

Exploration of Perceptions of Bank X EDC Machine users (Merchants) Regarding Products and Services Related to EDC Machines at Bank X Denpasar Regional

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ABSTRACT

Purpose: The Bank X is one of the largest banks in Indonesia which is currently carrying out a massive expansion and acquisition strategy related to increasing merchants who collaborate with Bank X in the use of non-cash transactions using EDC machines. Based on this, the Bank X Regional Office Denpasar needs to carry out a strategy that is in accordance with the perceptions and behavior of merchants or partners regarding EDC Bank X. This research uses a qualitative approach to obtain research results in accordance with the objectives to be achieved, namely finding out the reasons why merchants do not use EDC Bank X, the strengths and weaknesses of EDC Bank X. As a result of previous research and interviews, several factors were found that influence bank card users at other bank EDCs carried out by the merchants who were informants in this research, including because Bank X's EDC machine often had errors, Bank using AMEX, and cashiers from merchants who are accustomed or familiar with using Other Bank EDC machines compared to Bank X's EDC.

Design/methodology/approach: This research was conducted using qualitative methods so that the research carried out was in accordance with the previously determined research objectives, namely to determine the perceptions of Bank X EDC machine users (Merchants) regarding products and services related to EDC machines at Bank X or the most appropriate strategy to win competition with other banking companies.

Findings: The findings from this research regarding the factors that cause partners not to use EDC Bank X are because EDC Bank X machines often have errors, EDC Bank X cannot facilitate payments using AMEX, and cashiers from merchants who are used to or are familiar with using EDC machines from other banks compared to EDC Bank X. The strengths and weaknesses of EDC Bank X compared to other EDC Banks are banks X that have adopted the Android system, MDR which is cheaper than other banks, fast connection, fast complaint service compared to other EDC Banks in the Denpasar Regional Office. The shortcomings of EDC Bank X in the Denpasar Regional Office, in terms of payment features that cannot accept international payments, namely AMEX, cutver releases that take a relatively long time, check transactions that cannot be done in real time, and complaints that cannot be served within 24 hours, such as Bank Mandiri and BNI.

Research limitations/implications: The scope of the research is limited only to banks X in the Denpasar Regional Office, so the results of this research cannot be applied widely and applied to other places or locations because the area of the Denpasar Regional Office is an area whose main industry is the tourism industry, where in this industry has different characteristics from other industries or other locations that are not tourist locations. This causes the data obtained from the results of this research to only be applied to locations with the same industry, namely the tourism industry.

Practical implications: Similar research is carried out by the Bank X as a whole or throughout the Bank's X operational areas in order to obtain the most appropriate strategy for each region with diverse or different industries.

Paper type: Case study

Keyword: Perception, Costomer Behavior, Bank, EDC of Bank

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I. INTRODUCTION

The development of digital technology/digitization, Covid 19, calls and encouragement from the government to maximize the use of non-cash payments are big opportunities for companies operating in the financial and banking industry to gain profits and win competition with companies in the same business. This is confirmed by several previous studies on the effects of using non-cash payment instruments on the performance of banking companies. Muotolu.dkk (2019) in his research entitled "Cashless Policy and Financial Performance of Deposit Money Banks in Nigeria" found that there is a positive and significant influence caused by the policy or proxy of the use of cashless or non-cash transactions on banking performance, which in this research the focus is on increasing the Return of assets (ROA) from banks.

Another research on the impact of the use of non-cash and digital payments was conducted by S.MoududUl-Huq (2020) entitled: "Impact of cashless policy on bank's profitability: Evidence from a developing economy". This research found that there were several significant differences. between banks that adopt and offer electronic banking facilities and banks that do not use electronic payments, the findings of this research indicate that Internet Banking is the only variable that has a significant and positive influence on bank profitability.

Referring to previous research conducted in various parts of the world regarding the success of non-cash/cashless payment strategies and policies to increase banking profitability and performance, the marketing focus or penetration in non-cash payments can be used as a reference, strengthening development and market penetration that must be carried out by financial companies, especially banks, in order to maximize company performance.

Preliminary research carried out involving several Bank X Branch Leaders in several regions or the Denpasar Region, namely the leaders of the Renon, Gajahmada, Kuta, Gatot Subroto, Gianyar, Tabanan, Semarapura and Amlapura Branches, found that one of the things that was the driving force in maintaining The profitability of banks in the Denpasar region in particular and Indonesia in general is by increasing cheap funds from the public (CASA), banks have three types of products in the form of savings, namely savings, current accounts and deposits. These three types of products are divided into two, namely cheap funds and expensive funds, called cheap funds / CASA because the bank provides rewards or results in the form of bank interest with a low percentage, while expensive funds because the rewards or results given are in the form of interest to customers with a higher percentage value. big. Cheap fund products / CASA are savings and current accounts, while expensive fund products are deposits. Cheap funds / CASA can be obtained through efforts to maximize non-cash transactions carried out by customers through payments using debit cards or non-cash using digital or electronic products or services such as transactions via EDC machines, Qris, internet banking and others. to be one of the superior products and services of Bank X and other banks in Indonesia. (Bank X Internal Document, 2024).

