

DEMOGRAPHIC SEGMENTATION IN THE DISTRIBUTION OF HOME OWNERSHIP FINANCING (KPR) AT BANK SYARIAH INDONESIA KC PALANGKARAYA

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ABSTRACT

Introduction/ Purpose: Segmentation is very important in the world of banking. Segmentation plays an important role and is the basis for banking players to position their products so they are different from their competitors. This research seeks to examine the application of demographic segmentation in the distribution of housing finance (KPR) at Bank Syariah Indonesia KC Palangkaraya Diponegoro. And the effectiveness of applying demographic segmentation in the distribution of home ownership financing (KPR) at Bank Syariah Indonesia KC Palangkaraya Diponegoro. **Research Methods:** The method used in this study is a qualitative method with descriptive qualitative method and the type is intrinsic case study, the data collection method is by observation, interviews and documentation. This research was conducted at Bank Syariah Indonesia KC Palangkaraya Diponegoro with research subjects namely Consumer Business Relationship Manager (CBRM) and Consumer Business Staff (CBS), while the object was the application of demographic segmentation in financing home ownership at Bank Syariah Indonesia KC Palangkaraya Diponegoro. **Results:** The results showed The application of demographic segmentation at Bank Syariah Indonesia KC Palangkaraya Diponegoro can easily classify customers by occupation, based on income, age and domicile, which are the main requirements assessed by Bank Syariah Indonesia in disbursing home ownership financing to determine the character of a customer. The effectiveness of applying demographic segmentation at Bank Syariah Indonesia is considered not effective in terms of work, it is proven that Bank Syariah Indonesia focuses on permanent employee customers..

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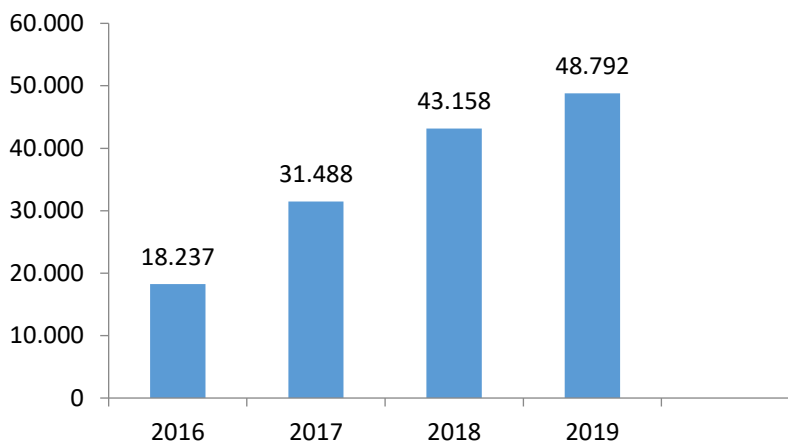
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1. Introduction

The era of globalization is an era that shows that human civilization continues to develop, human needs and desires will never have limits. One of the important needs in this life besides clothing and food is shelter. Boarding is a primary human need in the form of a place to live or house as a place to shelter and rest. In the developing country of Indonesia, business in the housing sector is a promising and profitable investment and can also improve the country's economy. The government strives to improve the welfare of the Indonesian people through the housing and settlement development sector through this sector which is one of the important sectors in the national economy (Ismail, 2014, p. 46).

One of the main elements in people's welfare is the fulfillment of community needs in the field of housing or housing. Based on Article (1) of Law Number 4 of 1992 concerning Housing and Settlement, it is determined that what is meant by a house is a building that functions as a residence and shelter for family development (Usman, 2003, p. 238). The need for housing is currently a national problem, especially in urban areas, which must be found a solution both by the government and the community as entrepreneurs and as consumers of housing itself.

