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THE IMPACT OF MARKETING COMMUNICATION PERFORMANCE AND REFERENCE GROUP ENCOURAGEMENT ON CUSTOMER ATTITUDES IN CHOOSING BANKING IN MAKASSAR CITY, INDONESIA

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ABSTRACT

The objective of this research is to find out customer response index decision (CRID) and the influences of marketing communication performance, reference group, both partially and simultaneously towards customer's attitude. Descriptive analysis used in this research based upon customer's response index decision which utilized to predict the proportional value that's linked with research variable dimensions, for hypothesis testing is applied structural equation modelling (SEM). Result of this research which describe based on statistical frequency distribution analysis and customer response index decision, show that customers have high level categorize toward decision on branch banking preferences, both partially and simultaneously to answered the hypothesis conceptual paradigm shown marketing communication performance and its effects toward customers' attitude on the bank product or services significantly.

Keywords: Marketing communication performance, Reference groups and Customer attitude

1.0 INTRODUCTION

Marketing communication performance, is a process of creating messages on the elements of the service marketing mix, the substance of which includes; 1) How banking service products are offered differently in line with the wishes of their target customers, 2) How to create brand recall of banking service products to be attached to the hearts of customers, 3) How the influence of intent can be generated, so that customers can increase the quality and quantity of transactions, and 4) How sales facilities in accessing all customer interests. The results of a survey conducted by YLKI (Warta Konsumen December, 2004) showed that the average complaints made by customers against banking companies in Bandung City were 135 types of complaints for the months of October to November 2004, where these complaints can be categorized as; interest rate calculations that are not in accordance with what was promised, unclear transaction position information, ATM facilities that are often jammed, denial of credit without clear reasons, credit card charges with very unfair interest, and the existence of customer service that is less concerned with the needs and desires of customers and this is the highest average complaint, compared to several regions such as; Jakarta City 75 types of

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complaints, Semarang City 121 types of complaints, Yogyakarta City with 83 types of complaints and Surabaya City with 128 types of complaints in the same month In addition, the results of research from Marketing Research Indonesia with the title; Marketing Communication Performance and Customer Loyalty, 2004 (in Info Bank, 2005: 65) which surveyed customers or clients in Jakarta, Surabaya and Medan explained, the factors causing switching in banking selection are caused by socio-economic change factors such as; income level, type of employment, education level, gender, the strengthening of trust as the basis for transactions in banking companies such as; security, accountability, fairness and the existence of reference group factors such as; groups of friends or family, member groups, virtual groups and groups of examples of actions in using them, have different tendencies in determining loyalty or loyal to the selection of banking brands.

Based on the description of the background of the problem above, the authors try to identify the problems that occur, among others:

1. The increasingly intense competition in the use of banking service information technology, which is oriented by the incessant offering of service products in mediating the various needs and desires of its customers, so that a marketing communication performance approach and reference group encouragement is needed to answer the offer, in order to create a force that is not only in the minds of customers, but can be accepted, in the hearts of customers.
2. The more sensitive the attitude of customers in the selection of banking, which is indicated to have a uniform pattern, so that there is a high vulnerability to switching from one banking to another, as a consequence of the articulation of arguments for the selection of service products offered by banking companies, where customers currently had a better critical level.

In line with the explanation presented in the problem identification above, the researchers tried to formulate the research problems as follows:

1. How are the characteristics of customers in responding to marketing communication performance and their attitudes in banking selection?
2. How much is the partial effect of marketing communication performance on customer attitudes in banking selection?
3. How much strong is the relationship between marketing communication performance and reference groups in determining banking selection attitudes?
4. How much is the simultaneous influence of marketing communication performance, reference group encouragement on banking selection attitudes?

2.0 LITERATURE REVIEW

2.1 Concept of Marketing Communication Performance

Marketing communication performance refers to the measurement and evaluation of the effectiveness and impact of marketing communication activities. It involves assessing how well marketing messages and campaigns have achieved their intended objectives and delivered desired outcomes. The concept of marketing communication performance focuses on

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determining the return on investment (ROI) and the overall success of marketing communication efforts.

