



Strategies to Improve the Sales Performance of Car Loan Products in Bank Shinhan Indonesia

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ABSTRACT: In internal Bank Shinhan, My Car Loan is one of their top consumer products. However, when compared to other car financing competitors, Bank Shinhan was far behind in terms of sales performance. Hyundai Motors Indonesia has four official financial partners to support its car purchasing, namely: Maybank Finance, Mandiri Tunas Finance, Sunindo KB Finance, and Bank Shinhan. The company is the only bank-based financial partner, while the three others were multi-finance companies that specialized in car financing. Moreover, two of them, Mandiri Tunas Finance and Maybank were already well-known players in the car financing industry. Meanwhile, Bank Shinhan is a new player with low brand awareness among the public. In this research, the data collection methods were interviews and questionnaires. As for the research method, for the questionnaire data, the author used the NPS (Net Promoter Score) method and reliability test. As for the interview data, the author used the TA (thematic analysis) method. With this research, the author aimed to get insights to propose new strategies.

KEYWORDS: Bank, Car Loan, Car Finance, Strategy, Sales Performance.

INTRODUCTION

According to Act no 10 year 1998, Banks are defined as businesses that collect funds from the public in the form of savings and distribute them in the form of credit to improve the living standards of people. A commercial bank is a bank that performs activities conventionally or based on the principle of Islam that we call shariah bank, which in their activities provide services in payment traffic. One of their services is to give credit to the public in the form of commercial credit (working capital, investment credit) or consumption credit.

Based on data from the Central Bureau of Statistics or BPS, the growth of the economy in Indonesia is still dominated by household consumption. In 2022, household consumption contributed 2.61% to the national economic growth of 5.31%. It opens a new business opportunity for the bank or other financial institution to finance not only commercial credit but also consumer goods. One of the growing markets in consumer goods is the automotive sector. Based on data published by GAIKINDO, in 2022, more than 1 million units of cars were sold in Indonesia's retail segment, an increase of 150.234 units or 17% over the previous year. Although there was a significant decrease in 2020 due to covid - COVID-19 pandemic, this sector recovered relatively quickly with the support of government policy which gives sales tax discounts on luxury goods and the recovery of economic growth.

Knowing the potential of the automotive sector, many financial institutions including banks and multi-finance companies develop their car financing product to distribute their credit facility and help consumers to acquire their vehicles. PT Bank Shinhan Indonesia, as a commercial bank, is focused on commercial credit. However, to expand its business in retail consumer credit, it also makes its own car financing product called My Car Loan in collaboration with Hyundai Motors Indonesia, to support the purchase of cars of Hyundai Vehicles in Indonesia to retail customers.

BUSINESS ISSUES

In internal Bank Shinhan, My Car Loan is one of their top consumer products. However, when compared to other car financing competitors, Bank Shinhan was far behind in terms of sales performance. Hyundai Motors Indonesia has four official financial partners to support its car purchasing, namely: Maybank Finance, Mandiri Tunas Finance, Sunindo KB Finance, and Bank Shinhan. The company is the only bank-based financial partner, while the three others were multi-finance companies that specialized in car financing. Moreover, two of them, Mandiri Tunas Finance and Maybank were already well-known players in the car financing industry. Meanwhile, Bank Shinhan is a new player with low brand awareness among the public.



Second, In 2021, Shinhan Bank projected to finance 50% of Hyundai's cars in the market. Based on data from GAIKINDO, HMID successfully sold around 30,000 units of cars. With that number, Shinhan is targeted to finance around 15,000 units of Hyundai cars. However, in 2022 Shinhan could only be able to finance Hyundai's car in a total of 922 units or in other words achieve 6% of its target. This data shows that the sales performance of Bank Shinhan in financing HMID's car is very low and needs to be improved. Third, the car financing approval has to be issued as fast as possible to compete with other car financing competitors. Generally, in leasing companies, after the credit marketing officer receives the data from the customers, the process to issue the financing approval letter takes one to two days or sometimes could be faster. In Bank Shinhan Indonesia, based on SOP, it takes one to two days to issue the approval letter after the marketing has submitted all the necessary data to the analyst team. However, in reality, the process often takes longer than that, because of many reasons. One of the main reasons is the lack of credit analysts. The credit analyst is located in the head office and consists of four people. These four people are responsible for handling applications from 27 branches. In peak seasons, usually at the end of the month, the approval issuance will take longer than it is supposed to be. Thus delay makes the car dealers lose trust and become reluctant to give more credit applications to Bank Shinhan.

RESEARCH QUESTIONS AND RESEARCH OBJECTIVES

Based on the business issues above, the following question is proposed:

1. What improvement should be implemented by Bank Shinhan Indonesia to help increase the sales performance of My Car Loan?
2. What action should be taken to achieve the improvement?

The following are the objectives to be achieved:

1. Find and develop a way or method to increase the sales performance of My Car Loan.
2. Find and explain what actions should be taken for My Car Loan to achieve the improvement needed.

RESEARCH SCOPE AND LIMITATION

To keep the focus on searching for the research objective, there are several limitations in this research, there are:

1. The data related to the number provided in this research is only from the year 2022 because My Car Loan product was launched at the end of 2021 and started to sell in 2022. While for 2023, the number still needs to be completed.
2. There are many car financing companies in Indonesia, but in this research, the author will only use one or two of four official partner leasing of HMID for comparison purposes.
3. The research will be conducted in the Bandung area, therefore the number of sales in this writing is limited only in the Bandung area.
4. The author's access to Shinhan are limited to My Car Loan, therefore the author can't correspond with upper levels, nor come up with a solution for upper levels.

