (empathy).

2.3. Understanding Company Image

Image is a belief, impression, or public view of a public that exists in the company, then the complete service will be delivered to the public which can affect the image. An image is several appreciations for objects to obtain information (Kolter, 2013)

Company image relates to the quality of service provided when employees transact with customers. An image can be formed of any company that carries out operational activities with the main foundation of its services.

According to (Kolter, 2013) indicators on company image include:

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a) Company reputation

b) Value

c) Corporate Identity

d) Company personality

2.4. Understanding the Decision to Take Credit

According to (Kolter, 2013) the decision to take credit is an action that must choose from one available alternative. This selection is based on a series of loans at the banking institution with a choice of two or more alternatives to take one of these credit options.

According to (Kolter, 2008) that indicators of credit decisions include:

a) Appreciation in seeing a performance

b) Satisfaction in the credit offered

c) Provide information when requested

d) Considerations about service

e) Distance between banking institutions.

3. Method

Where this research was conducted at PT. Polatama Kusuma Madiun Financing with the consideration that it was carried out at a branch office, with a research period of three months starting from March to June 2020, The study used a survey research design with a quantitative approach. Surveys are used to obtain data with clearer and more accurate results, to obtain the relationship between variables, and the costs involved in this research have been carefully calculated.

4. Result and Discussion

4.1. Multiple Linier Analysis
This analysis uses the following formula:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Based on the data, the SPSS processed produces the following
$Y = 28,666 + 0,225X_1 + 0,285X_2 + 0,167X_3$

It can be explained that the constant (Y) of 28.666 means that the average decision to take credit has an effect on the variable interest rates, service quality, and company image. The b1 value of the interest rate is 0.225, which means that each addition or increase in the interest

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rate variable (X1) by one per cent, the result of the decision to take credit will increase by 0.225 one per cent, assuming other variables have a fixed value. The b2 value of service quality is 0.285, which means that each addition or increase in the service quality variable (X2) by one per cent, the result of the decision to take credit will also increase by 0.285 one per cent, assuming other variables have a fixed value. The b3 value of the company image is 0.167, which means that for each addition or increase in the corporate image variable (X3) by one per cent, the results of the decision to take credit will also increase by 0.167 one per cent, assuming other variables remain.

Table 1. The T-test (PARTIAL)

Coefficients				
Model		**t**	**sig**	
1	Constanta	8888 8,457	.669	.669
	Interest Rate	5.486 5.486	.000	.000
	Service Quality	9.841 9.841	.000	.000
	Brand image,	6.231 6.231	.000	.000
a.Dependent: Credit Making Decisions				

Source : SPSS data

This test is used to test partially in the study. Proof of this hypothesis is by paying attention to the significant value of the error rate of 5% and comparing the t-table value with the t-count value. For the t-table value with a sample of 339 and the number of variables 4, it is known that the t-table value is 1.967.

The effect of interest rates on the decision to take credit has a count of 5.486 and a table of 1.967 (tcount> table) with a significant level of 0.000 (0.000 <0.05). This means that the interest rate variable has a significant positive effect on the decision to take credit at the PT. Polatama Kusuma Madiun Financing.

The effect of service quality on the decision to take credit has a t-count value of 9,841 and at-table of 1,967 (tcount> table) with a significant level of 0,000 (0,000 <0.05). This means that the service quality variable has a positive influence on the decision to take credit at PT. Polatama Kusuma Madiun Financing.

The influence of corporate image on the decision to take credit has at-count value of 6,231 and a t-table of 1,967 (tcount> t table) with a significant level of 0,000 (0,000 <0.05). Thus, it means that the corporate image variable has a significant positive effect on the decision to take credit at PT. Polatama Kusuma Madiun Financing

TEST F (SIMULTAN)
This test is used to test jointly between the independent variables and the dependent variable. Proof of this hypothesis is by paying attention to the significant value with an error rate of 5% and comparing the Ftable value with the F count value. For the F table value with a sample of 339 and the number of variables 3, it is known that the Ftable value is 2.62.