Here are some key aspects and considerations related to marketing communication performance:

1. Objectives and Goals: Before assessing performance, it's crucial to establish clear objectives and goals for marketing communication activities. These objectives can vary depending on the specific campaign or initiative but may include increasing brand awareness, generating leads, driving sales, enhancing customer engagement, or improving brand perception.
2. Key Performance Indicators (KPIs): KPIs are quantifiable metrics used to measure the performance and progress towards achieving marketing communication objectives. They provide a tangible way to evaluate the effectiveness of campaigns. Examples of KPIs include website traffic, conversion rates, social media engagement, email open rates, click-through rates, brand mentions, and customer feedback
3. Monitoring and Tracking: To evaluate marketing communication performance, it's important to monitor and track relevant data and metrics. This can be done using various tools and analytics platforms that provide insights into the reach, engagement, and conversion rates of marketing campaigns. Regular monitoring allows for timely adjustments and optimization of strategies.
4. Key Performance Indicators (KPIs): KPIs are quantifiable metrics used to measure the performance and progress towards achieving marketing communication objectives. They provide a tangible way to evaluate the effectiveness of campaigns. Examples of KPIs include website traffic, conversion rates, social media engagement, email open rates, click-through rates, brand mentions, and customer feedback.
5. Integration with Business Objectives: Marketing communication performance should be linked to broader business objectives and organizational goals. Aligning marketing communication efforts with the overall business strategy ensures that the messaging and activities contribute to the company's growth, market positioning, and customer satisfaction.
6. Continuous Improvement: Evaluating marketing communication performance should be an ongoing process. By analyzing data and insights, organizations can identify areas of improvement, refine strategies, and optimize future campaigns. Continuous improvement ensures that marketing communication efforts are aligned with business objectives and evolving consumer preferences.

By assessing marketing communication performance, organizations can gain insights into the effectiveness of their messaging, targeting, and channel selection. This evaluation helps optimize future marketing efforts, allocate resources efficiently, and enhance overall communication.

3.0 METHODOLOGY

3.1 Review Stage

This research design is categorized into descriptive research with the intention of providing an overview of the various characteristics of the proposed variables and their relationship with the

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phenomena that occur in reality, through respondents' perceptions regarding the efforts of banking companies in implementing integrated marketing communications, while in an effort to answer the research hypothesis, verification research was used, because it was able to describe the causal relationship between variables (Aaker, 2001: 225 and Cooper and Schindler, 2001: 13).

From the description of the requirements that served as the population in this study, the sample size was determined, referring to the determination of simple random proportional with consideration of the size of the customer population as the subject of observation in the ten leading banks was relatively large, so the researchers assumed the determination of the sample proportion (p) based on the population criteria of 30% with a margin of error of 5%, so that the sample formula can be approached with a variance estimate (Cooper and Schindler, 2001: 182) whose equation is as follows:

$$n = \frac{pq}{\sigma p^2} + 1 =$$

$$n = \frac{(0.30)(0.70)}{(0.05/1.96)2} + 1 =$$

$$n = \frac{0.21}{(0.0255)2} + 1 = \frac{0.21}{0.000651} + 1 = 322.58 + 1 = 324 \text{ Nasabah}$$

Validity testing which was broadly carried out in two stages (Sekaran, 2000: 151-160) with the following equation

$$r_{yx} = \frac{n\sum yx - \sum x \sum y}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2\}}}$$

To determine the level of reliability, a form of internal consistency equation was used using the split half technique, which referred to Cronbach's alpha, with the equation as follows; $ri = \frac{2r_b}{1 + r_b}$ (Sekaran, 2000: 197-210).

4.0 RESULTS AND DISCUSSION

4.1 Descriptive Analysis Results Judging from Customer Assessment Scores on Banking Marketing Communication Performance Variables

When considering from the assessment of each client or customer, in relation to the performance of marketing communications carried out by banking companies, then by using the assessment level score on each instrument, it can be seen that the dimension of creating brand awareness, provided the highest average score value in all dimensions of marketing communication performance which amounted to 0.8030, while for each bank, it appeared that had a score above the average such as; BCA Tbk amounting to 0.9204, BNI Tbk amounting to 0.8830, Permata Tbk amounting to 0.8347 and BRI Tbk 0.8051.