LITERATURE REVIEW

I. STRATEGIC MANAGEMENT

From the perspective of theory and practice, strategy is directly associated with the management of the business or corporate organizations. Strategic management is a relatively recent discipline without a unified theory supporting its increasing practice. Indeed, strategic management is as difficult to define as strategy is. According to French (2009), strategy management was first proposed in early 80s at the Pittsburgh Conference, although organized with the specific purpose of defining a new paradigm for business policy (Jofre, 2011). The concept of business policy was then rephrased by French (2009) as —strategic management and defined as:

"...A process that deals with the entrepreneurial work of the organisation, with organisational renewal and growth, and more particularly, with developing and utilising strategy, which is a guide to the organisation's operations."

This rather abstract definition states that as a discipline, strategic management implies both the development and implementation of strategies. Since the word strategy is often employed as a synonymous of plan, it should not be a surprise to know that strategic management is commonly used as a homologous of strategic planning, and to some extent of strategic thinking. However, as French indicates, strategic planning is a rather newer form of what is already known as—Operational Planning or —OPI that focuses on budgetary plans for operations in the long-term. Strategic thinking on the other hand, focuses on the process of developing (forming) strategies, while being less formal than strategic planning and strategic management (Jofre, 2011).



II. LEVELS OF STRATEGIC MANAGEMENT

There are three main levels of management: corporate, business, and functional. General managers are found at the first two of these levels, but their strategic roles differ depending on their sphere of responsibility.

The corporate level of management consists of the chief executive officer (CEO), other senior executives, the board of directors, and corporate staff. These individuals occupy the apex of decision-making within the organization. The CEO is the principal general manager. In consultation with other senior executives, the role of corporate-level managers is to oversee the development of strategies for the whole organization. This role includes defining the goals of the organization, determining what businesses it should be in, allocating resources among the different businesses, formulating and implementing strategies that span individual businesses, and providing leadership for the entire organization (Hill & Jones, 2009).

At the corporate level, there are different strategies. The first one is the stability strategy, in which it proceeds in working with clients in the industry. This strategy also assumes that the company is doing well under this business model. Since the pathway to growth is uncertain, it should employ a stability strategy to ensure incremental progress that still brings in revenue, which includes practices such as research and development and product innovation. An example can be offering free trials of its existing products to its target audience to increase its engagement. The second one is the expansion strategy. It is great for it if the company is planning on creating new products and reaching new audiences. It can also be used if it is upgrading the level of activity within the business like taking on new clients and hiring more employees. They can apply this strategy if the region in which they are operating has a strong economy or if their focus is to enhance its performance. Overall, this strategy has large earnings potential for executives, which can lead to raises and expansion of employee benefits packages as well. The third one is the retrenchment strategy. A retrenchment strategy requires it to strongly consider switching its business model. This may involve stopping the manufacturing of a product or reducing its functionality. It may need to allocate more energy to accounts receivable to ensure it's still getting payments of services it provided to maintain its organization's cash flow. This strategy is only used when the company is looking to take protective measures to keep the solvency of the business. It should compile a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to see which marketing it can successfully operate in. The last one is a combination strategy. A combination strategy is a hybrid of the previous three strategies to create its business model. Its main purpose is to increase the company's performance and find out which areas of its company can grow and retract based on market conditions. This approach makes it easier for it to make adjustments to its strategy because it can be more flexible with its time and how much should be allocated to each function of its strategy. (Andrews, 1971).

As for explaining the business level, a business unit is a self-contained division (with its functions—for example, finance, purchasing, production, and marketing departments) that provides a product or service for a particular market. The principal general manager at the business level, or the business-level manager, is the head of the division. The strategic role of these managers is to translate the general statements of direction and intent that come from the corporate level into concrete strategies for individual businesses. Thus, whereas corporate-level general managers are concerned with strategies that span individual businesses, business-level general managers are concerned with strategies that are specific to a particular business (Hill & Jones, 2009).

At the business level, there are two strategies. The first one is cost leadership. This business strategy relies on offering products at a low cost thus becoming the least expensive producer or provider of goods and services in a particular industry. To achieve this, companies need to cut costs across the entire value chain, so they can offer their products or services at lower prices than rivals. By being cost leaders, businesses can draw in customers who are looking for affordable products, expand their market share, and possibly increase their profits. The second one is the differentiation strategy. The differentiation strategy focuses on offering products or services perceived as superior or distinct from competitors. Companies pursuing differentiation aim to provide unique value, features, quality, innovation, customer service, or brand image that sets them apart in the eyes of customers (Andrews, 1971). Functional-level managers are responsible for the specific business functions or operations (human resources, purchasing, product development, customer service, and so on) that constitute a company or one of its divisions. Thus, a functional manager's sphere of responsibility is generally confined to one organizational activity, whereas general managers oversee the operation of a whole company or division. Although they are not responsible for the overall performance of the organization, functional managers nevertheless have a major strategic role: to develop functional strategies in their area that help fulfill the strategic objectives set by business- and corporate-level general managers (Hill & Jones, 2009).