There are alternatives to home ownership other than cash, namely with credit or financing facilities. Credit facilities or funding in meeting housing needs, currently widely facilitated by banking institutions. There are several types of consumption sectors financed by credit by banks, one of which is the housing sector through home ownership financing. The increasing provision of home ownership financing by banks is due to the large public demand for home ownership. So this is an opportunity for banks to market as much home ownership financing as possible. People's need for houses continues to increase every year (Sishadiyati, 2014, p. 211). As presented in the following image:



Source: Ministry of Public Works and Public Housing

Picture 1.1 Housing Increase Diagram 2016-2019

Figure 1.1 illustrates the increase in housing construction that increases every year. In 2019 it increased to 48,792 units and the lowest in 2016 was 18,237 units. In 2016 and 2017 there was a difference of 13,251 units or an increase of 72.6%. Then in 2017 and 2018 experienced a difference of 11,670 units or an increase of 37%. While in 2018 and 2019 there was a difference of 5,634 units or grew by 13% (Kementerian PUPR, 2020).

This is certainly an opportunity for financial institutions or banks, especially for Islamic banks in maximizing housing loan financing. Home ownership financing at Bank Syariah Indonesia is known as a home product, which is a credit facility for customers to buy houses in installments or installments within a certain period of time. The agreement used to finance home ownership is a murabahah contract, meaning that the bank meets the customer's needs by buying

the house that the customer needs then the bank resells it to the customer by taking the desired profit margin. After mergers in 2021 and 2022. Bank Syariah Indonesia KC Palangkaraya Diponegoro is one of the banks that conducts home ownership financing among other Islamic banks. With home purchase financing, it is hoped that people can own a house without feeling burdened because the costs incurred are still affordable by the community (Arwani, 2016, p. 76).

One of the efforts made to remain in an effective position in serving adequate customer segmentation of the target market is to determine market segmentation (Sunyoto, 2012, p. 57). Segmentation becomes very important, especially after the competition is getting tougher. Segmentation plays an important role as a foundation to position its products to be different from its competitors. The segmentation approach that can be used in the banking world is based on a demographic approach. Therefore, the author focuses more on market segmentation because market segmentation is the first step taken by Bank Syariah Indonesia KC Palangkaraya Diponegoro to find out data on the characteristics of prospective customers, besides that the author also wants to know how effective it is in being applied by Bank Syariah Indonesia.

Demographic market segmentation is the most popular basis for distinguishing between customer groups. Some of the reasons are consumer desires, preferences, and usage rates that are closely related to demographic variables. Demographic segmentation divides the market into groups based on demographic variables such as age, gender, family size, income, occupation, education, religion, race, and nationality.

The effectiveness of the application of demographic segmentation has an important role in the success of the company in general. In marketing the house, this company takes care of all the documents needed in the purchase process and takes care of it until it reaches the hands of consumers. The effectiveness of the implementation of demographic segmentation at Bank Syariah Indonesia KC Palangkaraya Diponegoro has been implemented well, in financing home ownership at Bank Syariah Indonesia, at least the customer segment is self-employed and permanent employees. Home ownership financing is included in one type of consumer financing, where consumer financing is financing used to finance the purchase of goods or services that will provide direct satisfaction to human needs (consumers). the only housing sector through home ownership financing (KPR).

Previous research conducted by Adam Wijaya, KPR ib Product Segmentation Strategy of Bank DKI Pondok Indah Sharia Branch, the results of the study showed that the segmentation applied by Bank DKI Pondok Indah Sharia Branch was Geographical and Demographic segmentation. With the results of the SWOT analysis which shows that the segmentation applied by Bank DKI has been precisely seen from the advantages and opportunities owned by Bank DKI Pondok Indah Sharia Branch. Efforts made by the company in order to remain in an effective position to serve adequate customer segments of the market. The application of the market segmentation method is expected that the product can compete with other products, even able to dominate the market. So that the targets and objectives of Bank DKI Pondok Indah Sharia Branch can be achieved (Wijaya, 2017). Other researchers named Yusi Meilawati, Weman Suardy and Ade Yusdira, Review of Segmentation, Target Market Determination and Mortgage Positioning at PT Bank Tabungan Negara (Persero) KCP Dramaga Bogor, Journal in 2021 which examined the same thing also produced results showing that segmentation, marketing determination and positioning of mortgage products are quite increased to be able to realize and Bank BTN also increases market segments to maintain a target market that good to consumers can achieve goals (Meilawati et al., 2021).

