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JURNAL SYNTAX TRANSFORMATION

CONSUMER CHARACTERISTICS OF FINANCING COMPANY SERVICE USERS IN INDONESIA

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Abstract:

Abstract: Finance Company is a non-banking financial services company engaged in financing and is registered and supervised by OJK. The current challenge is the decline in the number of receivables and is inversely proportional to Financial Technology companies. Restrictive policies during the Covid-19 pandemic have made people change their purchasing behavior of goods and services, including credit transactions. The decline in the number of consumers in finance companies must be anticipated so that the company can maintain its market. The purpose of this study is to analyze the characteristics of consumers who choose Finance Companies as an alternative to obtaining loans. The research was conducted in an area with the largest population of Finance Company users, namely Jabodetabek . Data collection using the Cluster Random Sampling method using G-Form with a total of 200 respondents. The results of the study explained characteristics such as gender, age, education, occupation, marital status, income, and region of residence. Managerial implications that can be considered for finance service companies are that companies can find out consumer characteristics and obtain information in order to reach more consumers so as to provide benefits for the company.

Keywords : Consumer Characteristics , Finance Company

INTRODUCTION

Practice submission loan is legal acts that cannot be released from the business world. Known financial institutions in a way widely used by the public is banking which can function as an organizer service giver need entrepreneurial or consumerist (Khamis, 2019). According to Kasmir (2013) submission loan through banking have complex stages. Consumers must comply 5C criteria (Character, Capacity, Capital, Collateral , Condition) in order to obtain loans , so it 's very difficult public

Industry accessible non-bank finance (IKNB). society is a company financing (Purnomo, 2022). Finance company become solutions are present Because has There is since a long time (Presidential Decree No. 61 of 1988). According to Financial Services Authority (OJK) company financing is a business entity that carries out activity financing in kind provision of funds or capital goods (Takalamingan, 2021). Figure 1 explains OJK data for 2021, assets and liabilities company financing experience decline compared to year previously, namely 4.40 % and 7.07% respectively . Meanwhile , equity company financing increase compared to the previous year was 2.09%.

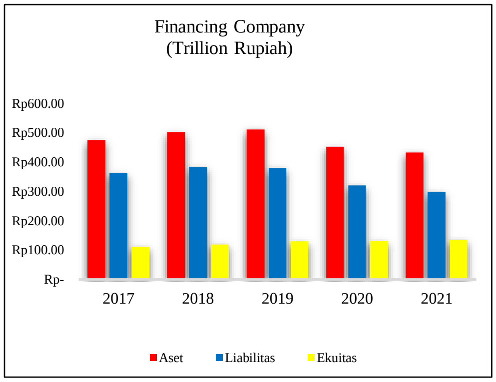

Figure 1. Asset, Liability & Equity Graph (OJK, 2021)

In 2021, there will be 15 companies financing that has been revoked his permission (Petry, 2021). So that 161 companies remain financing in Indonesia. Figure 2 shows amount company financing for five years last (Tangngisalu et al., 2020).

Activity business Financing including Investment, Working Capital , Multipurpose , Other Financing and Sharia Financing (OJK, 2021). Based on Figure 3, value receivables company financing experience decline from In 2019–2021 it amounted to IDR 80.68 trillion or 17.19%, namely from IDR 469.32 trillion (2019) to IDR 388.64 trillion (2021).

Covid-19 pandemic that occurred from 2019 – 2021 is disruptive various sector industry like tourism , mining , property , finance , health and other industries (Ministry of Health , 2021). The Covid-19 pandemic has changed activity man from offline to online as well as activities financing . Technology company financial (fintech) peer to peer lending is a platform that provides loans by matching giver and recipient loan using _ system electronics (OJK, 2021). Figure 3 explains amount accumulated company funds Fintech on the island of Java is the biggest trend in Indonesia and is increasing from 2017 (Rp. 2.18 trillion) to 2021 (Rp. 188.72 trillion).

