

The Influence Of Interest Rates, Service Quality On The Attractiveness Of Customer Investment At Bank BRI Belopa Unit, Luwu Regency

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Abstract

The aim of this research is to determine the effect of interest rates and service quality on the attractiveness of customer investment at Bank BRI Belopa Unit, Luwu Regency. This research is research with a quantitative approach, the data source used is primary data, with a total of 69 respondents. The data processed is from the results of distributing questionnaires directly by providing written statements and measured using a Likert scale. The data analysis method used is multiple linear regression analysis, t test and f test and processed using SPSS 25. The results of this research show that the interest rate X1 has no effect and is not significant on the investment attractiveness of customer Y, seen from the t test result value. shows that t count is $1,447 < 1,996$ t table with a significant value of $0.153 > 0.05$ and service quality table with a significant value of $0.180 > 0.05$, and simultaneously the variables of interest rates and service quality have a negative and insignificant effect on the attractiveness of customer investment.

Keywords: Interest Rates; Service Quality; Customer Investment

1. Introduction

Banks have a big role in the economic development of a country. According to Irsyadi Zain and Y Rahmat Akbar in the book on banks and other financial institutions (2020). Financial institutions known as Banks are established with the authority to lend money and accept deposits. As stated in Law No.10 of 1998 concerning amendments to Law No.7 of 1992 concerning banking. Banks are business entities that collect funds from the public through credit or other means so that people have a better standard of living [1]. Besides that, The current increasingly rapid development of the banking world is marked by the number of sharia banks emerging. This is a demand for conventional banks to be more sensitive to customer needs and behavior so that customers are interested in investing or saving at the bank. In Islamic law the main difference between Islamic banks and conventional banks is the distribution of profits and losses [2].

In an effort to attract customers' interest in investing in banks, various efforts have been made, one of which is setting interest rates. Where customers will be impacted by the interest rates set by the bank. The interest given by banks to customers is an attraction for customers to save or invest their money. In sharia banking, interest is not applied, but a profit sharing system. Meanwhile, it is hoped that conventional banks will set interest rates to attract customers' interest in investing in the bank [3]. Customer interest in investing is also influenced by interest rate volatility, because as banking practitioners, customers will be more interested in banks that offer higher returns. Customers may be more inclined to invest their money in banks in the hope of obtaining a higher interest rate of return. Conversely, if interest rates are low, customers' interest in investing will decrease. High interest rates will provide

additional income to investors for placing their money in banks rather than in riskier industrial sector [4].

Apart from that, the service system provided can attract customers' interest in investing in the bank. Where maintaining customer satisfaction is very important for banks to prevent customers from moving to other banks, as well as maintaining customer trust. Only customers can truly understand the quality of a service, therefore, banks must provide good service to their customers. Service quality is the fulfillment of needs and requirements on time to meet customer expectations Arianto (2018). Service quality has a close relationship with customer satisfaction. Where service quality can encourage customers' interest in investing in the bank. For this reason, banks can increase customer satisfaction by providing quality service. In this way, conventional banks can differentiate themselves by consistently delivering higher quality than their competitors.

Several previous studies that examined the topic of interest rates and service quality in influencing the attractiveness of customer investment produced findings. According to [5] and [6] stated that interest rates have a significant effect on customer investments. Meanwhile [7] and [8] state that interest rates have no effect on customer investments.

Research conducted by [9] and [10] states that service quality influences customer investment. Meanwhile [11] and [12] state that service quality has no effect on customer investment.

Based on the background description above, the author is interested in conducting further research with the title The Influence of Interest Rates, Service Quality on the Attractiveness of Customer Investment at Bank BRI Belopa Unit, Luwu Regency.

Problem formulation

Based on the background above, the problem formulation in this research is as follows:

1. Do interest rates affect the attractiveness of customer investment at BRI Bank Belopa Unit, Luwu Regency?
2. Does Service Quality Affect the Attractiveness of Customer Investment at BRI Bank Belopa Unit, Luwu Regency?

Research purposes

In accordance with the problems above, the objectives of this research are as follows:

1. To determine the effect of interest rates on the attractiveness of customer investment at BRI Bank Belopa Unit, Luwu Regency.
2. To determine the influence of service quality on the attractiveness of customer investment at BRI Bank Belopa Unit, Luwu Regency.

2. Methodology

1. Location and place of research

This research was conducted at Bank BRI Belopa Unit, Luwu Regency, with the time used to collect data and information in the research of approximately ± 2 (two) months starting from November to December 2023. And the research location was carried out on Jln. Sungai Pareman No.48, Kelurahan. Sabe, District. North Belopa, Luwu Regency.

2. Data types and sources

The type of research used is quantitative research. The data source is primary data in the form of respondents' answers to statements contained in the questionnaire collected from the BRI Bank Belopa Unit, Luwu Regency. The type of questionnaire uses a Likert scale, namely Strongly agree (SS), Agree (S), Neutral (N), Disagree (TS), Strongly disagree (STS).