1. Literature Review

2.1 Effectiveness Theory

Effectiveness comes from the word effective which means achieving success in achieving predetermined goals. Effectiveness is always related to the relationship between the expected results and the results that have been achieved. Effectiveness can be viewed from various points of view and can be assessed in various ways and has a close relationship with efficiency.

According to Richard M. Steers, effectiveness is a measure of the success of the ultimate goal to be achieved. So effectiveness is the use of resources, means, and infrastructure in a certain amount consciously determined in advance to produce work on time (Steers, 2008, p. 55).

According to Mahmudi, effectiveness is related to the relationship between the expected results and the actual results achieved. Effectiveness is the relationship between output and purpose. The greater the contribution of output in achieving goals, the more effective an organization, program, or activity will be. Effectiveness focuses on results, programs, or activities that are considered effective if the output produced can meet the expected objectives or is said to be spent wisely. (Handyaningrat, 1996, p. 15)

Based on the above understanding, it can be concluded that effectiveness is a key element to achieve the goals or objectives that have been determined in each activity or program. It is called effective if the goals or objectives that have been set are achieved at the level of an institution's ability to carry out all its basic tasks.

Effectiveness can be measured from several indicators to achieve standardization of effectiveness, namely:

1. Clarity of goals to be achieved.
2. Clarity of strategy to achieve goals.
3. A mature policy formulation and analysis process.
4. Careful planning.
5. Proper preparation of the program.

Thus it can be explained that effectiveness is the extent to which an organization can carry out the level of effectiveness in achieving goals optimally in measuring efficiency capabilities (Sutrisno, 2010, p. 132).

It is known that effectiveness is the level of achievement of activation goals that have been carried out compared to previously set targets. This indicator can be used as an assessment in measuring the effectiveness of a strategy to support the achievement of a company's results. If this indicator is met by the company, it can be said to be effective.

2.2 Segmentation Theory

According to Rhenald Kasali, segmentation is the process of compartmentalizing heterogeneous markets into groups of potential customers who have similar needs and similar characteristics who have the same response and spend their money (Kasali, 2007, p. 48). Meanwhile, Philip Kotler combines the process of creating and delivering value to consumers in a form called STP, which stands for Segmentation, Targeting, and Positioning (Kotler & Keller, 2008). Segmentation is one strategy for understanding market structure. While targeting is a matter of how to choose, choose, and reach the market. As well as positioning is the strategy of choosing to enter the window of the consumer's brain.

Market segmentation is also a way to differentiate markets based on groups of buyers, user needs, motives, behaviors, and buying habits, how to use the product, and the purpose of buying the product (Jushermi, 2020). With market segmentation, limited resources can be utilized optimally to produce products that can meet market demand, can allocate them to the most profitable potential, and can compete in certain market segments, and can determine effective promotion methods (Assauri, 2018, p. 144).

Dari penjelasan pengertian segmentasi menurut para ahli di atas, penulis menyimpulkan bahwa segmentasi adalah suatu kegiatan dimana pemasar membagi atau mengkotak-kotakkan pasarnya menjadi pangsa pasar yang lebih potensial sehingga pemasar dan konsumen dapat melakukan pertukaran nilai dengan baik.

To make it easier for market players to sort out market segments (Nurchayanti, 2022), There are 3 basics in segmenting the market, namely:.

1. Geographic Segmentation

Geographic segmentation calls for dividing a market into geographic units such as countries, states, regions, counties, cities or neighborhoods. The Company may decide to operate in one or several geographical areas or operate in all geographical areas. This geographical criterion is used in market segmentation, considering that the market potential of the company's products can be influenced by market location, where the factors of operating costs and the amount of demand from each region or location are different (Supranto & Limakrisna, 2007, p. 190).

