



LAPORAN HASIL PENELITIAN

**The Perspective of Holistic Marketing in Supporting the Sustainability of The
Banking Industry Post-Pandemic: The Case Study of a State-Owned
Enterprise of The Indonesian Banking Industry**

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Abstract

The banking sector in Indonesia has undergone significant changes during and after the pandemic, forcing the banking sector and consumers to accelerate financial digitization. The aim of this study is to analyze the sustainability of the company through a holistic marketing perspective in the banking business, which consists of relational marketing, integrated marketing, performance marketing and internal marketing. Each of these perspectives is analysed on the basis of its contribution to the sustainability of the banking sector. This method of investigation was carried out in five state banks through interviews with 10 sources. The results of the study suggest that a holistic marketing perspective is considered important to support the long-term sustainability of the organization. First, because of the relationship marketing perspective, restrictions on community activities due to the prospect of marketing relationships have led banks to temporarily close their branches and open only the main branches that can manage transactions more fully. Secondly, with integrated marketing, banks are also accelerating the provision of digital branches to facilitate financial transactions for the public. Thirdly, with regard to business performance, bank performance is measured not only through the achievement of targets such as low NPLs and high profits, but also by meeting internal and external rules. Fourthly, internal marketing, responsibility for reducing NPLs and increasing profits is not only the responsibility of a single department, but all departments have important performance indicators.

Keywords

Banking industry, Holistic marketing, Pandemic, Sustainability

1. Introduction

Anticipating and reducing the number of corona virus sufferers in Indonesia, a policy has emerged to limit the activities of people outside the home, school activities are suspended, work from home (work from home), even worship activities are also suspended. The COVID-19 pandemic has caused various activities to stagnate, particularly in the economic field, because it involves the interaction of people and the traffic of goods. Economic activity has declined sharply and is of great concern, particularly in terms of economic activity and growth. It is indisputable that if the economy collapses, it can have an impact on social and environmental issues. The social impact is the existence of a protocol of the World Health Organization (WHO) on the application of social distancing and physical distancing, so that people's social patterns in different parts of the world are undergoing radical changes. The COVID-19 pandemic limits the movement of people and goods, which means that people must stay at home indefinitely to break the chain of spread of the COVID-19 pandemic. This pandemic condition has affected all companies in different sectors to implement policies that make work comfortable and safe for employees while providing them with the opportunity to meet their performance goals adequately. The Corona virus has also had a significant impact on the banking sector. In order to support better working conditions, the company implemented a home-based work system during the pandemic through the WFH. The implementation of WFH in the offices is driven by the widespread dissemination of COVID-19 throughout almost all of Indonesia. This WFH is part of the protection of workers' rights to health and safety at work under Act No 13 of 2003 concerning Manpower. In detail, this WFH policy is also a follow-up to the DKI Governor of Jakarta Province No. 16 of 2020 's instruction on increased awareness of the risk of transmission of coronary disease infection (Covid-19). The banking sector in Indonesia has undergone significant changes during and after the pandemic, forcing the banking sector and consumers to accelerate financial digitalization. Limitations to

