

**THE STUDY OF INCREASING INTEREST IN CREDIT BACK AT  
JATENG BANK OF BLORA BRANCH**

Bank Jateng has slogan “Banknya Orang Jawa Tengah, Menjalin Kemitraan, Mengembangkan Usaha” (Central Java people’s bank, Making Partnership, and Developing Bussiness). Amount of appreciation which has been reached by Bank Jateng shows the banking system quality it has. The top up loan interest of debtors of Bank Jateng Kanca Blora has decreased in period 2015 – 2016.

**Amount of Bank Jateng’s Debtor in the year 2015 – 2016**

No	Year	Amount	
		Old Loan Debtor	New Loan Debtor
1	2015	869 people	493 people
2	2016	827 people	522 people

Source: Bank Jateng Kanca Blora 2016

Based on the table above, the basic problem of this research is there is a research gap between perceived value and brand image as factor which influences debtor’s top up loan interest. Because of that gap, the researcher wants to prove how far the influence of perceived value and brand image to debtor’s top up loan interest.

The formulation of the research questions are:

1. Does the service quality influence the interest of debtor’s top up loan interest?

2. Does perceived value influence the debtor's top up loan interest?
3. Does brand image influence the debtor's top up loan interest?
4. Does brand image influence perceived value?
5. Does service quality influence brand image?

The objectives of this research are:

1. Analyzing the influence of service quality to top up loan interest.
2. Analyzing the influence of perceived value to top up loan interest.
3. Analyzing the influence of brand image to top up loan interest.
4. Analyzing the influence of brand image to perceived value.
5. Analyzing the influence of service quality to brand image.

The benefits of this research are:

1. To know the influence of service quality to top up loan interest.
2. To know the influence of perceived value to top up loan interest.
3. To know the influence of brand image to top up loan interest.
4. To know the influence of brand image to perceived value.
5. To know the influence of service quality to brand image.

### **Review of Literature**

Martin Fishbein and Ajzen in Jogiyanto (2007) firstly introduced Theory of Reasoned Action (TRA). This theory connects belief, attitude, intention, and behavior.

There is a theory which is the development of Theory of Reasoned Action (TRA) that is theory of Planned Behavior (TPB) (Ajzen in Jogiyanto, 2007).

Supranto (2007:4) said that consumer's attitude was directly involved in getting, using, and spending the products (goods and service) including previous process from this action. Setiadi (2003:11) said that buyer's decision in purchasing influenced by some factors. They are culture, social, personal, and buyer's psychological.

There are theories or behavior measurement models. Those are Multiattribut Attitude Model includes Fishbein's Attitude Model, Reason Action Model, and Fishbein's Behavioral Intentions Model, and also Tricomponent Attitude Model. Models which are said by Fishbein based on trust that represent Multiattribut Attitude Concept.

### **Hypothesis**

Service quality is the multi-dimensional concept (Para Suraman et.al. in Bloemer et.al. 1998). Service Quality Dimensions can be identified by research that has been done by Parasuraman et.al and known as SERVQUAL (Kotler and Keller, 2007:56), they are: 1) Tangibles, 2) Reliability, 3) Responsiveness, 4) Assurance, 5) Empathy.

Based on the explanation above, the hypothesis can be stated:

**H1: Service Quality has positive influence to top up loan interest.**

The definition of customer perceived value according to Kotler (2008: 60) is: the difference between the perspective customer's evaluation of all benefits and all the costs of an offering and the perceived alternatives. In Ariningsih (2010: 8) the research which was done by two marketing experts from University of Western Australia, Sweeney and Soutar (2001), tried observing 19 items of

customer's perception of a consumer durable good value at a brand level. According to Sweeney and Soutar (2010: 8) Value Dimensions emerged that were termed: 1) Emotional Value, 2) Social Value, 3) Price / Value of Money.