In the functional level, there are various types of strategies. The first one is marketing. Marketing has evolved as one of the most important functional units in any organization. Although marketing is a vast field itself, it focuses on identifying the needs of a target audience and then offering products or services to cater to those needs. A marketing strategy consists of different parts, but a marketing mix (product, price, place, promotion) is arguably the most important one. The second one is financial strategy. Financial strategy deals with every section/area that comes under financial management. The strategy mainly focuses on planning, acquiring, using, and controlling a corporation's financial resources. If we dig a little deeper, a financial strategy deals with issuing/raising capital, assets acquisition, investments, budgeting, working capital management, application of funds, dividend payment, etc. The third one is production strategy. A production strategy manages everything related to the production process. This process includes manufacturing system, supply chain management, logistics, and operational planning & control. The core objective of a production strategy is maximizing quality, minimizing the total cost of production, and increasing quantity. The fourth one is human resource. Human resource strategy in an organization deals with every single aspect related to the organization's workforce. The core function of any HR department is to work for employees' development and help them with suitable working conditions and growth opportunities so they can contribute to organizational goals. Apart from that, HR covers recruitment, training, motivation, development, and retention of employees. The fifth one is R&D. An R&D strategy mainly focuses on two things. Innovation, which means developing new products; and making improvements in current products. A business needs to keep introducing new products and improve the current ones to implement different business strategies such as market penetration, concentric diversification, and product development (Drnevich & Croson, 2013).

III. CREDIT ANALYSIS

Car loan is one of numerous services offered by creditors or financial institutions. Creditors are saddled with the responsibility of credit risk management on any loan facilities offered. To do this, they engage techniques and models to assess the credibility of customers or car loan applicants. The sole aim of this is to distinguish customers into two categories of credible customers and defaulters, which implies those that are more likely to pay their financial car-loan obligations and otherwise respectively. This will help to make informed decisions in approving car loans to customers and also help in retaining the sustainability of the creditor's facility (Olajide et.al, 2023).

IV. SALESPERSON LOAN IN CAR LOAN INDUSTRY

If considering a setting involving customer acquisition for loans and ongoing repayment for the loan's life, insurance settings are similar in that they also involve customer acquisition of insurance policies and ongoing premium payments over the life of the policy. However, other common settings do not have clear maintenance outcomes—for example, CRM (Customer Responsibility Management) often involves cross-selling of products, increasing the share of a customer's wallet, and so on.

Substantive research on multidimensional incentives is still scarce. Although multidimensional incentives involve balancing short-term and long-term considerations with acquisition and maintenance incentives in our setting, firms may want to align employee incentives by weighing competing contemporaneous considerations (e.g., lowering service time and increasing satisfaction) in other settings.

In finance, transfers are commonly used as a means to render the salesperson's relational capital unusable and thus minimize the negative effects of adverse selection in customer acquisition. However, this can potentially hurt the efficiency gains from the ongoing relationship. While frequent random transfers without much notice is feasible in our setting because the bank operates within only one metropolitan area (so salespeople can easily travel to any of the territories), such transfers may not be feasible in other settings. Yet, as we noted previously, Indian banks periodically (every two to three years) do transfer relatively highly paid branch managers to address the adverse selection situation.

Canales and Greenberg (2015) find that much of the potential loss of repayment of loans may be averted by replacing salespeople with others who have a similar relational style, suggesting that there may be a way to reduce customer adverse selection through transfers while avoiding the increased loan defaults through continuity in salespeople styles. More generally, although transfers have a net benefit for the bank, Shi et al. (2017) find in the context of an electrical product retailer that customer-salesperson reassignment (equivalent to transfers) can lead to significant loss due to customer churn. However, Shi et al. do not consider the adverse selection issue.



In bank and insurance business settings, salespeople are responsible for both customer acquisition and maintenance, but many organizations and industries follow a specialized hunter-farmer model (Palmatier et al. 2007) with different employees responsible for customer acquisition and customer retention/maintenance (farm). These questions of job design and compensation design are explored in depth in Kim, Sudhir, and Uetake (2019) through a structural model of multitasking behaviour in the presence of perfect information.

V. CONCEPTUAL FRAMEWORK

The author aims to explore the relationship between car salespersons and leasing companies in which both are in favor. Therefore, the author uses the reference from Kuusela & Konsta (2021) which is the study of “The Consumer Decision Journey in Car Financing and the Challenges of Selling Private Leasing”.

Through qualitative interviews with dealership, financing company, and importer staff as well as consumers, a quantitative survey of consumers, and an analysis of online discussions, insights for how consumers in general view car financing, as well as private leasing and hire purchase financing specifically, were developed, as well as an understanding of the consumer journey in car finance (Kuusela & Konsta, 2021).

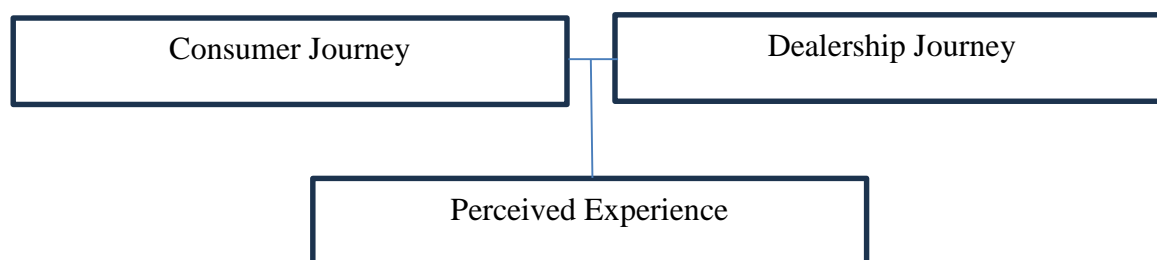


Figure 1.1 Conceptual Framework based on Kuusela & Konsta's study (2021)

There are various ways for companies to assess customers' credibility, some are manuals and some use predictive models, some are both. Either way, every car loan service has its standard with its purpose (Olajide et.al, 2023).