2. Demographic Segmentation

Demographic segmentation is one of the most popular and commonly used types of market segmentation (Agustini, 2003). This segmentation refers to statistical data about a group of people, for example by age, domicile, or occupation. Demographic segmentation is dividing a market into groups based on demographic variables such as age, income, occupation, and nationality (Kotler & Keller, 2008, p. 167). In the segmentation approach based on consumer characteristics, if using demographic-based segments, it means marketers must be able to choose where consumers are based on demographic structure. Let's say in this case about age. Thus, this demographic segmentation emphasizes more on the structure and criteria of the population used as a sales target (Nirwana, 2006, p. 60). Demographic segmentation is an attempt to divide the population in the market into segments based on variables. These variables are categorized into several things such as age, education, and other categories. Companies or business people will associate variables with consumer tastes, behaviors, and habits. In simple terms, it is a type of segmentation that is done for business purposes. Population data also tends to be easier to obtain, population data is then processed to make segmentation. The way demographic segmentation works is by breaking down the population and separating several categories based on more specific categorizations such as age, income, and so on.

3. Psychographic Segmentation

In psychographic segmentation, buyers are divided into various groups based on psychological traits or personality, lifestyle, or values. People in the same demographic group can have different psychographic profiles.

2.3 Financing Theory

Financing is usually known as debt, in conventional banking financing is better known as credit, while in Islamic banking the term credit is not known because Islamic banks have a different scheme from conventional banks in distributing funds to those in need. In addition, there is a fundamental difference because the distribution of financing is carried out based on the principle of mutual assistance so that aspects of worship and morals become fundamental in business activities, especially sharia business. Business debt is usually used by the community in the context of providing loans to others. A person who lends his property to others, then he can be said to have given him a debt (Kurnia et al., 2017).

Financing is funding provided by one party to another party to support planned investment, either done alone or by an institution. So that financing can be interpreted as funds issued to support planned investments (Vitadiar & Muttaqin, 2022).

3. Metode

The research method used in this study is qualitative (Sugiyono, 2017). The data collection methods used in this study were observation, interviews, and documentation. Observations are made to see the conditions and situations of how demographic segmentation is applied. Interviews were conducted to find out what are the implementations of demographic segmentation, and the effectiveness of demographic segmentation implementations. While the documentation method is used to retrieve data or records that are in the object of research.

This research was conducted at Bank Syariah Indonesia KC Palangkaraya Diponegoro with the research subjects namely Consumer Business Relationship Manager (CBRM) and Consumer Business Staff (CBS), while the object was the application of demographic segmentation in home ownership financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro.

4. Discussion

4.1 Application of Demographic Segmentation in Home Ownership Financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro

The application of demographic segmentation in the distribution of home ownership financing (KPR) at Bank Syariah Indonesia KC Palangkaraya Diponegoro is as follows:

1. Work

Previously, there were economic problems that weakened due to the Covid-19 pandemic, and demographic segmentation of home ownership financing jobs, namely permanent employees and self-employed. After the pandemic until now, Bank Syariah Indonesia Diponegoro Palangkaraya Branch focuses more on permanent employees. Because to minimize risk, it means that customers who make mortgage financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro work like :

- a. Doctors and Hospital Employees
- b. Ministry Civil Servants
- c. Regional Civil Servants (SKPD)
- d. BUMN Employees
- e. Employees of National Private Companies.

2. Income

In addition to grouping by occupation, demographic segments can also group customers by income. Starting from customers who have income above Rp. 3,000,000 in a month. The demographic segmentation of commercial home ownership financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro is those with fixed income. 40% of ACC's income can finance homeownership from banks

3. Age

The majority of home ownership financing at Bank Syariah Indonesia Diponegoro Palangkaraya branch is 27 -35 years old. The reason is because at that age prospective customers are married. The maximum age for financing a retirement home must be repaid. The maximum period of taking mortgage financing is 15 years.

4. Residence

The segmentation for home ownership financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro for all customers is its domicile in Palangkaraya. Because to make it easy. It's okay to be out of town but with the condition of 2 notaries, because the application process outside the city involves 2 notaries.