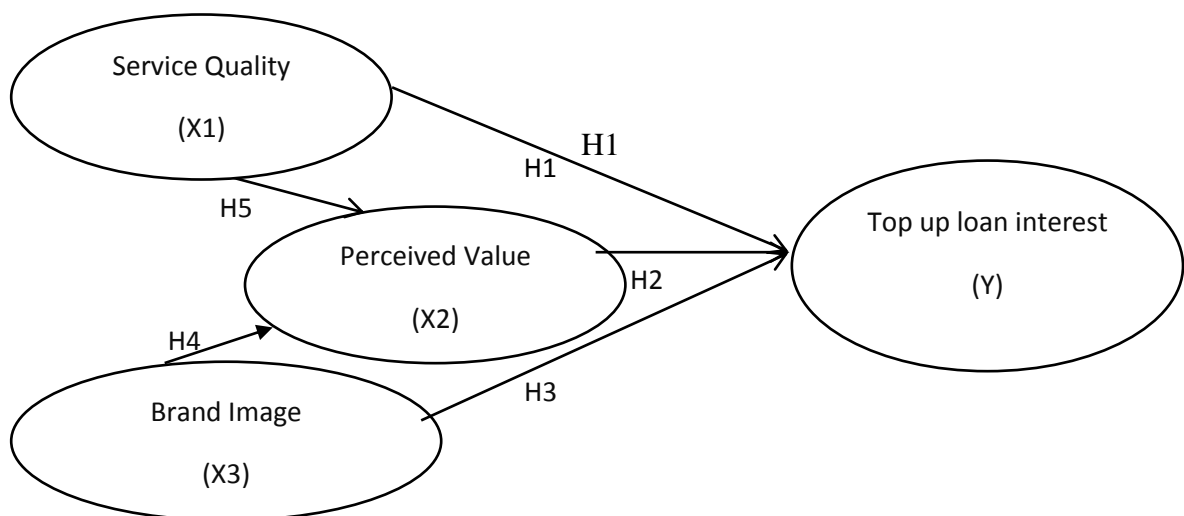
**H2: Perceived Value has positive influence to top up loan interest.**

Brand image defined as the set of beliefs, ideas, and impression that a person holds regarding an object by Kotler and BilsonSimamora (2002: 63). Whitwell in Tjiptono (2005: 22) said that some understanding about the role of brand image was helped by these three things: 1) corporate image, 2) user image, 3) product image.

**H3: Brand Image has positive influence to top up loan interest.**

Debtor's top up loan interest affected by the debtor's decision. Debtor's decision in taking top up loan is an action to be loyal with his previous choice and still receive loan facility they have ever got before. Factors which influence debtor's decision to retake top up loan are: internal factors and external factors.

**Theoretical Framework**



Source: Change et.al (2013), Fazal (2013), Abdullah Alhaddad (2015)

### **Hypothesis Development**

H1: Service Quality has positive influence to top up loan interest.

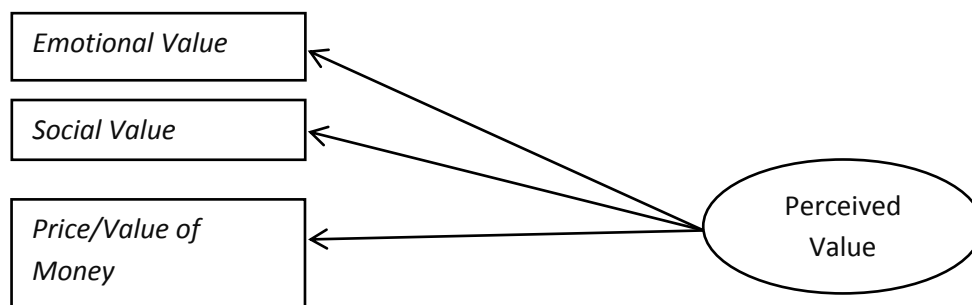
H2: Perceived Value has positive influence to top up loan interest.

H3: Brand image has positive influence to top up loan interest.

H4: Brand image has positive influence to perceived value.