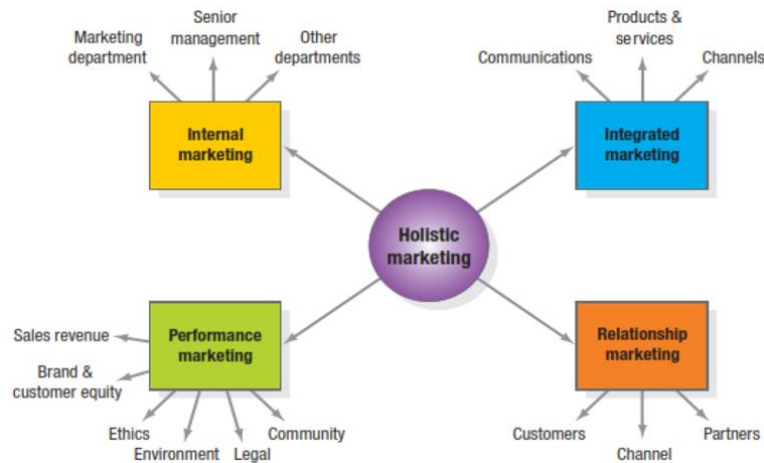
public activities have limited the mobility of the population, forcing people to use digital financial institutions for financial transactions, and the banking industry is strengthening the infrastructure for digitizing banking operations. The pandemic, which has been happening for two years since 2020, has changed the direction of banking activities in Indonesia. Prior to the pandemic, Indonesian banks relied heavily on branches/exits and ATMs to serve their customers, but during the pandemic, customers increasingly used digital applications (mobile banking and Internet banking) to conduct financial transactions. The motivation of this study is to analyze the sustainability of the company through a holistic marketing perspective in the banking sector. The holistic marketing perspective consists of relational marketing, integrated marketing, performance marketing and internal marketing. Each of these perspectives is analysed according to its contribution to the sustainability of the banking sector. This research method was conducted in 5 state banks through interviews with 10 sources based on aspects of a holistic marketing perspective.

The aim of the study suggests that a holistic marketing perspective is considered important to support the long-term sustainability of the organization in the long term. First, because of the relationship marketing perspective, restrictions on community activities due to the prospect of marketing relationships have led banks to temporarily close their branches and open only the main branches that can manage transactions more fully. Under these conditions, bank customers are indirectly obliged to use digital banking channels to make transactions (payments, purchases and remittances). Secondly, with integrated marketing, banks are also accelerating the provision of digital branches to facilitate financial transactions for the public. The digitization of banking activities is strongly supported by the financial authorities of Indonesia, Bank Indonesia (BI) and the Financial Services Authority (OJK). In order to facilitate financial transactions in Indonesia, BI launched a standard Quick Response Code (QR) to perform transactions, particularly electronic payments, namely the QR Code Indonesia Standard (QRIS), and has added a method for sending money to BIFast. OJK itself has prepared a legal umbrella to strengthen banks to accelerate banking digitisation in the form of POJK No 12/POJK.03/2021 on commercial banks and POJK No. 12/POJK.03/2021 on commercial banking products. Thirdly, with regard to business performance, bank performance is measured not only through the achievement of targets such as low NPLs and high profits, but also by meeting internal and external rules. In addition, the performance of the Bank is also assessed in terms of compliance with obligations to favour banking partners. Fourthly, about internal marketing, banks must coordinate services in the context of internal marketing. The responsibility to reduce NPLs and increase profits is not only the responsibility of a single department, but all departments have important performance indicators. Therefore, the problem formulation of the research is:

- How is the implementation of holistic marketing to support the sustainability of the banking industry after pandemics?
- How is the implementation of internal marketing?
- How is the implementation of integrated marketing?
- How is the implementation of relationship marketing?
- How is the implementation of performance marketing?

2. Literature Review

From a marketing perspective, a holistic and integrated approach to marketing, the concept of holistic marketing is based on the development, design and implementation of broad and independent marketing programs, processes and activities. The right business system will support the sustainability of the economy (Chan, & Muthuveloo, 2020). Full marketing recognizes that everything is important in marketing, so a broad and integrated perspective is often needed. Holistic marketing thus recognizes the scope and complexity of marketing activities and reconciles them with each other (Kotler and Keller, 2016). Kotler and Keller (2016) claim that holistic marketing has four main dimensions: Relationship marketing, integrated marketing, internal marketing and performance marketing. The concepts of relationship marketing is to maintain customer relationships. The establishment of a special role in the company is intended to create long-term mutually beneficial relationships between the company and its customers. Another dimension of holistic marketing is integrated marketing. With the integrated marketing concept of Kotler and Keller (2016), namely "the whole is greater than the sum of the pieces" in order to convey value to customers. The next element of holistic marketing is internal marketing. Kotler and Keller (2016) claim that internal marketing is "the task of recruiting, training and motivating capable employees who want to serve customers well." The fourth dimension of holistic marketing is performance marketing. Marketing performance requires understanding financial and non-financial returns for the business and society from marketing activities and programs for businesses and society (Kotler and Keller, 2016). In the holistic marketing concept, performance is assessed not only from a financial perspective, but also from its ability to have a positive impact on the social environment.