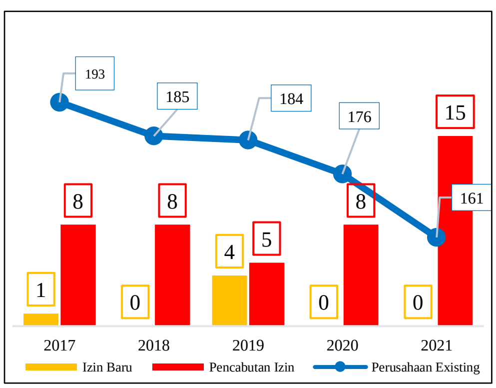

Figure 2. Current Issuance , Revocation & Company (OJK, 2021)

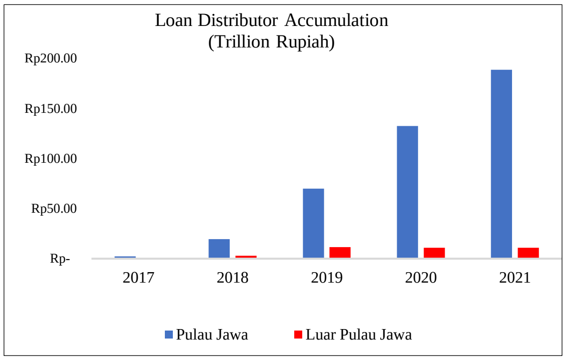

Figure 3. Accumulation Graph Distributor Fintech Company Loans in Indonesia (OJK, 2021).

Technology company financial become alternative convenience access in peer to peer lending (Subagiyo, 2021). Fintech companies put a lot of emphasis on it to development in a way heavy to technology as well as use convenient features _ like customer-lender interactions, screening and monitoring technology, as well qualification additions that can help the technological process to convenience loans (Humphrey et al., 2021)

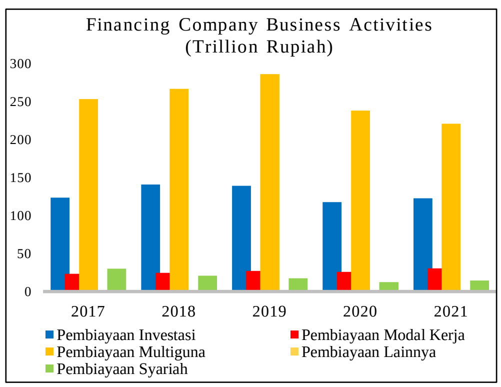

Figure 4. Graph of Company Receivables Financing Based on Business Activities (OJK, 2021)

Need exists way to improve interest consumers to use service financing that is expected to become step positive for company financing (Hanafi et al., 2021). Finance companies in Indonesia have potential to grow country's economy (Rosavina & Rahadi, 2018).

A number of study has review about characteristics consumer user service credit (Jatun, R & Magnadi , RH. 2015; Listyawati , L., et. all. 2020; Nkundabanyanga , SK, et al . 2014; Sufitrayati , S., & Nailufar , F., 2018; Wangmo, C. 2015; Linawati , N. 2020).

This research aims to identify characteristics consumers who choose Financing Institutions as a solution finances and knowing influencing factors _ consumers to remain use Financing Institution services in fulfilling need economy.Results analysis research can be consideration consumer use company financing as well as give implications managerial for company financing and referrals for research to be come .

METHOD

Study use methodology analysis descriptive . Questionnaire results analyzed use chart so that obtained amount of each question questionnaire . Study has carried out in June 2022 – December 2022.

Election location Jabodetabek become consideration election location Because own amount population highest with the cluster sampling method. Amount sample calculated use Slovin's formula (level error = 0.1) so obtained total of 200 respondents . This research uses distributed online questionnaire via Google Form (G-Form).

Variable measurements are used to describe each variable so that researchers can study it mark variable . According to Sekaran (2011) the Likert scale was created to determine perceptions and opinions consumers at specified intervals set . The scale in this research has 5 (five) options the answer is already available to get more definite answer between agree and disagree . To make the items in the instrument valid then Validity and reliability tests were carried out

The analytical method used in this research is analysis descriptive and. The software used to process data is Microsoft Excel.

RESULTS AND DISCUSSION

There are 161 operating leasing companies that have registered until December 2021. Process followed borrowers in the company financing In general , it is as follows First consumer need loans and looking for references from friends , visit website , etc. _ Stage second consumer find reference and submit loan . Stage third staff do data input and checking score credit to find out whether the results are rejected or accepted . Next is the staff give information complete file administration and signing documents . Stage final consumer start agreement installments with the leasing company .