RESEARCH METHODOLOGY

The research methodology was covered in detail in this chapter, covering everything from data collection to research design. The study analysis undertaken in the later Results and Discussions was built upon this chapter.

I. DATA COLLECTION

This final project used questionnaires and interviews as the data collection method. Questionnaires are for Shinhan customers and the interviews are for dealers.

As defined 'A questionnaire is simply a list of mimeographed or printed questions that is completed by or for a respondent to give his opinion'. A questionnaire is the main means of collecting quantitative primary data. A questionnaire enables quantitative data to be collected in a standardized way so that the data are internally consistent and coherent for analysis. Questionnaires should always have a definite purpose that is related to the objectives of the research, and it needs to be clear from the outset how the findings will be used (Roopa & Rani, 2012).

To gather useful and relevant information careful consideration must be given to the design of your questionnaire. A well-designed questionnaire requires thought and effort and needs to be planned and developed in some stages. The process is elaborated in the figure below:

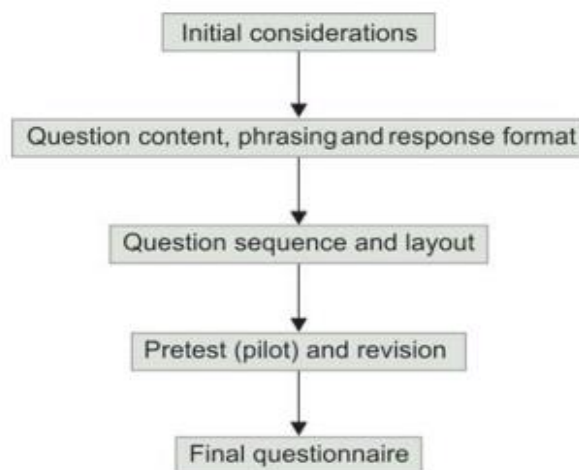


Figure III.1 Stages of Planning a Questionnaire (Roopa & Rani, 2012).

As for the interview, the author chose to use a semi-structured interview. Semi-structured interviews are guided by open-ended questions that are designed around a set of themes or guiding topics rather than as a sequence of preplanned questions (Glesne, 2011; Merriam, 2009). Semi-structured interviews aim to elicit understanding from the participants, not to tell them what to say, but rather to offer pathways to conceptualize issues and to make connections that “coalesce into emerging responses” (Holstein & Gubrium, 2004, p. 123). General topic discussions are guided by questions that assist in focusing the discussion, advancing tentative explanations, and working the identified areas into the conversation. Most importantly, as the interviewer, the researcher needs to know how to listen, rather than dominate the conversation (Cousin, 2009).

II. RESEARCH METHODOLOGY

The questionnaires for customers will be analysed using NPS (Net Promoter Score). Net Promoter Score (NPS) is a measure used to gauge customer loyalty, satisfaction, and enthusiasm with a company. It's calculated by asking customers one question: “On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?” Aggregate NPS scores help businesses improve upon service, customer support, delivery, etc. for increased customer loyalty (Fisher & Kordupleski, 2018).

NPS can be used as a predictor of business growth. When the company's NPS is high (or, at least, higher than the industry average), the company would know it has a healthy relationship with customers who are likely to act as evangelists for the brand, fuel word of mouth, and generate a positive growth cycle (Fisher & Kordupleski, 2018).

NPS is a valuable metric on a strategic level, but by itself, the score is not enough to be useful or paint a complete picture. The overall NPS system is important because it allows businesses to ask follow-up questions as part of the standard NPS survey. By asking customers why they've given a specific score, organizations of any size can understand what they're doing well and where they could be improving. It also can track and quantify a score over time, creating internal benchmarks. Lastly, it could rally all employees around one mission-critical objective: earning more enthusiastic customers (Fisher & Kordupleski, 2018).

NPS is calculated by using this formula:

$$\text{NPS} = \% \text{ of Promoters} - \% \text{ of Detractors}$$

Figure III.2 NPS formula (Reicheld, 2018)

In the Net Promoter system, customers are categorized into three groups—promoters, detractors, and passives—depending on how they answer the standard “how likely are you to recommend us” question:

Detractors						Passive		Promoters	
1	2	3	4	5	6	7	8	9	10
Not Likely to Recommend								Likely to Recommend	

Figure III.3 Net Promoter Scale (Reicheld, 2018)

In addition, since this final project intended to capture perspectives from consumers and dealers, the author also conducted interviews with dealers. For the interview data analysis, the author used the thematic analysis method.