The Bank X, as one of the largest banks in Indonesia, of course continues to make efforts to win competition with other banks in Indonesia by making educational efforts to existing customers of the Bank and the general public about the advantages and benefits of carrying out non-cash transactions using EDC machines. Bank X compared to other banks, besides that, the Bank X is also carrying out the process of accelerating the acquisition of merchants in the Bank X operational area to use and utilize the Bank X EDC machine as a non-cash transaction option, which is the Bank's current superior and main strategy as a form or action. to win competition with other banks and improve the performance and profitability of banks, mainly sourced from the withdrawal of cheap funds from the public (CASA). In addition to the massive penetration and acquisition strategy of merchants, the Bank X also continues to make efforts to improve its main services, namely non-cash payment product services through the Bank X EDC machines so that customers and the public feel satisfied and further increase the intensity of use of the products and services it has and provided by the Bank which in the end can help the Bank in its efforts to win competition with other Banks in Indonesia. (Bank X Internal Document, 2024).

Another research using a qualitative approach was conducted by Lam. Regan, (2005) with the title "SME banking loyalty (and disloyalty): a qualitative study in Hong Kong". This research aims to determine the extent to which loyalty, and the reasons underlying the behavior of business banking customers from the small and medium enterprise (SME) sector in Hong Kong, and beyond contribute to a better understanding of the drivers of customer loyalty. The design, methodology and approach of this research were carried out by conducting in-depth qualitative interviews with decision makers from SMEs in Hong Kong. Content analysis was used in this research to analyze interview data. The findings of this research differ from previous research, namely regarding the share of wallet banks in the SME segment in the US and Australia, where a lack of loyalty or "disloyalty" appears to be commonplace in this sector in Hong Kong. Perceived service quality and length of business relationship appear to have a strong relationship with loyalty behavior, namely the customer's willingness to continue using the bank and/or recommend the bank to others.

Hassaan.Muhammad and Li.Gang (2023), conducted research entitled "The adoption of smart banking services from a dual perspective: a qualitative study". This research aims to understand the facilitators and barriers that might influence customers to adopt smart banking services (SBS) in Pakistan. This research uses a qualitative

approach by conducting semi-structured interviews with 33 bank customers in Multan and Lahore using a case study design, the cases were selected using a purposive sampling strategy with maximum variation. Thematic content analysis (TCA) was conducted to analyze the qualitative data. The findings of this research support the idea that SBS has become something that must be done in the 21st century by banking companies due to performance expectations, effort expectations, social influence, price value, facilitating conditions, habits and hedonic motivation. However, the issue of privacy information such as customers' cognitive, personal and social experiences is a problem that is an inhibiting factor in the level of SBS adoption by customers.

Based on several previous studies and phenomena that occur in the Bank regarding consumer behavior in terms of using or utilizing Bank products and services on other Banks' EDC machines, as well as perceptions that exist in the minds of the public regarding the quality and image of the Bank X EDC machines, and other factors that cause customers are not loyal or devoted to using services or products from the Bank X. So researchers are interested in conducting further research and studies regarding "Exploring the perceptions of Bank X EDC machine users (Merchants) regarding products and services related to EDC machines at the Denpasar Regional Bank X." This was done to see the extent of the perception of the public or Bank customers regarding services. The Bank X EDC machine products are mainly customers in the Denpasar Region, so that later it can make it easier for the Bank X management team to make service improvements and reduce things that are considered to degrade the satisfaction of Bank customers with Bank products and services, especially the Bank X EDC machine services and products and services Bank as a whole.

Based on the background discussion, the following research questions can be formulated:

1. Why don't EDC Bank X users use the EDC Bank X machine for all Bank X customer card transactions?
2. What strategies can Bank X use to encourage merchants to optimize the use of Bank?

II. METHODS

A. Type of Research

Research design is an activity that has the aim of knowing the processes that the author will carry out in order to obtain appropriate results from a research activity carried out. This research uses a research design with qualitative descriptive research methods.