4.2 The effectiveness of the application of demographic segmentation in home ownership financing at Bank Syariah Indonesia KC Palangkaraya Diponegoro

The effectiveness of the application of demographic segmentation in the distribution of home ownership financing (KPR) at Bank Syariah Indonesia KC Palangkaraya Diponegoro is as follows:

1. Work

In terms of demographic segmentation, job selection for permanent employees has not been effective in implementing home ownership financing. Because if you focus too much on permanent employees, you can't refer to everyone for the target segment, don't reach the target and can't move freely.

2. Income

Income is a very important factor in determining the demand for home ownership financing. A person's ability to own a house is greatly influenced by the income he earns. At Bank Syariah Indonesia KC Palangkaraya Diponegoro so far for effective income. No problems.

3. Age

It has been set in buying a house the minimum age limit is 21 years. The reason is because at that age it is considered to already have its own income. And when the financing is paid off, the maximum age is 58 years (retirement age). So far, age demographic segmentation has been effective, there are no obstacles.

4. Domicile

The factor that influences buyers to buy lubrication is domicile. If there are prospective customers who want to buy a house from outside the city of Palangka Raya. Yes, but it is recommended to return the house according to domicile. So far, demographic segmentation of domicile has been effective, without experiencing problems.

Effectiveness can be measured from several indicators to achieve standardization of effectiveness, namely:

1. Clarity of goals to be achieved.

In this stage, it tends to be and focuses more on efforts to achieve the introduction of home ownership financing products at Bank Syariah Indonesia KC Palangkaraya Diponegoro to the public. In addition, to achieve the target. And secure banks to minimize risk so that there are not many bad payments. It can be known that Bank Syariah Indonesia KC Palangkaraya Diponegoro has carried out the clarity of the objectives to be achieved properly and in accordance with the procedures set by the bank.

2. Clarity of goal achievement strategies.

Clarity of the goal achievement strategy focuses on promotional strategies to increase customers and approach developers so that sales are achieved. So far it has been achieved.

3. A mature process of analysis and policy formulation.

At Bank Syariah Indonesia KC Palangkaraya Diponegoro, the application of demographic segmentation of home ownership financing is based on the 5C principle to minimize the risk of home ownership financing. Bank Syariah Indonesia has conducted monitoring on customers to monitor customers by seeing whether customers are able to pay installments or not. So far it has gone smoothly or effectively.

4. Careful planning.

Bank Syariah Indonesia KC Palangkaraya Diponegoro can decide and implement the rescue of bad loans. This careful planning is quite effective as evidenced by smooth payments

5. Proper preparation of programs.

Housing needs everyone from all walks of life need housing. Meanwhile, in financing home ownership at Bank Syariah Indonesia KC Palangkaraya Diponegoro, segmentation is carried out, which is targeted at only a few circles. So not everyone or all people can get financing for the ownership of the house. The segmentation is only to permanent employees. Although in terms of payment quality, it is guaranteed to be smooth. This program is said to have not been effective because the segment could not reach the target and could not move freely.

5. Conclusion

Based on the results of the research that has been done, several conclusions can be drawn, namely:

1. The application of demographic segmentation in Bank Syariah Indonesia based on employment is those who are permanent employees. Grouped by age. Starting from the age of 21 years, 35 years, and 45 years until customers are 58 years old. In addition to grouping by age, demographic segments can also group customers by income. Starting from customers who have income above Rp. 3,000,000 in a month. In addition, grouping is based on domicile. Customers outside the city can buy houses. But it would be nice if the customer buys a house in his original place. Because it will involve 2 notaries.
2. The effectiveness of the implementation of demographic segmentation at Bank Syariah Indonesia is considered ineffective in terms of employment, while in terms of age, income, and domicile it has been said to be effective. In addition, effectiveness can be measured from the clarity of the goals to be achieved, the clarity of the strategy for achieving goals, the process of careful analysis and policy formulation, careful planning, and the right program.

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