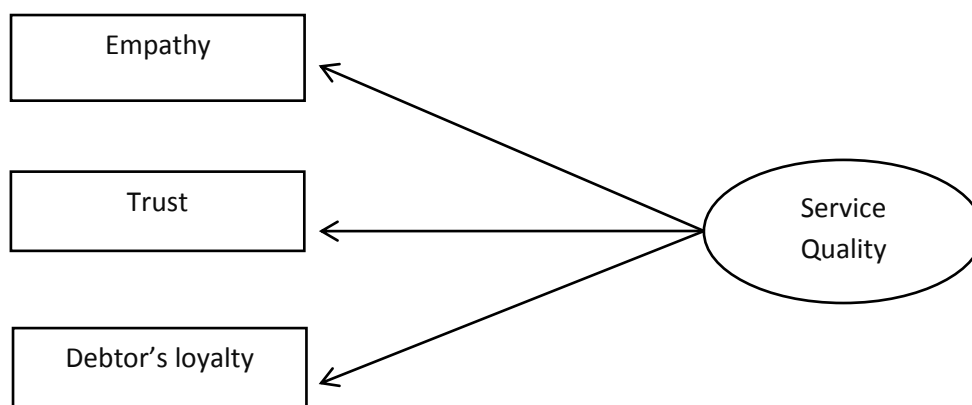
H5: Service quality has positive influence to perceived value.

### **Dimensionalized Variable of Perceive Value**



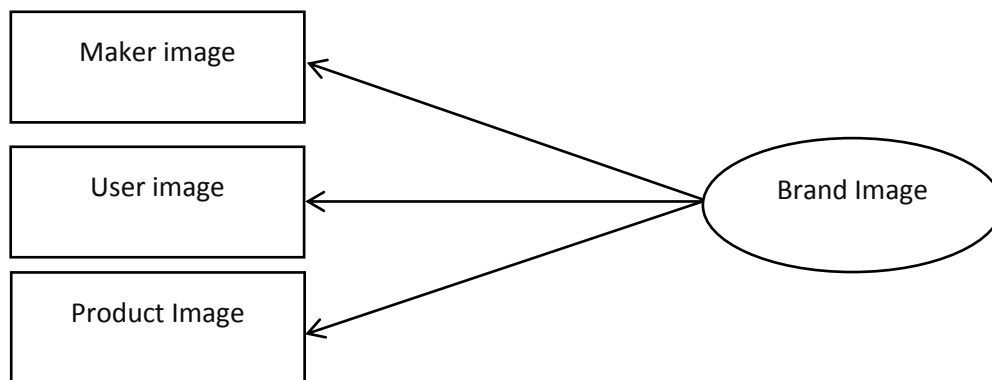
Source: Sweeney and Soutar (2010)

### **Dimensionalized Variable of Service Quality**



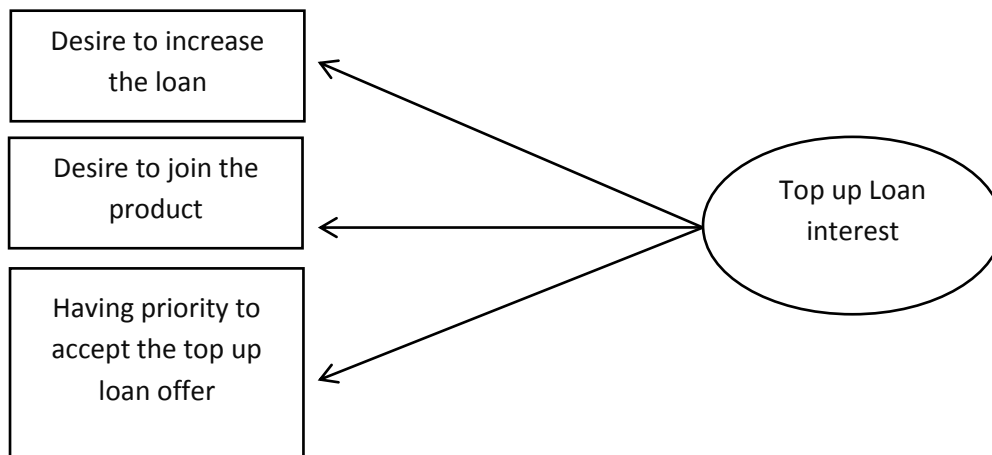
Source: Chang et.al (2013)