According to Sugiyono (2022), qualitative research methods are often called naturalistic research methods because the research is carried out in natural conditions (natural settings). Qualitative research method is a research method based on the philosophy of postpositivism, used to research the condition of natural objects, where the researcher is the key instrument, data collection techniques are carried out in a triangulated (combined) manner, data analysis is inductive/qualitative, and the results of qualitative research emphasize more meaning rather than generalization. Meaning is actual data, definite data which is a value behind the visible data.

Based on this, this research was carried out using qualitative methods so that the research carried out was in accordance with the previously determined research objectives, namely to determine the perceptions of Bank X EDC machine users (Merchants) towards products and services related to EDC machines at the Denpasar Regional Bank X, so that it can then be determine the most appropriate method or strategy to win the competition with other banking companies.

B. Place and Time of Research

The research location is the location or place used to conduct research. The research location is at the Bank Regional Office Denpasar which is located on Jl. Dr. JI. Kusuma Atmaja No.1, Panjer, South Denpasar, Denpasar City, Bali and at several merchant locations using EDC Bank X. The researcher used this research location because it had the title "Exploration of Perceptions of Bank EDC Machine Users (Merchants) regarding Products and Services Related to EDC Machines at Denpasar Regional Bank X" so it was necessary to collect data at the company. The research will be carried out over a period of 2 months, namely June to July 2023.

C. Research Object

The object of this research focuses on matters relating to customer perceptions of EDC Bank X products, which are currently one of the products that are being encouraged to increase their use and utilization by Denpasar Regional Bank X merchant customers which will ultimately have an impact or influence on improving the performance of the Denpasar Regional Bank X, especially in the area of increasing low-cost funds (CASA) from non-cash transactions. Research objects include:

- a. Services provided
- b. Quality
- c. Price (Merchant Discount Rate)

D Research Subjects

The success of qualitative research, one of which is influenced by the accuracy of determining and selecting subjects in research or informants appointed as key informants. To obtain valid and accurate data and information, it is necessary to determine key informants which are then carried out in-depth interview processes (in-dept interviews) on key informants related to the process and use of EDC Bank X products. The informants appointed in this research are informants who are considered to have capabilities and can provide appropriate information, including :

1. External Informant:

- a. Business owners (owners) of merchants using Bank X's EDC who also use other Bank's EDC at the same outlet
- b. Merchant cashier using EDC Bank X who also uses EDC from another bank at the same outlet.

The industries above were chosen because the research location, namely Denpasar Regional, is a location whose main business is related to the world of tourism, not a location for manufacturing industries and the like. So the researcher feels that these industries are more appropriate to describe the case being studied.

2. Internal Informant:

- a. Branch Manager of Bank X Denpasar Area
- b. EDC Bank X Marketer, Denpasar Area
- c. EDC Bank X Area Denpasar installation & maintenance vendor

The internal informal information above was chosen because of the need for research to see the services provided by the Bank X to customers. This needs to be done to crosscheck data generated from data obtained from external informants regarding services, products and other things that are perceived by the merchants who are Bank X partners or customers.

E. Data Type

Data is one of the most important parts of research, because with data, researchers can find out the results of the research that has been carried out. Researchers use two data sources to support the results of the research that researchers have conducted, including using Primary Data and Secondary Data.

F. Data Collection Techniques

The data collection method used in this research is data collection by observation, interviews and documentation.

1. Interview (Interview)

According to Sugiyono (2022), an interview is a meeting of two people to exchange information and ideas through questions and answers, so that meaning can be constructed on a particular topic. Sugiyono (2022), suggests several types of interviews, namely: structured interviews, semi-structured interviews, and unstructured interviews.

2. Documentation

According to Sugiyono (2022), documentation is a record of past events. Documents can be in the form of writing, images, or monumental works by someone.

3. Observation

Observation is a data collection technique using the senses, so it is not just observation using the eyes. Listening, smelling, tasting, touching are forms of observation.

G. Data Analysis

According to Sugiyono (2019), data analysis in qualitative research is carried out during data collection, and after completing data collection within a certain period.

- a. Data collection
- b. Data reduction
- c. Data Presentation
- d. Conclusion and Data Verification

III. RESULTS AND DISCUSSION

The research discussion focuses on achieving the problem formulation and objectives to be achieved in this research, the matters discussed in more depth are as follows:

1. Factors that influence Bank X EDC users not to use Bank X EDC machines for Bank X customer card transactions.

Based on the results of research and interviews conducted previously, several factors were found that influence bank X card users at other bank's EDCs carried out by merchants who were informants in this research, including because the Bank X EDC machine often had errors, the Bank X EDC was unable to facilitate payments using AMEX, and cashiers from merchants who are accustomed or familiar with using other bank X EDC machines compared to Bank X EDC this can be done