For the dimension of service products that customers or clients want (product or service category wants) provided an average score value of 0.7864, while seen from the type of banking, it appeared that BCA Tbk's service products were the most attractive to customers or

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clients with a score value of 0.9102 above the average, followed by Citybank by 0.8975, Mandiri Tbk by 0. 8441 and the dimension of purchase facilities offered by banks, providing an average score of 0.7123, while seen from the type of banking, it can be seen that the purchase service facilities from BCA Tbk are the most attractive to customers or clients with a score value of 0.9153 above average, followed by Mandiri Tbk by 0.8725, BNI Tbk by 0.8521.

4.2. Descriptive Analysis Results Judging from the Customer Assessment Score for Reference Group Variables in Banking

Based on the assessment given by each customer or client in relation to the encouragement of reference groups in the selection of banking companies, it can be observed that references provided by virtual or cyberspace groups have the highest average score value in all dimensions of reference groups, namely 0.7845, while for each bank that had a score above the average such as; BCA Tbk by 0. 8735, Mandiri Tbk by 0.8549, BNI Tbk by 0.8454, the reference dimension of the purchasing action example group provided an average score of 0.7830, while seen from the type of banking, it can be seen that the reference provided by the purchasing action example group from Mandiri Tbk had the highest score value above the average of 0.8706, BCA Tbk had a score value of 0.8571, followed by BNI Tbk of 0.8525.

For the reference dimension of the member's group in conducting banking transaction activities, it provided an average score value of 0.7682, while seen from the type of banking, it was shown that the reference provided by the member's group from BCA Tbk had the highest score value above the average of 0.8663, BNI Tbk had a score value of 0.8426, Mandiri Tbk of 0.8392, the reference dimension of friends or family groups in encouraging banking transaction activities provided an average score value of 0.7420, while seen from the type of banking, it appeared that BCA Tbk had the highest score value above the average of 0.8663. 8426, Mandiri Tbk was 0.8392, the reference dimension of friends or family groups in encouraging banking transaction activities provided an average score value of 0.7420, while seen from the type of banking, it appeared that BCA Tbk had the highest score value above average of 0.8867, BNI Tbk had a score value of 0.8479, Mandiri Tbk was 0.8451.

4.3. Descriptive Analysis Results Judging from the Customer Assessment Score on Attitude Variables in Banking

Based on the assessment given by each customer or client in relation to the encouragement of his attitude towards the selection of banking companies, it appeared that the dimension of customer or client interest in articulating the search for needs and desires had the highest average score of 0.8193, while for each bank that had a score above the average such as; BCA Tbk still dominated in building the establishment of customer interest with a score of 0. 8971, followed by Mandiri Tbk of 0.8745, BNI Tbk of 0.8562, the dimension of strengthening desire was the next step in capturing the movement of customers or clients in acting on banking choices, so that based on the assessment score of customers or clients on strengthening desire, it appeared that the average score value obtained was 0.7868.

To see the score of customer or client desires in each bank, BCA Tbk provided the highest assessment score above the average of 0.9245, followed by Mandiri TBK of 0.8843, BNI Tbk of 0.8745, then the dimension of customer or client action which was an attitude decision in banking selection provided an average score of 0.7831, while seen from the type of banking, it

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seemed that BCA Tbk had the highest score above the average of 0.9245, BNI Tbk had a score of 0.8830, Permata Tbk 0.8792.

4.4. Partial Test Results

Figure. 1 below showed, that marketing communication performance (ζ1) provided an influence ( ) of 0.50 or squared by R2 = 25%, on customer attitudes ( ) and there were 75%, determined by the existence of other variables outside this research model, while the reference group (ζ2), provided a higher influence of 0.59 or squared by R2 = 35%, on the determination of customer attitudes ( ) in the choice of banking.