2.1 Internal Marketing

The company's consumers are not only targeted at end-users who buy products, but also consumers can refer to employees within the company who carry out business activities so that products or services can be appreciated by the company's external consumers. Internal marketing is defined as an attempt to engage, motivate and maintain quality employees through work and products that meet the needs of employees (Otto, 2019). Internal marketing is also considered a philosophy of treating employees as an important resource to help the company achieve optimal performance levels (Ngo et al., 2020). A number of advantages that companies can achieve in the proper implementation of internal marketing are 1) low turnover rates of the company, 2) increased quality of service, 3) increased employee satisfaction and 4) increased ability to implement changes within the company.

2.2 Integrated Marketing

Integrated marketing is in fact a concept that describes a marketing program that includes four main activities, namely product determination, price, promotion and location. This program is part of the definition of marketing that was established in the American Marketing Association, namely, marketing is the process of planning and implementing the concepts of pricing, promotion, product distribution and services to create exchanges that meet individual and organizational goals. The concept of marketing integrated into the 4P (product, price, promotion and location) is a manifestation of the change from sales orientation to marketing orientation. The 4P program is a concept actually developed by McCarty and Niel Borden. There are twelve elements that need to be taken into account when formulating a marketing program. Twelve elements are product planning, pricing, branding, distribution, personal sale, promotion, advertising, packaging, display, service, physical handling, and finding and analysis of data or facts. However, these twelve elements were later simplified to just the 4Ps. However, the real development of 4Ps is also considered to be too simple and does not cover the aspects that can be applied in the marketing of services. In service marketing, there are other aspects to be discussed, namely the 3P (persons, physical evidence and process). All these concepts should be able to operate a marketing program correctly based on a marketing orientation.

2.3 Relationship Marketing

According to Kotler and Keller (2016), relationship marketing is the measure of companies to get to know and serve their valued customers well. By examining this definition in relationship marketing, the main objective is to maintain and maintain existing customers by satisfying them so as to create loyal customers. The main objective of marketing is to develop deep and sustainable relationships with individuals and organizations that directly or indirectly influence the success of a company's marketing activities (Kotler and Keller 2016). Relationship marketing is a series of interactive processes that aim to strike a balance between the investment of the company and the fulfilment of the needs of the consumer with the aim of increasing profits. The relationship management concept is also an integrated effort aimed at identifying, building and developing networks with individual consumers to achieve benefits that are useful to the company. Relationship marketing is considered a complete business process. The relationship marketing process not only uses transaction data that can be automatically collected and stored in the company database, but is also a knowledge collection. Company data are the center of the company's knowledge management of consumers.

Relationship marketing is specifically linked to customer relationship marketing which includes three sub categories, namely 1) operational CRM systems that include efforts to improve the efficiency and support the process of providing services to consumers, sales, and automation; 2) the collaborative CRM system includes efforts to manage and synchronize interactions with consumers and communication channels; 3) CRM systems analysis involves efforts to store and evaluate consumers' knowledge to better understand their behavior.

2.4 Performance Marketing

Kotler and Keller (2016) state that the requirements of the business world today demand a positive relationship between the costs incurred for marketing activities with revenue or profits and the financial performance of a company. Even with increasingly complex and diversified competition, responsibilities are demanded not only financially, but also socially. In other words, in a comprehensive marketing approach, there must also be accountability from the side other than financial, such as environmental, legal and ethical. According to Kotler and Keller (2016), sellers are increasingly obliged to be able to explain and justify what they are doing for the company's investment. The use of financial performance measurement tools to measure intangible marketing efforts, such as brands, customers and intellectual capital. In terms of non-financial performance, marketers are also obliged to be able to conduct social responsibility marketing. Kotler and Keller (2016) explained: The organization's task is to identify the needs, wishes and interests of the target market and to satisfy them more effectively and efficiently than competitors, while maintaining or improving the long-term well-being of customers and society. Efforts to meet the company's customer needs must also take into account long-term sustainability (Zgrzywa-Ziemak & Walecka-Jankowska, 2021).