2. Strengths and weaknesses of Bank X EDC machine products & services at Bank X Regional Denpasar. Based on the results of research and interviews conducted previously, results or findings regarding the strengths and weaknesses of EDC Bank X compared to EDCs of other banks were found, namely:

- a. The strength of EDC Bank X

EDC Bank X has several strengths compared to other EDC Banks which make merchants who are partners of the Bank choose to use EDC Bank X. These are the advantages of the EDC Bank X machine which has adopted the Android system, MDR which is cheaper than other banks, fast connection, excellent complaint service. faster than other EDC Bank X in the Denpasar Regional Office. This can be seen from the statement made by the key informant during the interview, Mr. Indra revealed that the EDC machine from the Bank has advantages or advantages of EDC Bank X compared to EDC of other Banks in terms of EDC machines that are more modern and sophisticated.

- b. Disadvantages of EDC Bank X

EDC Bank X has disadvantages compared to other EDC Banks, especially EDC Bank X which is located in the Denpasar Regional Office. Based on the results of interviews conducted with key informants in this research, it is known that EDC Bank X Regional Office Denpasar has disadvantages compared to EDC Other Banks in terms of payment features that cannot be used. accepts international payments, namely AMEX, cutver releases which take a relatively long time, check transactions which cannot be done in real time, and complaints which cannot be served within 24 hours such as Bank Mandiri and BNI.

This is reinforced by the statement made by the key informant in this research, namely the Financial Manager of the Stuj hotel (disguised) who said that the disadvantage of EDC Bank is that it cannot carry out transactions using AMEX which is an international payment instrument used at the Denpasar Regional Office which is the location tourism that has a high visitation load from foreign tourists,

3. Determine strategies that can be implemented by the Denpasar Regional Bank to encourage merchants to optimize the use of the Bank X EDC machines.

To determine the most appropriate strategy according to the results of the research and interviews conducted in this research, 2 main tools are used so that the research objectives can be achieved. The first step taken in this research was to find the root of the problems that occurred in the field using a Fishbone Diagram.

Based on this, the Fishbone diagram compiled through problems that emerged from interviews with internal and external key informants is as follows:

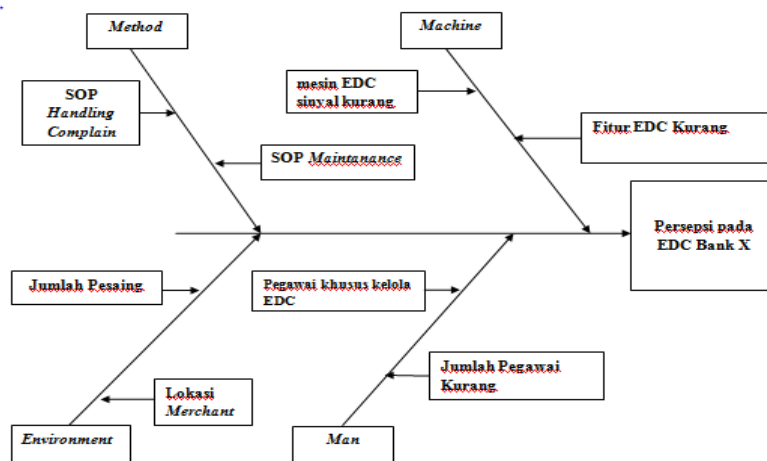


Figure 1. Bank X EDC Fishbone Diagram

Based on the fishbone diagram above, the source of the problems obtained from the results of the field study can be explained, and 4 main categories were found which were the root of the problems presented by the key informants in this research, namely: man. Method, machine, and environment. These 4 categories may be different from the categories of problems that arise at different Regional Bank X, because the problems at the Denpasar

Regional Office arise due to the influence of the tourism industry which is one of the main industries at the Denpasar Regional Office.

Next, the problems obtained from the fishbone diagram are used for further analysis using SWOT analysis. SWOT analysis is the systematic identification of various factors to formulate company strategy (Rangkuti in Dj. Rusmawati, 2017). This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats.

The following are the SWOT components resulting from the results of research conducted in the field based on the results of interviews with internal and external informants:

1. Strengths

Based on the results of research conducted in the field, it is known that there are several strengths that EDC Bank has compared to other EDC Bank X, including:

- a. EDC machine with Android system
- b. Cheaper MDR compared to other banks
- c. Relatively fast and smooth connection
- d. Fast complaint service compared to other EDC Banks in the Denpasar Regional Office.