In this research , characteristics respondents differentiated based on based on type gender, domicile , age and occupation , etc. _ In Table 1 characteristics consumers dominate _ based on type gender is male as much as 54% with a range age between 21 – 30 years . Level education from Most respondents were at the high school level (School Upper Intermediate) with type work self-employed . Marital status by 57% of respondents Already marry to have income between IDR 2,500,000 – IDR 5,000,000. most respondents _ domiciled in the City of Jakarta in the application category first time at the company financing .

Table 1. Distribution Consumer Based on Characteristics .

NO	CHARACTERISTICS	INDICATOR	PERCENTAGE (%)
1	Type Sex	**boy _**	**54**
		Woman	47
2	Age	**21 – 30**	**47**
		31 – 40	29
		41 – 50	21
		>50	4

NO	CHARACTERISTICS	INDICATOR	PERCENTAGE (%)
3	Education	JUNIOR HIGH SCHOOL **SENIOR HIGH SCHOOL** D3 / S1	4 **77** 20
4	Job	ASN / BUMN / TNI POLRI PRIVATE EMPLOYEES **SELF-EMPLOYED** MOTHER HOUSE LADDEROTHER	12 34 **36** 19 0
5	Status Wedding	**Marry** Not Married Widow / Widower	**57** 26 17
6	Income PerMonth	**Rp 2,500,000 - < Rp 5,000,000** Rp 5,000,000 - Rp 7,500,000 >Rp 7,500,000	**45** 28 29
7	Domicile	**Jakarta** Bogor Depok Tangerang Bekasi	**30** 15 14 28 15
8	How Much Submission	**First time** Twice > Twice	**42** 28 30
9	Most companies often used	**BFI Finance** FIF ADIRA Finance WOM Finance BAF Other	**26** 18 12 12 12 21

Necessity do study characteristics consumers so that producers can know detailed behavior and circumstances _ demographics from consumers (Sumarwan & Arman, 2015). Income from consumer become one of characteristics that must be known before carrying out research about decision consumers in searching for companies financing (Ashraf et al., 2018)

Next is done description indicators for each variable . Data processing techniques are carried out in top two boxes and bottom two boxes. Answer results from respondents grouped as the following , namely the answers strongly disagree (1) and disagree (2) become disagree answers agree (4) and strongly agree (5) to be agree , meanwhile answer neutral (3) remains as neutral . Here's a list of variables along with values in Table 2

Table 2. Distribution Consumer Based on Characteristics

Variable	Symbol	Indicator	Percentage (%)		
			Don't agree	**Neutral**	**Agree**
Product	PR1	Varied collateral options	9	26	65
	PR2	Timeliness of disbursement	10	24	66
	PR3	Greater disbursement from cooperatives & fintech	28	37	35
	PR4	There is insurance	24	40	36
Cost	BP1	Payment methods are more varied	28	34	38
	BP2	Confirm the installment amount	29	33	38
	BP3	Funds for productive needs	13	29	58
	BP4	The process is faster than fintech	46	34	20
	BP5	Safer than FinTech	27	37	36
Location	LK2	Know the location of the application office	12	23	64
	LK4	Can use identity area	30	26	44
	LK5	The office has many branches and is well known	22	32	47
Marketing Activities	AM1	Advertisements make people interested in searching	27	39	34
	AM2	Good staff service	27	33	40
	AM3	The website appearance is easy to navigate	23	37	40
	AM4	It's easier to apply via the website	24	36	40
	AM5	More confident applying through sales	21	39	40
Process	PS1	*Payment points* are easier	20	38	42
	PS2	Agree to check scores credit	20	41	39
	PS3	Easy and fast application process	25	40	35
	PS4	Easy collateral return procedure	27	35	39
	PS5	Security of guaranteed collateral	23	35	42
	KK2	Needs right when needed emergency fund	47	26	27

Consumer Decisions	KK4	First information through a mediator	13	40	46
	KK5	First information via social media	3	23	73
	KK6	Ask for references from relatives	47	29	24
	KK7	Find out the company's credibility	46	30	23
	KK8	Must know location company	15	40	45
	KK9	Guaranteed guarantee of safe collateral	3	20	77
	KK10	Very satisfied with the application process	14	37	49
	KK11	Provide recommendations to relatives	18	33	48

Graph 5 explains majority consumer use the product as 66% of respondents agree that company financing give timeliness of the disbursement process (PR2). Consumers also agree that increasingly tall the value of the collateral (house certificate , motorbike BPKB and car BPKB) then will the more big loans that can be received by consumers referring to the PR1 indicator , namely as many as 65% of respondents agree will statement that . Manufacturers need to know the most influencing product attributes decision consumers (Naufal & Magnadi, 2017).

