

THE INFLUENCE OF LOCATION AND BRAND IMAGE ON STUDENTS' INTEREST IN TRANSACTING AT BANK RAKYAT INDONESIA SUNGAI PENUH BRANCH OFFICE

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ABSTRACT

This study intends to investigate the extent of the influence of location and brand image on students' interest in transacting at BRI Kanca Sungai Penuh. The research found that location positively and significantly influenced students' interest in transacting. This contrasts with the brand image, which has no effect on students' transaction interest. However, location and brand image have a positive and significant impact on student interest in transacting, with location being the most influential variable affecting student interest in transacting at BRI Kanca Sungai Penuh. After considering the study's findings, it's clear that the brand image has a relatively low impact on students' willingness to transact. Before using a company's products, students should acknowledge the company's brand image, especially consumer and service firms. This is attributable to the fact that a company's image reflects the quality of its products.

Keywords: Interest in Transactions; Location; Brand Image.

INTRODUCTION

The progress of a country's economy can be seen in the development of financial institutions. Financial institutions, especially banks, have a very important role in moving the economy's wheels. For developed countries such as Europe, America, and Japan, banking is a basic need that must be met and greatly affects their lives (Kasmir, 2018: 7). The more developed a country is, the greater the role of banking in the economy, and vice versa. This proves that banking is increasingly needed in the lives of people and governments.

Business competition in banking is increasingly competitive and occasionally influenced by changes and technological developments. This technological development also requires financial institutions, especially banks, to implement strategies to attract customers to transact in banks, such as the variety of products offered and the quality of services provided. Interest will arise when the individual is interested in something because it suits his needs or feels it will be meaningful. This interest tends to give a feeling of pleasure when the individual does it, such as interest in transacting at a bank. If the individual sees or has even made transactions (such as saving) at a bank and has repeatedly made transactions, it will cause interest and loyalty to the bank. So, the higher the customer's knowledge about the bank's products, the higher the interest in transacting there. In addition to products and service quality, a strong product identity is needed through brand competition to have advantages and competitiveness to survive among other financial institutions, as Kotler (2001) stated.

A brand can be interpreted as a name, term, symbol, design, or combination. With the brand, it can help customers distinguish between banks and products offered by banks. Brands can increase value by adding functional and emotional benefits to customers. Functionally, the brand can signal the quality of the products offered. Emotionally, brands can also provide their customers pride, trust, and other positive emotions. In addition, the brand is one of the intangible assets that has a significant role in the company (Ridwansyah, 2017). Apart from being a product identity, brands can improve the image formed in consumers' minds about a particular brand if worked on professionally.

The results of Farli and Tielung's (2015) research show that brand image has a more dominant influence than other factors in influencing people's decisions because people will choose and pay attention to known *brands* before deciding to use the products offered because they are considered more reliable in quality so that the products offered will be of high value and the value of the company will increase. Brand image has an important role in a company, including banking. The image owned will influence the public (especially customers) to use products from a bank, affecting customer loyalty (Desfitriady and Sirait, 2018). Rohmaniah (2019) also stated that *brand image* affects customers' decisions to save at the bank. This is in line with Masturoh's opinion (2018) that if the *brand* image owned by the bank is good enough, both in terms of producer image, consumer image, and product image, it will further improve customer decisions in transacting at the bank.

In addition to brand image, the location placement of a bank has a significant influence on business activities, as well as banking, because, with the right location, the bank's achievement target will be achieved (Rianto, 2010 in the journal Viranti, 2015). Determining the location of a bank is usually directed close to the community, such as close to housing, markets, schools, city centers, or other public facilities. Suhardi Sigit (1982) stated that in determining the location of a company, a geographical or strategic point with the greatest potential to provide the company with the opportunity to achieve its goals is needed. As for service companies such as banks, hotels, restaurants, or supermarkets (retail), according to Sayuti (2015), they will choose a location around the protocol road because the service company is very dependent on physical contact with consumers or customers.

However, a strategic location does not guarantee that it can affect people's interest in transacting at banks because some people consider that location is not too much of a consideration in choosing the bank used (Wijaya, 2017). Wardhana (2019) also stated that location only significantly affects consumer decisions in transacting. Similarly, Romania (2019) stated that location does not affect customers' decisions to transact at banks. High mobility for the community, especially urban communities, makes distance and location less meaningful for them, especially transactions they can do through ATMs spread throughout the city. This opinion is also reinforced by Diana's statement (2017) that the proximity of location and domicile does not affect customer decisions in transactions.