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Table 2. TEST F (SIMULTAN)

ANOVA				
Model		F	Sig	
1	Regression	119.64119.644	.000[b]	.000[b]
	Residual			
	Total			

Source : SPSS data

Based on the hypothesis test with the F test above, it shows that the effect of interest rates (X1), service quality (X2), and company image (X3) on the decision to take credit has an F count of 119.644 and F table of 2.62 (Fcount>Ftable) with a level significant for 0.000 (0.000 <0.05). This means that the interest rate (X1), service quality (X2), and company image (X3) variables together have a significant effect on the decision to take credit at PT. Polatama Kusuma Madiun Financing

4.2. Determination Coefficient
To find out how far the ability to explain the dependent variable.

Table 3. Determination Coefficient

Model Summary				
Model	R	R square	Adjusted R Square	Durbin Watson
1	.719[a]	.517	.513	1.890
a. Predictors: (Constant), Corporate image, Interest rate, Service Quality				
b. Dependent Variable: Credit Making Decisions				

Source : SPSS data

Based on the analysis of the coefficient of determination (adjusted R2) above of 0.517, it means that changes in the decision to take credit can be explained by changes in the interest rate variable (X1), service quality (X2), and company image (X3) together at 51.7%. . While the remaining 48.3% is influenced by other variables outside the variables studied.

Discussion

a. The Effect of Interest Rates on Decision to Take Credit
    Based on the analysis above, it shows that interest rates have a significant positive effect of 0.225 on the decision to take credit at PT. Polatama Kusuma Madiun financing. Therefore, based on the calculation of the t test for the effect of interest rates on the decision to take credit, it has a t count of 5.486 and a t table of 1.967 (tcount> t table) with a significant level of 0.000 (0.000 <0.05). Thus, it means that the interest rate variable has

a positive and significant influence on the decision to take credit, so it can be explained that the more competitive the interest rate offered by PT. Polatama Kusuma Madiun financing, the decision to take credit to customers will increase.

b. The Effect of Service Quality on Credit Decisions
    Based on the t-test, the service quality variable has an effect on the decision to take credit which has a t-count value of 9,841 and a t-table of 1,967 (t count> t table) with a significant level of 0,000 (0,000 <0.05). With the above calculation, it means that service quality has a significant positive effect on the decision to take credit, which explains that the better the quality of service provided by PT. Polatama Kusuma Madiun financing, the higher the decision to take credit.

c. The Influence of Company Image on Credit Decisions
    Based on the t-test for the effect of corporate image on the decision to take credit, it has a t-count value of 6,231 and a t-table of 1,967 (t count> t table) with a significant level of 0,000 (0,000 <0.05). Thus, it means that the corporate image variable has a significant positive effect on the decision to take credit. In other words, it can be explained that the more well-known the good image of the banking institution is, the higher and higher the decision to take credit for customers.

The influence of interest rates, service quality, and corporate image on credit decisions; Based on the above analysis, the F test results in the effect of interest rates, service quality, and corporate image on the decision to take credit which has a F count of 119.644 and F table of 2.62 (Fcount>Ftable) with a significant level of 0.000 (0.000 <0.05).). With this, it means that the variables of interest rates, service quality, and corporate image together have a significant effect on the decision to take credit at PT. Polatama Kusuma Madiun financing.

5. Conclusion

Interest rates have a positive effect on the decision to take credit, So it is explained that the more competitive the interest rates provided the decision to take credit made by customers at PT. Polatama Kusuma Madiun financing will also increase. Service quality has a positive effect on the decision to take credit at PT. Polatama Kusuma Madiun financing. Thus, it can be explained that the better it is in providing quality service to customers at t PT. Polatama Kusuma Madiun Financing, it will bring about an increase in customers' decision to take credit. Company image has a positive effect on the decision to take credit at PT. Polatama Kusuma Madiun financing. So it is explained that the increase with the existence of a positive image towards banking, the decision to take credit made by customers at PT. Polatama Kusuma.

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