A technique for finding, examining, and interpreting meaning patterns—or "themes"—in qualitative data is called thematic analysis (TA). TA provides a method, or a tool or technique that is not constrained by theoretical commitments, as opposed to a methodology, which is a theoretically informed and circumscribed framework for study. This makes it unique within the commonality of qualitative analytic approaches. This does not imply that TA is essentialist, realist, or not theoretic as it is frequently believed. Instead, TA can be used with a variety of research methods and theoretical frameworks. Versions of TA that highlight positivism in positive psychology (Friedman, 2008) and highlight the significance of coding reliability within (post) positivist frameworks (e.g. Boyatzis, 1998; Guest, MacQueen, & Namey, 2012) are available; it is not unexpected that these techniques are often favored by qualitative researchers in this area (e.g. Selvam & Collicutt, 2013).

TA provides accessible and systematic procedures for generating codes and themes from qualitative data. Codes are the smallest units of analysis that capture interesting features of the data (potentially) relevant to the research question. Codes are the building blocks for themes, (larger) patterns of meaning, underpinned by a central organizing concept - a shared core idea. Themes provide a framework for organizing and reporting the researcher's analytic observations. The aim of TA is not simply to summarize the data content, but to identify, and interpret, key, but not necessarily all, features of the data, guided by the research question (but note that in TA, the research question is not fixed and can evolve throughout coding and theme development). The emphasis is on producing rigorous and high-quality analysis; TA has in-built quality procedures such as a two-stage review process (Clarke & Braun, 2016). TA can be used to analyse large and small data sets – from case study research with 1–2 participants (e.g. Cedervall & Åberg, 2010) to large interview studies with 60 or more participants (e.g. Mooney-Somers, Perz, & Ussher, 2008) – and homogenous and heterogeneous samples. Virtually any data type can be analyzed, from widely used qualitative techniques such as interviews and focus groups to emerging methods such as qualitative surveys and story completion (see Braun & Clarke, 2013). Finally, TA can be used for both inductive (data-driven) and deductive (theory-driven) analyses, and to capture both manifest (explicit) and latent (underlying) meaning.

There are six steps to conduct TA:

- Familiarization: Getting familiar with the data is the first step. It's critical that the researcher first has a comprehensive overview of all the data we gathered before delving into the analysis of individual things. This could entail listening to the audio, reading the text making some preliminary notes, and generally perusing the data to become acquainted with it.
- Coding: Coding means highlighting sections of the text – usually phrases or sentences – and coming up with shorthand labels or "codes" to describe their content.
- Generating themes: Look over the codes that have created, identify patterns among them, and start coming up with themes. Themes are generally broader than codes.
- Reviewing the themes: Make sure that the themes are useful and accurate representations of the data.
- Defining and naming themes: Defining themes involves formulating exactly what they mean by each theme and figuring out how it helps to understand the data. Naming themes involves coming up with a succinct and easily understandable name for each theme.
- Writing up: Like all academic texts, writing up a thematic analysis requires an introduction to establish the research question, aims, and approach. Researchers should also include a methodology section, describing how they collected the

data (e.g. through semi-structured interviews or open-ended survey questions) and explaining how they conducted the thematic analysis itself. The results or findings section usually addresses each theme in turn. It describes how often the themes come up and what they mean, including examples from the data as evidence. Finally, the conclusion explains the main takeaways and shows how the analysis has answered the research question.

III. SAMPLING METHOD

The author chose to use the convenience sampling method for both questionnaires and interviews. One kind of non-probability sampling called convenience sampling takes a sample from the area of the population that is closest to the sample taker. A convenience sample of normal controls is likely to be younger and better functioning and that of a group is likely to perform worse than a purportedly random sample. Sampling bias should be considered when interpreting findings (Brodaty et.al, 2014).

As for sample size, for questionnaires, the author decided to conduct them for 35 participants. The author use this formula from Sincero (2012):

$$n = \frac{t^2 \times p(1-p)}{m^2}$$

Figure III.3 Sampling Sizing Formula (Sincero, 2012)

- n = required sample size
- t = confidence level at 95% (standard value of 1.96)
- p = estimated prevalence of the variable of interest (e.g. 20% or 0.2 of the population are smokers)
- m = margin of error at 5% (standard value of 0.05)

The author decided for this final project, the numbers are elaborated as:

- t = 95%
- p = 10%
- m = 5%

Therefore, the equation will be:

$$n = \frac{(95\%)^2 \times 10\%(1-0.1)}{(5\%)^2} = 34.3$$

Figure III.4 Sampling Sizing Equation

As for the interviews, the author decided to conduct them for five respondents first then possibly the author would add more respondents if needed to achieve a sufficient saturation.

The characteristic of a sample affects sample size. The homogeneity or heterogeneity of sample composition determines the size of a sample for particular qualitative research. According to Kindsiko & Poltimae (2019) large size of sample size is often found at the expense of homogeneity among the respondents; that means, conducting interviews in different countries, across all levels of organizational hierarchy, and also different socio-economic backgrounds.