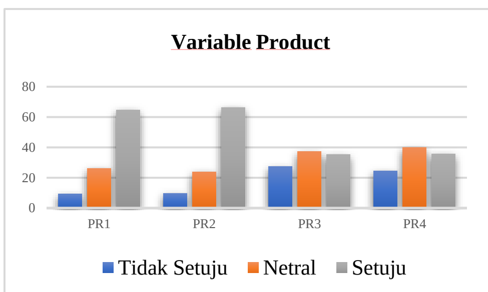

Figure 5. Product Variable Graph.

Graph 6 explains the cost variables in a purchasing decision. There are 5 question indicators on the cost variable. Based on the research results, the average percentage of answers in the affirmative to the question choices was 38%. The indicator with the highest percentage (BP3) explains that consumers will compare the installment value with competitors. Consumers realize that the costs charged are not small, so respondents use funds for productive needs such as business capital and trading where the indicator of cheaper leasing process costs (BP4) has the lowest value with a percentage of 20%

(Wangmo, 2015) in his research discussing financing of MSMEs (Micro, Small and Medium Enterprises) in developing countries explains that the cost variable (indicators: interest rate and term) provides significant results in influencing consumers to decide to take out a loan, respondents agree. use of borrowed funds for business capital needs (productive needs).

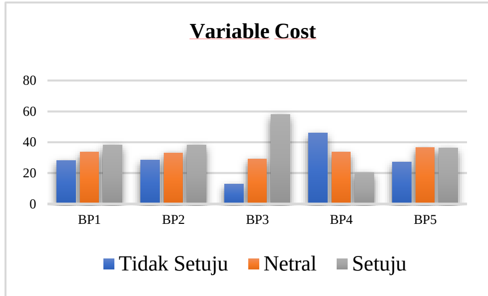

Figure 6. Variable graph Cost

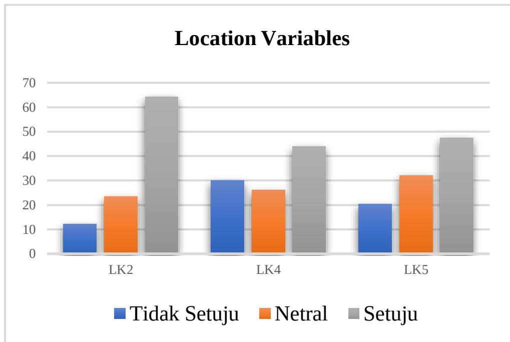

Figure 7. Location Variable Graph .

Processing results questionnaire as many as 52% of respondents agree that location as a consideration in choosing company loan . Indicator highest from these variables viz as many as 64% of respondents agree that know location office for submissions become something important. Another indicator in this variable is 47% of respondents agree office own Lots branch and famous , so Lots known to users leasing services

Variable The location in Figure Graph 7 explains that variable location give influence significant contribution _ decision consumers in choosing institution financing . (Listyawati, 2016) in their research regarding decision factors consumer take loan credit at Bank Rakyat Indonesia (BRI) explained that customers consider location Because the distance is close from home, so makes it easier customers when visiting office as well as to submit loan .

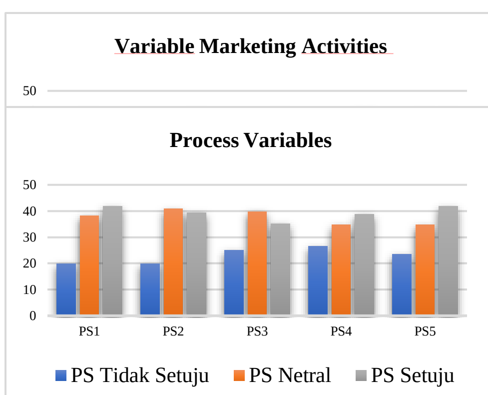

Figure 8. Variable graph Marketing Activities .