### Dimensionalized Variable of Brand Image



Source: Abdullah Alhaddad (2015)

### Dimensionalized Variable of Top Up Loan Interest



Source: Singh Mehta, Ravi R (2014)

### Data Collection Procedures

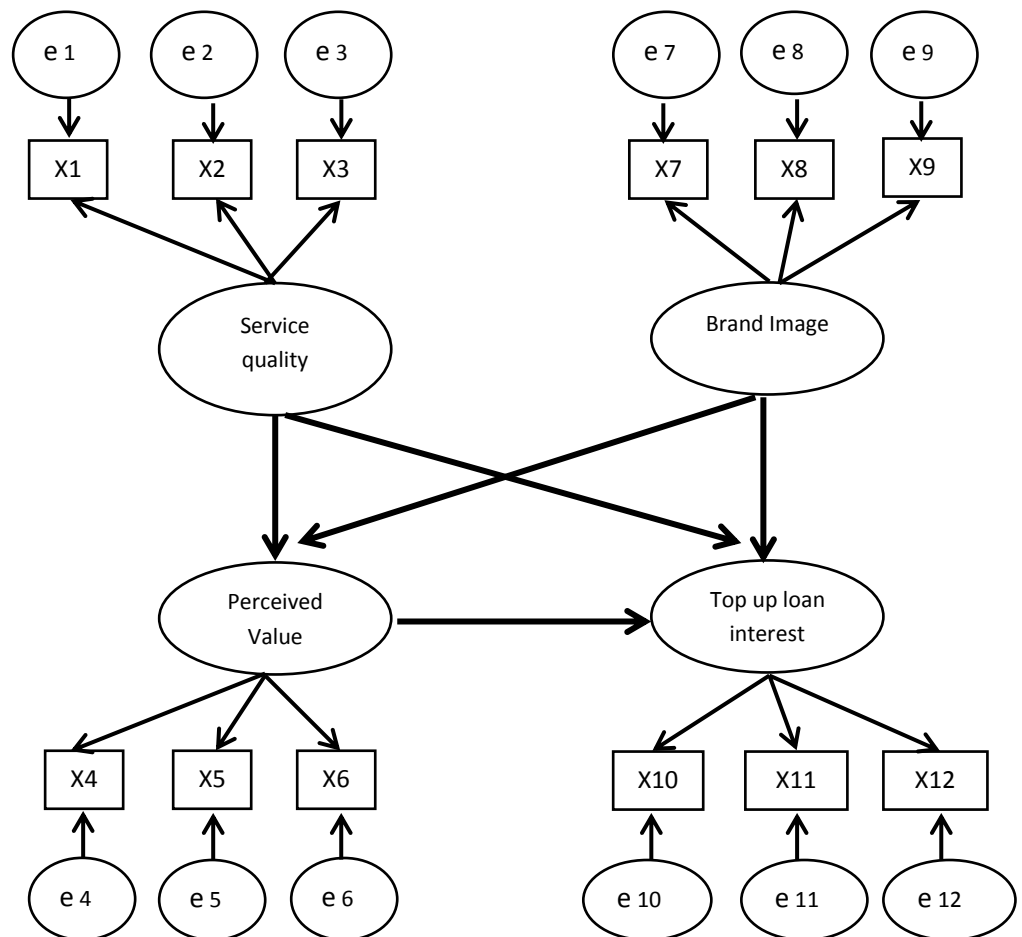
Primary data of this research is the information from interview and survey of debtor's of bank Jateng Kanca Blora. The population of this research is debtors of Bank Jateng Kanca Blora. The sampling technique is non-random sampling, which the sample is the debtors in period 2015 – 2016. Reliability and

validity test is feasibility test of questionnaire. Both of them will be done when the data has been collected.

Data analysis which was used in this research is SEM (Structural Equation Modelling) with AMOS program (Analysis of moment structure). The steps are:

- 1) Model development based on theory.
- 2) Arranging path diagram.

### Path Diagram



The model above shows there are exogen constructs and endogen

constructs.

- a. Exogen construct

First exogen construct is service quality which was postulated having positive relation with perceived value and top up loan interest.