3. Data analysis technique

The data analysis technique used is instrument analysis, namely multiple linear regression analysis test, t test (partial), f test (simultaneous), and coefficient of determination test (R²). Data analysis uses the help of the SPSS 25 application, to determine the influence of the independent variables (X₁) and (X₂) on the dependent variable (Y) with a confidence level of 95% or $\alpha = 5\%$. The regression model used is:

$$Y = a + b_1X_1 + b_2X_2 + e.$$

Information:

Y = Customer Investment

X₁ = Interest Rate

X₂ = Service Quality

α = Constanta

b = Regression Coefficient

e = Standard Error

3. Results And Discussion

3.1. Results

This research aims to determine the effect of interest rates, service quality on customer investment attractiveness. Judging from the number of customers who invested in Bank BRI Belopa Unit, Luwu Regency, there were 81 customers. There were 81 questionnaires distributed, but 69 were returned and could be processed. The remaining questionnaires that were not returned were 12. Below is the research table as follows:

Multiple Linear Regression Analysis Test

Table 1. Multiple linear regression

<i>Coefficients^a</i>						
Model		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	t	Sig.
		B	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	20.597	2.686		7.668	.000
	Interest rate	.128	.088	.175	1.447	.153
	Service quality	.101	.074	.164	1.356	.180
2	<i>Dependent Variable</i> : Customer Investment					

Source: processed data SPSS, (2023)

The regression equation coefficients are seen in column B or *unstandardized coefficients*, then the regression equation is as follows:

$$Y = 20,597 + 0.128 + 0.101 + 2,686$$

- a. The constant of 20,597 states that every additional unit of interest rate and service quality will affect the total customer investment level by 20,597.

- b. Interest rate coefficient B_1 amounting to 0.128, it is stated that every additional unit of interest rate will increase the customer's investment amount by 0.128.
- c. Service quality coefficient B_2 amounting to 0.101, it is stated that every additional unit of service quality will increase the amount of customer investment by 0.101.

T Test (Partial)

Table 2. T test

Variable	T _{count}	T _{table}	Sig.
Interest rate	1.447	1.996	0.153
Service quality	1.356	1.996	0.180

Source: processed data SPSS, (2023)

Based on the results of the T test above, conclusions can be drawn, namely:

a. Hypothesis Test (H_1)

The influence of interest rates (X_1) on customer investment (Y), is stated to have no effect where $t_{count} = 1.447 < t_{table} = 1.996$ with a significance of $0.153 > 0.05$ thus the hypothesis is rejected.

b. Hypothesis Test (H_2)

Influence of service quality (X_2) on customer investment (Y), it is stated that it has no effect on $t_{count} = 1.356 < t_{table} = 1.996$ with a significance of $0.180 > 0.05$, thus the hypothesis is rejected.

F Test (Simultaneous)

Table 3. Test Results f

ANOVA ^a						
Model		Sum of squares	Df	Mean squares	F	Sig.
1	Regression	5.510	2	2.755	2.469	.092 ^a
	Residual	73.649	66	1.116		
	Total	79.159	68			
a. Dependent: Customer Investment						
b. Predictors: (Constan), Interest Rates, Service Quality						

Source: processed data SPSS, (2023)

Based on the results of the f test above, it can be seen that the significant value is $0.092 > 0.05$ and calculated $f = 2.469 < f_{table} = 2.740$. This means that it can be concluded that there is no significant and mutual influence between Interest Rates (X_1) and Service Quality (X_2) on Customer Investment (Y).

Coefficient of Determination Test (R^2)

Table 4. Test Results (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.264 ^a	.070	.041	1.05636
a. Predictors: (Constant), Service Quality, Interest Rates				

Source: processed data SPSS, (2023)

The results from the model summary in table 4 above show that the R Square value is 0.070% or the same as 7%. This means that the influence of interest rates (X1) and service quality (X2) has an influence of 7% on customer investment (Y), while the remaining 93% is influenced by other variables not included in this research.

3.2. Discussion

Based on the results of research on the interest rate variable (X1), it is stated that the significance value obtained is $0.153 > 0.05$, meaning that it can be concluded that the interest rate (X1) has no significant effect on the customer investment variable (you). This means that if the interest rate offered by Bank BRI Belopa Unit is cheaper, it will make potential customers less interested in investing their funds. Likewise, if the interest rate offered is higher, it will make potential consumers reduce consumption in order to gain profits from the funds they invest. Supported by previous research conducted by (Edi Suprpto, 2020) stated that interest rates have no effect on customer investments. Meanwhile, the results of research on the service quality variable (X2) obtained a significance value of $0.180 > 0.05$, meaning that it can be concluded that service quality (X2) has no significant effect on the customer investment variable (Y). This is due to the parking area, the queue system at the bank, and the narrow building environment so that many customers are dissatisfied with the services provided. Supported by previous research conducted by (Ayu, 2018) states that service quality has no effect on customer investment.

4. Conclusion

Based on the results of research conducted using multiple linear regression analysis, it shows that the influence of interest rates and service quality has no effect and is not significant on the investment attractiveness of BRI Bank Belopa Unit customers, Luwu Regency.

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6. Reference

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