Customers from banks, especially commercial banks, come from all walks of life, including students. This is because the average student in Indonesia lives far from their parents or guardians. Otherwise, students will open an account if needed for scholarships or for other interests as needed. Likewise with IAIN Kerinci students, where almost all students must be customers of one or even several banks in Sungai Full City, both Commercial Banks and People's Development Banks (BPR), such as Bank Rakyat Indonesia (BRI), Bank 9 Jambi, or Bank Kerinci. Moreover, almost all IAIN Kerinci students are customers of one of the Commercial Banks in Sungai Full City, BRI.

This is based on facts from interviews with several IAIN Kerinci students who stated that they chose to open accounts and make financial transactions such as transfers using BRI as a financial intermediary because the families who often send them money are BRI customers. In addition, based on observations, the average IAIN Kerinci student prefers to pay tuition fees at BRI Kanca Sungai Full than at BRI units because they think that tuition payments can only be made at BRI Kanca, even though they are not. For this reason, researchers want to learn more about several factors that influence the interest of IAIN Kerinci students, especially students of the Faculty of Economics and Islamic Business, to transact at BRI Kanca Sungai Penuh, namely, location and brand image factors.

RESEARCH METHODS

This research uses a quantitative approach with a descriptive method, with the object of research being Bank Rakyat Indonesia Sungai Full Branch Office. This research was conducted on students of the Faculty of Economics and Islamic Business IAIN Kerinci Academic Year 2021/2022-Odd, which amounted to 771 students. The sampling technique uses *purposive*

sampling while determining the number of research samples using the Slovin Theory of 89 students. Meanwhile, data collection techniques are carried out with *library research in the form of* previous research related to research and field research in the form of questionnaires.

RESULTS AND DISCUSSION

Respondents in this study were obtained from the results of distributing online questionnaires (questionnaires) to students of the Faculty of Economics and Islamic Business IAIN Kerinci Academic Year 2021/2022-Odd using the Google Form (Gform) *facility*, which was then analyzed using statistical procedures using IBM SPSS Statistics 24. Based on the questionnaire that has been distributed, 89 respondents responded to the statement on the questionnaire distributed having transacted at BRI Kanca Sungai Penuh, with the following criteria:

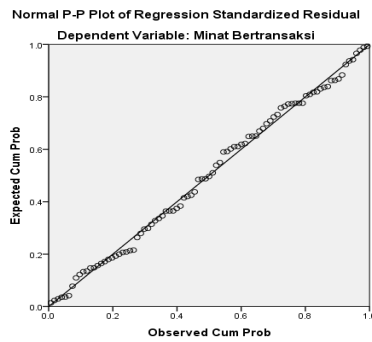
Table 1
Characteristics of FEBI IAIN Kerinci Student Respondents

No	Indicators	Sum	Percent (%)
1.	Gender		
	Man	27	30,3
	Woman	62	69,7
2.	Age		
	17-18 years	8	9,0
	19-20 years	36	40,4
	21-22 years	44	49,4
	>23 years old	1	1,1
3.	Semester		
	1	10	11,2
	3	16	18,0
	5	19	21,3
	7	44	49,4
4.	Department		
	Sharia Economics (ES)	32	36,0
	Sharia Banking (PBS)	57	64,0

Source: Primary data processed, 2021

Table 1 shows that from the sample's gender, female students are more dominant in responding to the questionnaire distributed, with 62 responses compared to male students. This shows that female students are more dominant among FEBI IAIN Kerinci students than male students. Based on the sample's age range, students aged 21-22 were more dominant in responding to the questionnaire distributed, which was 44 respondents, compared to other age ranges with the dominant semester, Semester 7 (seven) students, as many as 44 respondents. This is because most of the sample that responded to the questionnaire distributed during the study were students in the seventh semester compared to other semester students. In addition, it can be seen that the sample with the dominant major in responding is the Sharia Banking major, which is as many as 57 research respondents.

Figure 1
P-Plot Normality Test

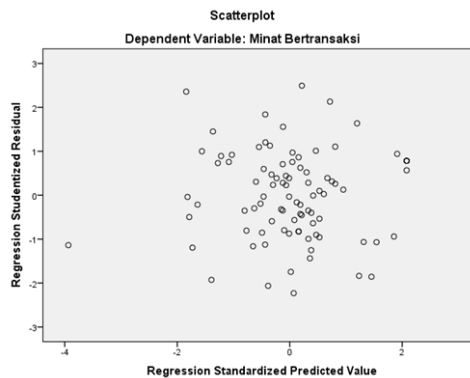


Source: Primary data processed by SPSS 24, 2021

This study has a normally dispersed residual distribution, as shown in Figure 1, where there is a spread of data around the diagonal line, and the spread follows the direction of the diagonal line. This shows that the regression model used in this study satisfies the normality assumption.