Second exogen construct is brand image which was postulated having positive relation with perceived value and top up loan interest.

b. Endogen construct

First endogen construct is brand image which was influenced by service quality and brand image.

Second endogen construct is top up loan interest which was influenced by service quality, perceived value, and brand image.

3) Arranging structural equations.

Equations which have been got from converted path diagram, consists of:

- a. Structural equations
- b. Measurement model

4) Choosing input matrix and model estimation.

5) Rating structural model identification.

6) Evaluating goodness of fit criteria:

- a. Sample size
- b. Normality
- c. Outliers
- d. Multicollinearity

There are many kinds of fit index which measures conformity degree between hypothesized model and presented data. They are:

### **Index of Model Feasibility Test**

Goodness of Fit Index	Cut-Off Value
X <sup>2</sup> -Chi-Square	Expected small in df=5%
Significance	≥ 0,05
Probability	≥ 0,08
RMSEA	≥ 0,90
GFI	≥ 0,90
AGFI	≥ 2,00
CMIN/DF	≥ 0,95
TLI	≥ 0,95
CFI	

7) Interpreting and modifying the model.

#### **Responden Perception Description**

By using three box method, the seventh range above, will be divided by three and the range which will be used as the basic interpreting the mean value, become as follow:

1.00 – 3.00 = low interpretation

3.01 – 5.00 = intermediate interpretation

5.01 – 7.00 = high interpretation

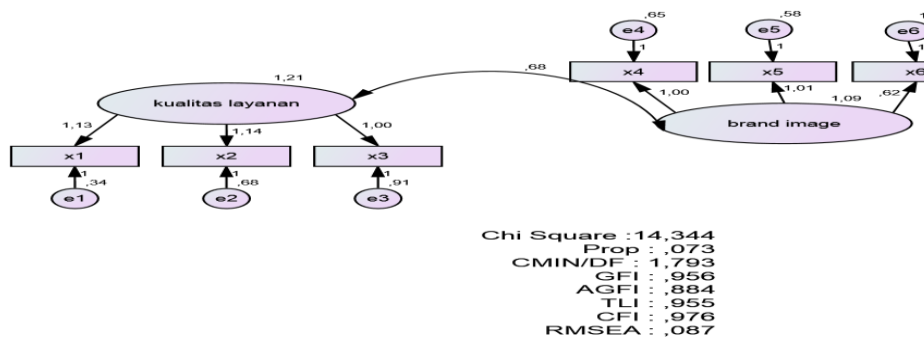
Respondent response in service quality variable shows that average index assessment response is classified into intermediate interpretation, with the range 4.39 – 4.61.

Respondent response in perceived value variable shows that average index assessment response is classified into intermediate interpretation with the range 4.46 – 4.62.

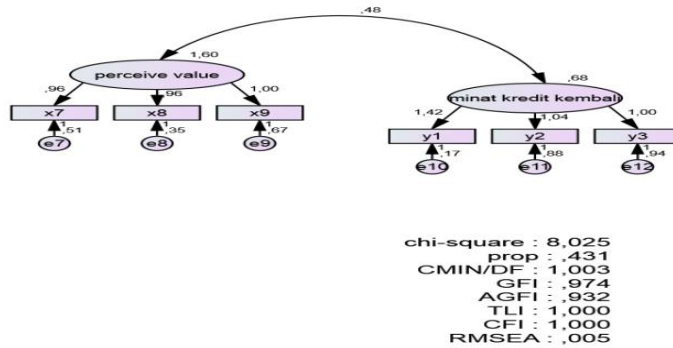
Respondent response in brand image variable shows that average index assessment response is classified into intermediate interpretation with the range 4.43 – 4.51.

Respondent response in top up loan interest variable shows that average index assessment response is classified into intermediate interpretation with the range 4.66 – 4.67.