3. Methods

This study uses an interview method with a qualitative approach, qualitative research describes data in words such as interview transcripts (Sekran and Candle, 2013). Qualitative data are derived from primary and secondary data sources, such as reports and interviews. Qualitative research was chosen by researchers to learn about the extent of the bank's sustainability efforts in dealing with the COVID-19 pandemic, through holistic marketing application. The sources selected for the interview were also identified from the outset, as these informants are key persons in the process that is the subject of this research. The data analysis used is qualitative with interactive analysis model. In this model, the analysis consists of three components: data reduction, data presentation and conclusion drawing, and is conducted in an interactive form with the data collection process as a cycle.

Bank A's profile is as follows. Bank A, Tbk was established on 5 July 1946. Bank A is the first BUMN (State Owned Enterprise) bank to become a public company after listing its shares on the Jakarta Stock Exchange and the Surabaya Stock Exchange in 1996. In order to strengthen its financial structure and its competitive power within the national banking industry, the BNI carried out a number of company shares, including the government recapitalisation process in 1999, the divestiture of shares by the government in 2007 and a limited public offering of shares in 2010. At present, 60 per cent of Bank A 's shares are owned by the Government of the Republic of Indonesia, while the remaining 40% are owned by the public, both by individuals and institutions, domestic and foreign. Bank A is now listed as the fourth largest National Bank of Indonesia, as seen from total assets, total loans and total third-party funds. Bank A is supported by several subsidiary companies, namely Bank A Multifinance, Bank A Sekuritas, Bank A Life Insurance, Bank A Asset Management and Bank A Remittance. To prepare for the digital bank, Bank A acquired Bank Mayora with a participation of 63.92 per cent. Bank A provides fund-storage services and credit facilities for the business, medium and small segments. Some of the best products and services have been tailored to the needs of clients in childhood, adolescence, adulthood and retirement.

4. Results and Discussion

Information on the research data was obtained from the actual data used by Bank A in the implementation of holistic marketing as business continuity during the COVID-19 pandemic, through interviews with resource persons. The data actually used come from interviews on holistic marketing at Bank A. This analysis is based on interviews with executives who are directly involved in the company's marketing efforts. In the analysis of the depth of information from sources, there are several steps to research. First, the use of real data, both internal and external, is used to implement holistic marketing in the company. In addition, a list of interviews of the four dimensions of holistic marketing in Bank A based on Kotler and Keller (2016). In the next step, the author conducts management interviews

at Bank A. After conducting the interviews, the next step is the on-site documentation to complete the research data. Then the next step is to move, record and sort the dates of all questions asked by the informants. Finally, analyze the data from the interviews conducted to draw conclusions.

4.1 Internal Marketing

Working relationships between departments during the pandemic have experienced challenges related to the policies of the WFO and the WFH. During the pandemic, organizations are aware of the difficulties in coordinating work. Unit heads are also aware that between units have different WFO schedules between the units and have difficulties because they are not used to coordinating face to face. However, reaching the company's Key Performance Index continues to function according to the specified time. The leaders of each organizational unit are aware that coordination of work during the pandemic must continue because it considers work targets. In the evolution of the pandemic, it is possible to maintain the performance of employees and work units, partly because employees are accustomed to working online (using zoom, goggles meet and other applications), adjustments are made to the work system, including memos, letters and documents between departments can be made electronically (e-sign). Online work has a further influence in the form of more working time, especially meetings between departments and with third parties because they are conducted online. This is in line with the concept of teleworking (Tokarchuk et al., 2021, Palumbo, 2020). The concept of internal marketing during the pandemic must continue, all departments must understand the goal. This company is a company that sells trust to stakeholders. All departments must have guidance in order to serve consumers well. Leaders must emphasize inter-departmental alignment for performance to be achieved (Chen & Sriphon, 2021). Internal marketing should be focused by the company (Gounaris et al., 2020).