IV. RESEARCH DESIGN

This final project has elaborated on the business issues through data and records of Bank Shinhan. From there the author decided on the conceptual framework and planned to conduct both questionnaires and interviews or both quantitative and qualitative analyses to comprehend the business analysis landscape. From there the author would combine both perspectives to establish the perceived journey in consumer and dealers' journey with My Car Loan from Bank Shinhan. The research design is elaborated below:

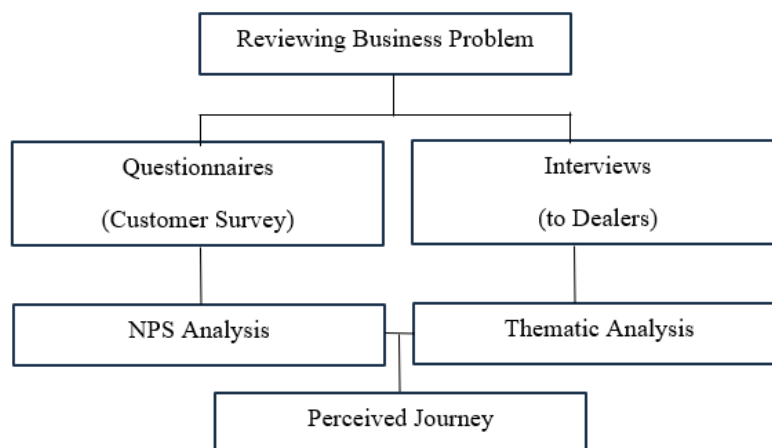


Figure III.5 Research Design

ANALYSIS

The author conducted the NPS method first, and the TA method after.

I. NET PROMOTER SCORE AND RELIABILITY TEST

Using the collected data as elaborated in the appendix.... The author used questionnaires as the data collection for NPS analysis. According to the sampling size equation in Chapter 3, the author decided to give questionnaires to 35 respondents.

Based on this questionnaire's question "How likely are you to recommend My Car Loan Shinhan products?" here are the responses from respondents:

No	NPS Classification	Definition	Amounts of Respondents
1	Detractors	Over an 80% chance to recommend	3
2	Passive	60-80% chance to recommend	31
3	Promoters	under a 60% chance to recommend	18

Figure IV.1 Net Promoter Score Analysis Table

The questionnaires also have other questions for additional insights and validity tests. The author tested closed-ended questions that can be converted to a numeric scale. Using the Jamovi program (2023) to conduct reliability test, here are the result:

Reliability Analysis

Scale Reliability Statistics

	Mean	SD	Cronbach's α
scale	3.84	0.530	0.584

[3]

Figure IV.2 Reliability Test (Jamovi, 2023)

Correlation Heatmap

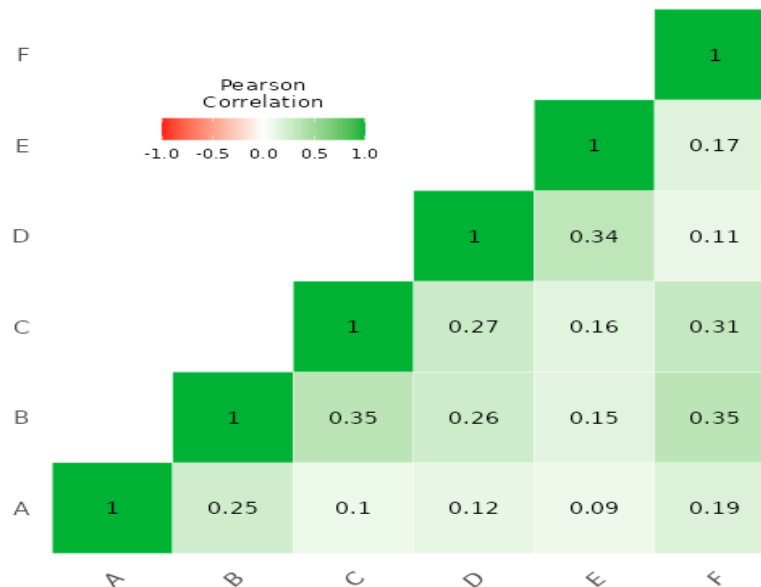


Figure IV.3 Correlation Heatmap (Jamovi, 2023)

There are 52 respondents in total, in which the reliability test and correlation heatmap illustrated above. The author would emphasize the cronbach's alpha, in which over 0.5 (Cronbach's alpha score if scored under 0.5 is unacceptable) (Ursachi et.al, 2013).

As for the questionnaires answers are elaborated below:

No.	Questions	1	2	3	4	5
1	How satisfied are you with the information provided by the dealer during the purchase process with the leasing option? (very dissatisfied – very satisfied=1-5)	0	0	11 (21%)	35 (67%)	6 (12%)
2	How satisfied are you with your overall car buying experience with My Car Loan Shinhan? (very dissatisfied – very satisfied=1-5)	0	0	8 (15%)	36 (70%)	8 (15%)
3	How likely are you to recommend My Car Loan Shinhan products? (very unlikely – very likely=1-5)	0	5 (10%)	3 (6%)	26 (50%)	18 (35%)
4	Does the dealer offer additional promotions/discounts that influence you in deciding on a payment method (cash/credit)? (not very influential-very influential=1-5)	0	2 (4%)	5 (10%)	22 (42%)	21 (40%)
5	Are you planning to renew or buy a car after the installment payment obligation period ends? (very little planning-very much planning =1-5)	6 (12%)	3 (6%)	15 (29%)	19 (37%)	9 (17%)
6	On a scale of 1-5, are the rates competitive? (5 very)	0	8 (15%)	13 (25%)	13 (25%)	18 (35%)

	competitive, 1 very uncompetitive)					
7	On a scale of 1-5, how fast is the application process? (5 very fast, 1 not very fast)	2 (3%)	2 (3%)	11 (21%)	16 (31%)	22 (42%)
8	On a scale of 1-5, how easy was the application process? (5 very easy, 1 very not easy)	2 (3%)	2 (3%)	14 (27%)	18 (35%)	17 (34%)