Figure 2

Scatterplot *Heteroscedasticity Test Results*



Source: Primary data processed by SPSS 24, 2021

Based on Figure 2, it can be seen that the points on the *Scatter Plot* spread randomly above and below the number 0 on the Y-axis so that they do not form a certain pattern. Therefore, it can be concluded that the regression model in this study can be categorized well because there is no heteroscedasticity problem in the regression model.

Table 2

Multicollinearity Test Results of Location Variables (X_1) and Brand Image (X_2)

Type		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Location	0,570	1,754
	Brand Image	0,570	1,754

a. Dependent Variable: Interest in Transactions

Source: Primary data processed by SPSS 24, 2021

Based on Table 2, it can be seen that the *value of the Variance Inflation Factor (VIF)* in the Location variable (X_1) and Brand Image variable (X_2) is 1.754, which is $1.754 < 10$, and the tolerance value is 0.570 which is $0.570 > 0.1$; it can be concluded that there is no multicollinearity between independent variables in the regression model.

Table 3

Results of Partial Significant Test (t-Test) Location Variable (X_1) and Brand Image (X_2) against Transaction Interest Variable (Y)

Type	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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		B	Std. Error	Beta		
1	(Constant)	16,591	5,897		2,814	0,006
	Location	0,372	0,073	0,536	5,130	0,000
	Brand Image	0,252	0,133	0,198	1,901	0,061

a. Dependent Variable: Interest in Transactions

Source: Primary data processed by SPSS 24, 2021

Based on Table 3, observing columns t and Sig, it can be concluded that H1, which reads that location influences student interest in transacting at BRI Kanca Sungai Full, is partially accepted. This can be seen from the positive location significance value of 0.000 where < 0.05 and the table t value = $t(a/2; n-k-1) = t(0.05/2; 89-2-1) = (0.025; 86) = 1.988$, and the t value is calculated $> t_{table}$ ($5.130 > 1.988$). At the same time, H₂, which reads that brand image influences student interest in transacting at BRI Kanca Sungai Full, is partially rejected because the significant value of the brand image is greater than the alpha value. The calculated t value is smaller than the table t value.

Table 4

Results of Simultaneous Significant Test (F-Test) Location Variable (X₁) and Brand Image (X₂) on Transaction Interest Variable (Y)

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1713,768	2	856,884	37,472	,000b
	Residuals	1966,591	86	22,867		
	Total	3680,360	88			

a. Dependent Variable: Interest in Transactions

b. Predictors: (Constant), Brand Image, Location

Source: Primary data processed by SPSS 24, 2021

Based on Table 4, the calculated F value is 37.472, and the table F value is 3.10, so the F value is calculated $>$ the F table, with a significant level of $0.000 < 0.05$. H₀ is rejected, and H₃ is accepted. So, it can be concluded that the variables Location (X₁) and Brand Image (X₂) simultaneously positively and significantly affect Student Interest in Transacting at BRI Kanca Sungai Penuh.

Table 5

Multiple Linear Test Results of Location Variable (X₁) and Brand Image Variable (X₂) on Transaction Interest Variable (Y)

Type		Unstandardized Coefficients
		B
1	(Constant)	16,591
	Location	0,372
	Brand Image	0,252

a. Dependent Variable: Interest in Transactions

Source: Primary data processed by SPSS 24, 2021

Based on Table 8, if included in the multiple linear regression equation, which is as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

$$Y = 16.591 + 0.372 X_1 + 0.252 X_2 + e$$

The regression equation shows that the constant value is 16.591, which states that the variables of location and brand image have not influenced the variable of interest in transacting. If the independent variable does not exist, then the dependent variable does not change. b₁, the value of the regression coefficient X₁, has a value of 0.372, indicating that the location variable positively influences the variable of interest in transactions. So, for every increase of 1 unit in the location variable, the interest in transacting will increase by 0.372, assuming that the other independent variables remain. And b₂, the value of the regression coefficient X₂, has a value of 0.252, indicating that the brand image variable positively influences the variable of

interest in transactions. So, for every 1 unit increase in the brand image variable, the interest in transacting will increase by 0.252, assuming that the other independent variables remain.

To find out how much the percentage change in the dependent variable (Y), namely transaction interest, caused by the independent variable (X), namely location and brand image, it is necessary to test the following coefficient of determination (*R Square / R2*):

Table 6
Results of Coefficient of Determination of Location Variable (X₁) and Brand Image Variable (X₂) on Transaction Interest Variable (Y)
Model Summary

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682a	.466	.453	4.782

a. Predictors: (Constant), Brand Image, Location

Source: Primary data processed by SPSS 24, 2021

Based on Table 6, it can be seen that the correlation value (R) is 0.682. From the table, it is also known that the coefficient of determination (*R Square*) is 0.466, which means that the magnitude of the influence of Location variables (X₁) and Brand Image (X₂) on Transaction Interest (Y) is 46.6%. In comparison, other variables outside the regression model influence the remaining 53.4% of students' interest in transacting.