Research results show that the average percentage respondents as many as 42% agreed that process variables have impact in deciding to use leasing services as a company services to obtain loan (Siagian, 2017). Consumers also really expect easy payment methods (42%) and security collateral pledged (42%) . The results of other indicators influence mark Process variables are in Figure 8.

Process process variables is determining factor in the decision choose a financing product . In line with research (Nuridja et al., 2015) entitled factor decision customers take credit at PT Finansia Multi Finance explains 20.50% of the variance from influencing process variables decision consumer take credit in the company that .

Variable decision consumer divided into eleven indicator questions with average marks the consumer answered agree by 47%. The theory proposed by (Kotler et al., 2018) states five stages of the decision process , namely , introduction problem , search information , evaluation alternative , decision purchasing and behavior post purchase . In this research the author uses 3 indicators so that the questions are more focused on the situation company service financing , the indicator is search information , evaluation alternative and behavior post purchase .

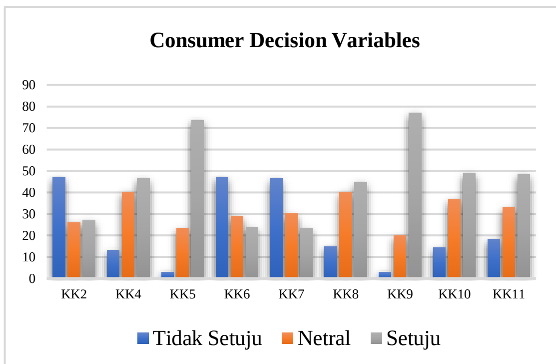

Figure 9. Graph of Consumer Decision Variables

Based on the results of research and discussion , there are a number of things that can be considered to be consideration for companies operating in the field service financing, in this case a leasing company (Wandelt et al., 2023). This research provides information for companies operating in the field related financing or leasing companies influencing factors decision consumers in choosing institution financing. This research uses _ developed theories _ from previous research with a purpose the author can provide implications managerial to fulfill objective from the research results .

The product factor is factor first in the variable research tested to see _ indicators in need consumer from product variables . Research results explain the more variety of collateral products offered leasing company , then the more tall evaluation positive consumers in using the product, so become consideration for company financing for more variety of financing products for consumers the more Lots use leasing services for their needs .

Variable cost percentage results obtained supreme that 58% of consumers agree use funds for needs productive , if seen from largest loading factor value , indicator mark interest charged consumer become consideration consumer use leasing services . Based on these results expected become consideration company financing in providing magnitude interest to be competitive and lighter than companies other competitors , so will interesting interest consumers to use service leasing company .

Certainty location become variable important in this research . A number of choice indicators on variables location including submissions _ financing with inappropriate identity domicile can be processed . Consumer own hope to obtain financing with inappropriate identity . The company must provide need financing with identity consumers who do not match their domicile so that consumers can access service financing .

Marketing activities explained factors are also needed consumers in choosing company financing . Mostly _ marketing activities are carried out through service sale direct (direct selling) in the net new consumers , but in the current digital era it is not closed possibility consumer know information via internet media. Indicator with values The highest is activity consumers who acquire information loan through Internet. The current digital era of companies need put forward internet media access is even better, both from promotion sales and application process (Leeflang et al., 2014). Companies are expected to be able to compete with progress technology financially to be able to provide mark competitive and not left behind (Kok, 2009).

Process is something components contained in the marketing mix in sales marketing services (Lim, 2023). Part of the process viz procedure actual , mechanism , service flow and system delivery operations _ service to customer (Gao et al., 2023). In this research , indicators with values The highest is the indicator related to ease and speed of processing (PS3) with a value of . The research results obtained from interview explain a number of consumer own need urge when submit financing in leasing. Suggestions for Companies must always pay attention to systems and procedures so as not to disappoint consumers in the disbursement process .

CONCLUSION

Based on characteristics type The most common gender is male with a range aged 21 - 30 years . Average consumer status Already married with the dominant occupation being self - employed . The largest domicile is the city of Jakarta by percentage The highest are first -time consumers submission to the company financing .

There are 5 factors that influence and have influence mark significant from the research results. Product variables (Indicators options on collateral to acquire loan). Variable costs (Indicator certainty costs) be consideration choose leasing company . Location Variables (Repair regulations for use domicile area). Variable marketing activities (Indicators friendliness). Process variables (Certainty of results).

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