Figure IV.4 Questionnaire Answers (Jamovi, 2023)

Based on the questionnaire results, while the respondents are already Shinhan's customers, means that they were eligible to use My Car Loan product, but the dissatisfaction in speed and easiness of the proposal were there. The analysts took time for adjustments if customers barely made it to be eligible. Many mentioned in open-ended questions that "My Car Loan is pretty strict about their eligibility standard, and it made the process not as smooth to get the product". Not to mention the possibility that potential customers who failed to be eligible even if they are financially appropriate but have a different financial habit, might fail because of this strict standard. While they don't have a problem with the product features and benefits, and they even are willing to promote My Car Loan (positive promoters score in NPS), a few of them have a problem with My Car Loan's eligibility standard. As mentioned, the author also conducted a thematic analysis to complement this analysis.

II. THEMATIC ANALYSIS

The thematic analysis is elaborated in the table below:

No	Questions & Answers	Coding		Theme	Elaboration
		Information	Features		
1.	Question: How do you describe your role as a Hyundai car sales consultant, especially	Needs Finance (2) Credits	Car type Financial product	Salesperson Role	Salespersons are perceived and expected to look at

	in offering car credit options? Answers: - My role as a Hyundai sales consultant is apart from customer maintenance, we also have to be able to answer consumer needs, one of which is if consumers are still confused about their needs and what type of car they want, as well as adjusting to their budget, my job as a sales consultant is to answer consumer needs. to determine which car is the right one or, for example, choosing a credit payment option, directing the credit calculation which is appropriate and		Minimum Downpayment		customer's needs, financial capability, credits, car types, financial products, and down payment.
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	<p>suits the consumer's abilities.]</p> <ul style="list-style-type: none"> - Always offering direction to the best finance - Makes it easier for customers to own a car with a cheap installment scheme and minimal down payment - Providing the best service, which is in accordance with the customer's abilities, especially if there is a customer who wants credit 				
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2.	<p>Question: What factors influence your decision to offer car loan options to customers?</p> <p>Answers:</p> <ul style="list-style-type: none"> - The factors that influenced my decision to choose the first leasing option were the consumer's ability to pay installments and the interest applicable to the leasing. Second, choose which leasing company can accept the consumer's conditions, and third, look at the consumer's previous leasing history. 	<p>Consideration:</p> <p>Consumer capabilities</p> <p>Interest rate negotiation</p> <p>Consumer finance</p> <p>Customer needs</p> <p>Criteria</p>		<p>Prospect Consideration</p>	<p>Salespersons consider customers' capability, needs, finance, and negotiation. They also look at the product's interest rate.</p>
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	<ul style="list-style-type: none"> - Approval speed factor - Incentive factors for sales - Needs, special finances for purchasing a vehicle 				
3.	<p>Question: What criteria do you consider when choosing a leasing partner?</p> <p>Answers:</p> <ul style="list-style-type: none"> - One of the criteria I consider is closeness to the CMO or marketing leasing, then the flexibility of the 	<p>Criteria:</p> <p>Leasing marketing Flexibility Refund Incentive Installments Tenor Easy Requirements Incentive Approval Budget Capacity</p>		Leasing Options	<p>In choosing leasing company, car salespersons require the company's flexibility, refund, incentive, approval difficulty, character, capacity</p>
	<p>leasing, whether I want to accept my customer's conditions or not. For example, a consumer has a history of column 2 on SLIK or payment irregularities. I have to determine which leases can accept these conditions, so that my consumer credit application can be approved.</p> <ul style="list-style-type: none"> - big refunds/ incentives - Fast approval, easy requirements, incentives for large sales - Budget, capacity and character 	Character			
4.	<p>Question: In your opinion, are the incentives provided by Shinhan as a leasing partner competitive with other leasing partners?</p> <p>Answers:</p> <ul style="list-style-type: none"> - I think it's quite competitive if 	<p>Competence:</p> <p>Compete Cheap Low interest Big refund Installments Tenor Small Incentive Defeated</p>		Competitive Advantage	<p>Salespersons see My Car Loan as competitive since the price is cheap, the interest rate is low, has a good plan of installments, and long tenor.</p>

	<p>include balloon payment and 50:50 programs. Then the interest is low so as a salesperson, it is easier to offer to customers, so we are comfortable offering to consumers, consumers also get a solution with cheap credit.</p> <ul style="list-style-type: none"> - Consumers negotiate installments - The choice of leasing has an impact on sales at your dealer - Low interest, many credit options - Low interest 				
7.	<p>Question: Is there an influence on leasing selection on sales at your dealer? If there is, explain!</p> <p>Answers: There is an impact, for example there are several leases that have less flexibility and Shinhan Bank is</p>	<p>Procedure: Strict DTI Consumer History Fast approval (2) Easy process (2)</p>		Process	<p>Salespersons consider highly of the company's restrictions for customers to apply for leasing. The requirements from Shinhan are strict. While they</p>
	<p>such as employment, domicile, source of income, etc.</p> <ul style="list-style-type: none"> - customer profile, and already owns its own financing - Customers ask for cash packages in installments or 50:50 - We direct customers to buy with credit so that customers can make monthly installment payments without having to make cash payments - From comparing installments - education, especially those with entrepreneurial criteria, it is better to focus on credit so that the money can be turned into additional business capital 				
11.	<p>Question: Is there a customer satisfaction survey after the car unit is delivered?</p>	<p>Satisfaction survey: Internal dealer HMID</p>		Evaluation	<p>Salespersons conducted satisfaction survey to customers.</p>