The Influence of Location on Student Transaction Interest at BRI Kanca Sungai Full

The test results on the influence of Location on Transaction Interest in BRI Kanca Sungai Full on FEBI IAIN Kerinci Students show that location has a positive and significant effect on student transaction interest. This is because the results of the t-test (Table 3) produce a significance value that is smaller than the alpha value of $0.000 < 0.050$ with a calculated t value greater than the table of $5.130 > 1.988$ so that the location has a positive and significant effect on student interest in transacting at BRI Kanca Sungai Penuh.

This significant relationship between location and transaction interest is in line with research conducted by Selvy Fironica (2020: 65), which shows that partially the location variable has a significant effect on transaction interest with a significant value of t-test of $0.015 < 0.050$. This indicates that determining the location of a bank is one of the most important policies because a bank located in a strategic location will make it easier for customers to deal with the bank.

However, this is inversely proportional to research conducted by Wisnu Wardhana (2019: 70), which states that location only significantly affects consumer decisions in transacting. Similarly, Rizky Marstianti Wijaya (2017: 99) also indicated that location has little effect on customer interest in transactions, even with the strategic location of the bank. This shows that for customers, the bank's location is a manageable consideration in deciding to transact even though the bank is located strategically.

The Influence of Brand Image on Student Transaction Interest at BRI Kanca Sungai Full

Based on the test results, the brand image does not significantly affect students' interest in transacting at BRI Kanca Sungai Penuh. This can be seen from the t-test results (Table 3), with a significant value of brand image greater than the alpha value, which is $0.061 > 0.050$, which indicates that brand image does not significantly affect student interest in transactions. This shows that the brand image owned by BRI Kanca Sungai Full is independent of the interest of FEBI IAIN Kerinci students in transacting there. Therefore, even though BRI has a good corporate image, it does not make them believe in using BRI. This differs from the view of Firmansyah (2019: 67), who states that the advantages of the company's brand can make consumers believe in the brand. In addition, the brand image owned by the company can also increase customer loyalty because they are satisfied with the products or services offered by the bank.

This study's results align with research conducted by Cut Dilam Chalida Ulfah (2018: 86), which indicates that the brand image owned is not the cause for customers to transact at the bank. A good corporate brand image can only sometimes affect customer transaction interest. Customers will deal with the bank if the products or services meet customer interests and needs.

The Influence of Location and Brand Image on Student Transaction Interest at BRI Kanca Sungai Full

Although the partial results of brand image testing did not significantly affect the transaction interest of FEBI IAIN Kerinci students, the location and brand image simultaneously had a positive and significant effect on the interest in student transactions at BRI Kanca Sungai Penuh. This is based on the results of the F-test or ANOVA (Table 4), which produces a calculated F value greater than the table $F_{of 37.472} > 3.10$, with a significance value smaller than the alpha value of $0.000 < 0.050$. So, it can be concluded that location and brand image simultaneously positively and significantly affect students' interest in transacting at BRI Kanca Sungai Penuh. Similarly, the results of multiple linear tests where the regression coefficient values of X_1 and X_2 (in Table 5) are positive show that every value addition to the location and brand image simultaneously will increase student interest in transacting at BRI Kanca Sungai Penuh.

When viewed from the *Standardized Coefficients Beta* (Table 3) shows that among the two variables tested, the location that contributes the most to the interest of FEBI IAIN Kerinci students transacting at BRI Kanca Sungai Full is 0.536 or 53.6% and 0.198 or 19.8% is influenced by brand image. In contrast, other variables outside the regression model influence 0.266 or 26.6%. Meanwhile, location and brand image together influence 46.6%, while other variables outside the regression model influence the remaining 53.4% of students' interest in transacting.

In other words, location and brand image influence students' interest in transacting at BRI Kanca Sungai Full as a financial *intermediary* that suits their needs. This is in line with research conducted by Childa Handia Pangestika (2017: 95), which indicates that the location and image of the bank have a positive and significant effect on people's interest in transactions. Similarly, Farli and Tielung (2015: 1115) suggest that brand image and location simultaneously affect consumer decisions in using a service company.

CONCLUSION

The conclusions obtained from this study are:

1. Location partially has a positive and significant effect on the interest of FEBI IAIN Kerinci students to transact at BRI Kanca Sungai Penuh.
2. Unlike the location, the partial brand image does not significantly affect the interest of FEBI IAIN Kerinci students in transacting at BRI Kanca Sungai Penuh.
3. However, location and brand image simultaneously have a positive and significant effect on the interest of FEBI IAIN Kerinci students in transacting at BRI Kanca Sungai Full, with the dominant variable that affects location.

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