4.2 Integrated Marketing

Post-pandemic marketing activities, in particular aspects of banking services, are further strengthened by a simultaneous approach to credit, fund recovery and credit recovery. Your goal is to get the maximum results compared to each unit to be operated alone. Product offerings are intended to ensure that consumers get good service. Use of applications or programs to speed up decision-making. To facilitate product acceptance, banks also offer applications that facilitate access for consumers. Promotions related to this application by using the company's social networks, namely the website, Instagram and Twitter. Using applications to open accounts and bank transactions, thus helping prospective customers or customers help with transactions so they don't need to visit bank branches. It also shows that the bank has more confidence in the customer because it allows the customer to make transactions that previously could only be done at bank outlets. The developed banking application concerns not only the retail segment (individual consumers), but also the business segment that involves transactions of greater value, such as the opening of bank guarantees and L/C.

4.3 Relationship Marketing

Relationship marketing should be maintained, although it takes place via mobile (Schierholz et al., 2007). The pandemic has led many companies to experience a decline in their performance, so banks face an increase in non-performing loans. Banks will face the condition of increasing NPL will be faced by banks in the next few years after the pandemic is over, banks will have to face the condition of increasing NPL, bearing in mind that the process of credit recovery and economic recovery still require quite a long time. On the other hand, mobility restrictions during the pandemic are quite difficult for marketing/RM employees to visit restrictions in entering buildings/buildings or to business locations of prospective debtors/debtors. This is one of the communication problems during the pandemic (Kim, 2021). However, during the pandemic, marketing activities still need to be carried out in the form of visits to prospective debtors in order to achieve expansion objectives and also to debtors in the context of credit control. Relationship marketing with debtors is still ongoing. It is important to maintain communication and to understand the updates of businesses managed by each debtor. Communication with debtors is also carried out online so that information updates related to business developments. This is a form of customer engagement used by the company to maintain an emotional connection (Marbach, et al., 2019). The good relationship developed also aims to enable the company to know the state of the individual debtors by offering a number of programs and support. Bank A is also involved not only in marketing relations with debtors, but also with other partners, namely consultants. The maintenance of relations with consultants aims to stay informed regarding the improvement of Bank A's improved

performance. This collaboration is important to be able to provide advice so that Bank A continues to carry out its business activities.

4.4 Performance Marketing

During the 2020 pandemic, Indonesian banks adjusted their expansion goals and more intensive management of NPL debtors by referring to OJK regulations on credit restructuring. Reserves made by banks for impairment losses have increased, reaching 200% of the value of the NPL. This generally leads to a decline in bank profits. After the pandemic, banks' recovery of credit quality will take a relatively long time, considering that many debtors have not been able to perform, especially in the micro, small and medium segments, the more economic growth has not yet recovered, visits to potential debtors and debtors with strict health protocols. Apart from the increase in the target set in comparison with the previous year, an improvement in credit quality is also expected to improve credit quality by helping to sell guarantees that have been taken over by banks.

5. Conclusion

In the research on the sustainability of Bank A's operations during the COVID-19 pandemic suggests that Bank A has implemented holistic marketing as a fairly good sustainability effort. The four dimensions of holistic marketing, namely integrated marketing, relational marketing, internal marketing and performance marketing, have been well implemented by the company. The four dimensions of holistic marketing are integrated marketing, relational marketing, internal marketing and performance marketing as a comprehensive marketing unit that can be an advantage in maintaining the sustainability of the company. In performance marketing, the company has determined the measure of the success of the marketing strategy implemented, so that there is no change in the objective. Performance targets can be achieved because the company performs high efficiency in operational activities (Miceli et al., 2021).

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