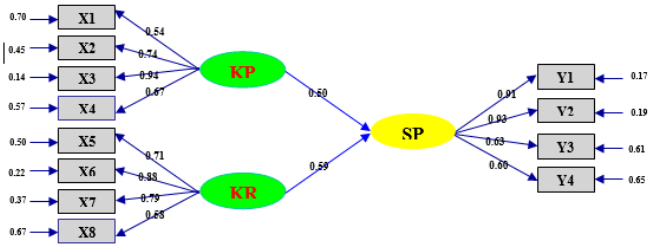

Fig.1. The Effect of Marketing Communication Performance and Reference Groups on Customer Attitudes in Banking Selection

4.5. Correlational Testing Results of Marketing Communication Performance and Reference Group

In figure 2 below showed, there was a correlational relationship ( ) marketing communication performance (ζ1) and reference group encouragement (ζ2) with a correlation parameter estimation value of 50% and a t value of 10.66%> t.table value (1.96; 0.05) with a significant decision, so the results of this study can be indicated that there was a moderate category relationship between banking marketing communication performance and reference group group encouragement in influencing the attitude of banking customers.

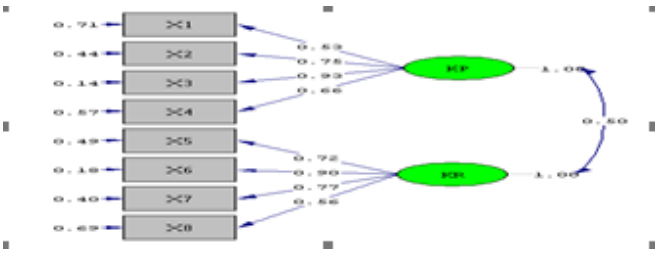

Fig.2. Correlation of Marketing Communication Variables with Reference Group Encouragement.

4.6 Simultaneous Testing Results

The simultaneous test results as in figure 3 below showed that the latent exogenous variables of marketing communication performance (ζ1) and reference groups (ζ2) had a direct and indirect effect of 75% on the latent endogenous variable of customer attitudes ( ) and there was a 25% epsilon factor or the influence of other variables outside this research model.

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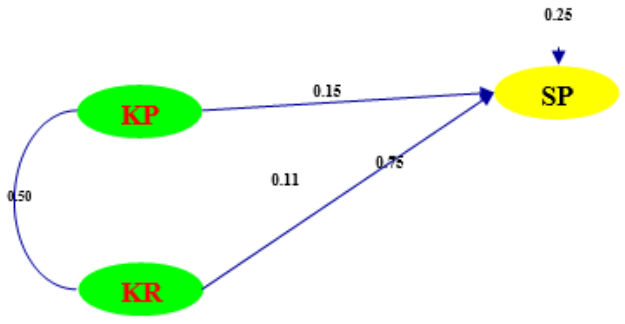

Fig.3. Simultaneous Effect Estimation Value

6.0 CONCLUSION AND RECOMMENDATION

Partial test results indicated that marketing communication performance and reference groups had an influence on customer attitudes on banking selection, besides that there was a correlational relationship with the reference group, so the magnitude of this correlation gave meaning, that changes in marketing communication performance in influencing customer attitudes had a meaningful relationship with changes that occurred in the reference group, while viewed simultaneously the performance of forming customer attitudes, because the strengthening that occurred was a strength of the attitude of trust in the brand that had character (brand character) and was able to represent its users.

Marketing communication performance thinking requires consideration of each dimension, given the possibility of a tradeoff between service and risk, so that it was oriented towards empowering the service marketing mix, in order to build strong trust at the level of customer attitudes, besides the thought of reference groups (reference groups), had a better ability to influence attitudes than marketing communication performance, so it can be indicated that the reference group was a community or group that had representation of each individual customer in shaping their attitudes in the search for needs and desires.

Given the epsilon factor that contributed to the influence on the research variables, it was necessary to conduct an assessment using other variables outside the research model that could be indicated such as; the influence of the banking environment, the banking services marketing mix strategy, and a number of other variables that influence customer attitudes in the selection of banking service product brands

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