	<p>Answers:</p> <ul style="list-style-type: none"> - Yes, there are internal dealers and from HMID (Hyundai Motor Indonesia). - bonuses, additional discounts - Yes, customer satisfaction survey - interview questions 				
12.	<p>Questions:</p> <p>Based on your experience in dealing with customers, what payment method is more popular with customers?</p> <p>Answers:</p> <ul style="list-style-type: none"> - For the Hyundai class, the credit and cash portions are equally large - Cash - Installments - 50:50 - Balloon - Payment, and regular - Light DP, long tenor and easy/fast process 	<p>Payment features:</p> <p>50:50:00</p> <p>Light DP</p> <p>long tenor</p> <p>easy process</p> <p>fast process</p>		Expectation	<p>Salespersons expected company to offers low down payment, long tenor, easy process, and fast process.</p>

13.	<p>Questions:</p> <p>Around how much is your commission per Hyundai's cars in Shinhan compared to others' leasing options:</p> <ul style="list-style-type: none"> - Shinhan: 7 mio; others: 8-12 mio - Shinhan: 6 mio; others: 10 mio - Shinhan: 6.5 mio; others: 8-10 mio - Shinhan: 6 mio; others: 8-12 mio - Shinhan: 7 mio; others: 8-10 mio 				<p>Commissions from Shinhan are lower.</p>
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	one of them. The lack of flexibility means that Shinhan is not the main choice of Hyundai dealers, because if all applications are entered into Shinhan, dealer sales will automatically fall, because Shinhan cannot accept consumers who have poor criteria, such as having a poor payment history and over DTI (Debt to Income). Ratio). DTI and consumer history matter Yes, selecting a lease that gets approval is fast and the process is not difficult Speed and ease of process for both customers and dealers				expect the company to approve fast and has an easy process
8.	Question: Are sales consultants given sufficient training/ education and knowledge about car financing programs? If there is, explain! Answers:	Sales education: Training Product Knowledge Program Package Financing Dealer Capacity Character		Salesperson knowledge	Salespersons have a general training and product knowledge. They also express a vague knowledge of

In conclusion, while from the quantitative data, the customers express dissatisfaction in difficult and long application process, the salespersons express dissatisfaction in low incentives and also long application processes. Both are the bottlenecks of the process of having sales.

III. SOLUTION AND PROPOSED IMPLEMENTATION PLAN

From the analysis, the author identified the core issue, which is Shinhan's strict standard for application. While the author suspected that it could be based on different financial cultures in Indonesia, Shinhan is using the same requirements they use in other countries. This suspicion is relevant to both customers and car dealers who think that Shinhan's standard for leasing applications is too strict. The author recommended Shinhan evaluate the standard, especially from the DTI since the salespersons think that is the main issue.

IV. JUSTIFICATION AND IMPLEMENTATION PLAN

My Car Loan department agreed to review the proposed implementation plan for this final project. It gained attention from the department as a better improvement for the product, however, there are other considerations outside of this final project's scope and limitations such as policy and areas.



CONCLUSION AND RECOMMENDATION

Customers and car salespersons that are associated with Shinhan are both have an issue with customers' application standards. While the product is well, and even the commission that is relatively low but still acceptable, the customers' and car salespersons' considerations if hampered are because of the application standard, namely the DTI.

However, the natural limitation of this final project is the author can't access the actual standard and system from My Car Loan or Shinhan for customers' applications for leasing. The author then concluded that the issue is the functional level in which the issue is in the financial analyst's area or underwriting area. It is based on Hill & Jones theory (2009), that Functional-level managers are responsible for the specific business functions or operations (human resources, purchasing, product development, customer service, and so on) that constitute a company or one of its divisions. Thus, a functional manager's sphere of responsibility is generally confined to one organizational activity, whereas general managers oversee the operation of a whole company or division.

But at the business level, the issue is whether the company needs to apply a certain strategy to gain more competitive advantage. So far, Shinhan has both Cost-Leadership (lower commissions compared to other leasing companies) and Differentiation (low-interest rate for customers or debtors). However, juggling two business-level strategies is more complexed, and to compensate for that advantage, so far Shinhan's standard and system have been too restricted, and it affected sales. Salespersons have less motivation because not only the commissions are low, but the standard and system are too restricted, they feel more discouraged to refer Shinhan as a leasing option. Therefore, if Shinhan applies the functional-level strategy (lower the standard and system), it will support the business level as well in both Cost-Leadership and Differentiation). As Hill & Jones (2009) referred, by being cost leaders, businesses can draw in customers who are looking for affordable products, expand their market share, and possibly increase their profits. While the differentiation strategy focuses on offering products or services perceived as superior or distinct from competitors. Companies pursuing differentiation aim to provide unique value, features, quality, innovation, customer service, or brand image that sets them apart in the eyes of customers (Andrews, 1971).

The author suggested Shinhan and My Car Loan review their standard and systems for the customers' applications for leasing. Therefore, the author also recommended further financial culture or habit research, based on this Bank Shinhan Strategy research, since the standard that is used for now is the same with Shinhan abroad.

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