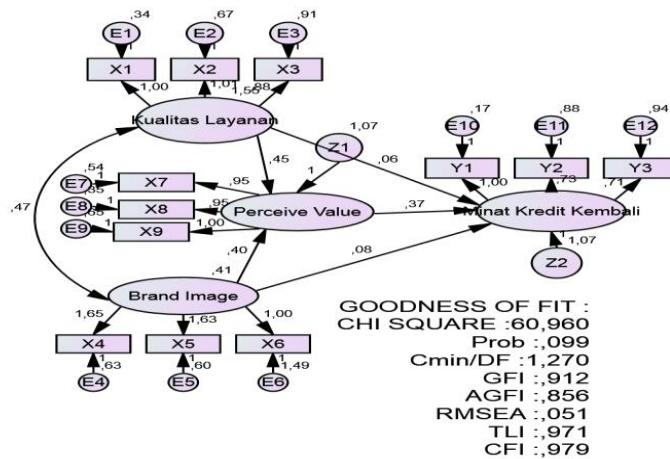
### Exogen Construct Confirmatory Factor Analysis



### Endogen Construct Confirmatory Factor Analysis



### Structural Equation Model Test Result

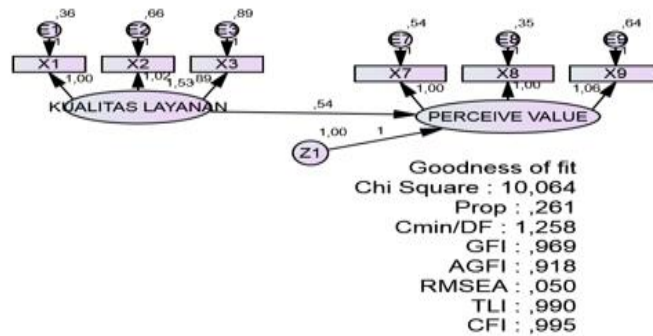


### Direct Influence

1. H1: There is service quality influence to top up loan interest in debtor of Bank Jateng Kanca Blora.
2. H2: There is perceived value influence to top up loan interest in debtor of Bank Jateng Kanca Blora.

- H3: There is brand image influence to top up loan interest in debtor of Bank Jateng Kanca Blora.

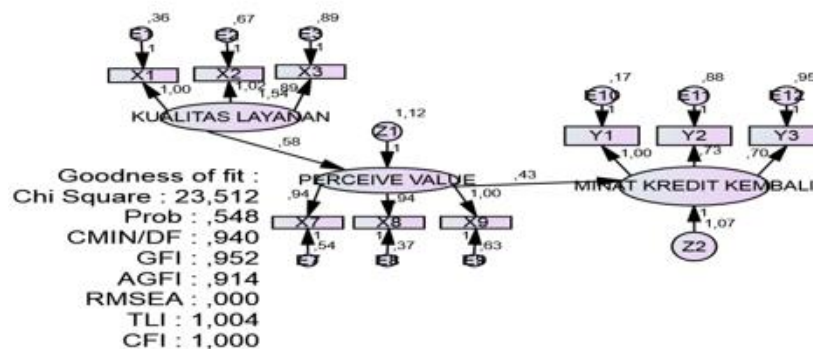
### Direct Influence



### Indirect Influence

- H4: There is indirect influence between brand image and perceived value to top up loan interest in debtor of bank Jateng Kanca Blora.
- H5: There is indirect influence between service quality and perceived value to top up loan interest in debtor of Bank Jateng Kanca Blora.

### Indirect Influence



### Conclusion of Research Problem

The conclusion got from the problem which has been discussed in this research is there are direct and indirect influence which influence top up loan interest of debtor of Bank Jateng Kanca Blora. There is also relation among service quality, brand image, and perceived value in influencing top up loan interest.

### **Theoretical Implications**

Based on research model which is developed in this research, it can strengthen theoretical concepts and give empiric support to previous research. The literatures which explain about the study in increasing top up loan interest in bank Jateng Kanca Blora, have been strengthen by theoretical concepts and empirical support related to causality relation among those variables.

### **Research Limitation**

Some research limitations are:

1. In the result of full model feasibility test using structure Equation Modelling (SEM) (table 4.22), there is goodness of fit criteria with AGFI marginal 0.856. This thing shows that the model still need further refinement.
2. This research result can not be generalizd to the other case, out of this research object.