2. Weaknesses

Based on the results of the analysis and fishbone diagrams carried out in the research, it is known that there are several weaknesses that EDC Bank X has compared to other EDC Banks, including:

- a. Man
- b. Method
- c. Mechine
- d. Environment

3. Opportunities

- a. Bank X offices that reach remote areas
- b. Bank X EDC machine which already uses Android
- c. More Competitive MDR
- d. Good management system

4. Threats

- a. • Competitor Expansion
- b. • Development/modernization of competitors' EDC machines
- c. • Top of mind merchants on superior competitors

SWOT matrix diagram

EDC BANK X Regional Office Denpasar

<i>IFAS/EFAS</i>	<i>(Strengths)</i> • <i>EDC machine with Android system</i> • <i>Cheaper MDR compared to other banks</i> • <i>Relatively fast and smooth connection</i> • <i>Fast complaint service compared to other EDC Banks in the Denpasar Regional Office.</i>	<i>(Weaknesses)</i> <i>Man</i> <i>Method</i> <i>Mechine</i> <i>Environment</i>
<i>(Opportunities)</i> • <i>Bank X offices that reach remote areas</i> • <i>Bank X EDC machine which already uses Android</i>	<i>Strategi (SO)</i> <i>a. Added AMEX payment features</i> <i>b. Upgrade the Android version so that the network is faster</i>	<i>Strategi (WO)</i> <i>a. Increase the number of Bank X EDC managers (focused jobdesk)</i> <i>b. Collaborating with international payment systems</i>

<ul style="list-style-type: none"> • <i>More Competitive MDR</i> • <i>Good management system</i> 	<p><i>c. Adjusting Competitive MDR</i></p> <p><i>a. Improved management system to 24 hours like competitors</i></p>	<p><i>c. Create a 24 hour complaint handling system</i></p> <p><i>d. Improve Android machines according to input from partners</i></p>
<p><i>(Threats)</i></p> <ul style="list-style-type: none"> • <i>Competitor Expansion</i> • <i>Development/modernization of competitors' EDC machines</i> • <i>Top of mind merchants on superior competitors</i> 	<p><i>Strategi (ST)</i></p> <p><i>Carrying out more massive expansion and acquisitions</i></p> <p><i>Upgrade the machine to the latest version</i></p> <p><i>Providing education and promotions to partners</i></p>	<p><i>Strategi (WT)</i></p> <p><i>a. Reduce machine problems</i></p> <p><i>b. Reduce and improve EDC work and maintenance systems</i></p> <p><i>c. Strengthening relationships with Partners through education and promotions</i></p>

Source: data processed 2024

Based on the SWOT matrix above, strategies can be explained that can be used by bank X to develop EDCs in order to win competition with EDCs of other banks.

1. Strategy (SO)
 - a. Added AMEX payment features
 - b. Upgrade the Android version so that the network is faster
 - c. Adjusting Competitive MDR
 - d. Improved management system to 24 hours like competitors
2. Strategy (WO)
 - a. Increase the number of Bank X EDC managers (focused jobdesk)
 - b. Collaborating with international payment systems
 - c. Create a 24 hour complaint handling system
 - d. Improve Android machines according to input from partners
3. Strategy (ST)
 - a. Carrying out more massive expansion and acquisitions
 - b. Upgrade the machine to the latest version
 - c. Providing education and promotions to partners
4. Strategy (WT)
 - a. Reduce machine problems
 - b. Reduce and improve EDC work and maintenance systems
 - c. Strengthening relationships with Partners through education and promotions

IV. CONCLUSION

Based on the results of research and interviews conducted previously, several factors were found that influence bank card users at other banks' EDCs carried out by merchants who were informants in this research, including because the Bank X EDC machine often had errors, the Bank X EDC was unable to facilitate payments using AMEX, and cashiers from merchants who are accustomed or familiar with using other bank X EDC machines compared to Bank EDC.

Meanwhile, the results or findings regarding the strengths and weaknesses of EDC Bank X compared to EDC of other banks are the strengths compared to EDC of other banks that make merchants who are partners of the Bank choose to use EDC Bank X. This is the advantage of the EDC Bank X machine which has adopted the Android system, MDR which is better. Cheap compared to other banks, fast connection, fast complaint service compared to other EDC banks in the Denpasar Regional Office. Disadvantages compared to other EDC Banks, especially EDC Bank X which is in the Denpasar Regional Office, based on the results of interviews conducted with key informants in this research, it is known that EDC X Bank Regional Office Denpasar has disadvantages compared to EDC Other Banks in terms of payment features which cannot accept international payments. namely AMEX, which takes a relatively long time to release cut ver, check transactions that cannot be done in real time, and complaints that cannot be served within 24 hours, such as Bank Mandiri and BNI.

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