

**ANALYSIS OF THE IMPACT OF SOCIAL MEDIA MARKETING,
SERVICE QUALITY, AND SALES ACTIVITIES ON THE INCREASE IN
SALES OF PROBLEMATIC FINANCING GUARANTEES (DEFAULT)
THROUGH AUCTION: CASE STUDY AT ABC ISLAMIC BANK**

Rani Ayu Asari^{1*}, Sri Hartini²

^{1,2} Master of Management Department,

Faculty of Economics and Business, Universitas Airlangga

E-mail: ¹⁾ rani.ayu.asari-2023@feb.unair.ac.id

Abstract

The study's purpose is to assess and disseminate the effect of the interaction between Social Media Marketing components, Quality, and Sales Activities on increasing the sales of customer guarantees for problem financing (losses) through auctions at ABC Service Sharia Bank. This study employs quantitative methodologies with a population of all workers of PT Bank Syariah ABC and a random sample of 30 respondents from Bank Syariah ABC employees in the Surabaya region. Data collection methods use questionnaires, case studies and interviews. The data analysis approach includes performing data quality tests, classic assumption tests, multiple linear regression tests, and hypothesis testing. Based on this study, the components of Social Media Marketing, Service Quality and Sales Activity, both on their own and in combination, have a notable influence on increasing sales of collateral for non-performing financing customers through auctions: Case Study at ABC Sharia Bank. The managerial implications for PT Bank Syariah ABC resulting from this research include optimizing the implementation or running of the three components above so that sales of customer collateral through auctions can increase significantly so that the rate of return or recovery of problematic/defaulting customers is reduced.

Keywords: Social Media Marketing, Service Quality, Sales Activities, Increased Sales, Multiple Linear Regression

1. INTRODUCTION

ABC Islamic Bank is one of the Islamic banks in Indonesia with over 20 million customers. The bank not only offers funding products like savings and savings but also provides financing services tailored to customer needs. These services include home ownership financing, vehicle financing, retirement financing, and partner financing. The bank's headquarters is in Jakarta, with branch offices throughout Indonesia, divided into 10 Regional Offices: Aceh, Medan, Palembang, Jakarta 1, Jakarta 2, Bandung, Semarang, Surabaya, Kalimantan, and Makassar.

To maintain its performance in financing, ABC Islamic Bank has a division specifically tasked with managing and handling customers who experience a decline in financing quality (starting to have difficulty paying installments). This division, known as Retail Collection, Restructuring & Recovery Group (RCG), is based at the Head Office but has representatives in regions and areas across Indonesia.

Customers are considered problematic when they start experiencing a decline in financing quality. The financing quality drops from collectability level 1 (smooth) to levels 2, 3, 4, and 5. A decline from level 1 to levels 2, 3, 4, and 5 occurs due to customers experiencing payment issues, leading to overdue payments (both principal and interest/margin) over time. When customers have arrears exceeding 180 days, their collectability status becomes level 5 (default). A level 5 status indicates that the customer can no longer make payments temporarily, and the bank must set aside 100% of the principal debt value as a reserve, which is then considered a loss for the bank. The higher the number of problematic financing customers (in arrears), the larger the reserve costs the bank must cover. This can reduce the bank's net profit and negatively impact its performance.

To address problematic financing, the bank employs various methods, including intensive collections, rescheduling installments, and restructuring financing. If these efforts fail, the bank's last resort is to sell the collateral. The bank offers two options for executing the collateral sale: first, allowing the customer to sell the asset themselves. If the customer fails to sell the asset within a specified period or cannot be located, the bank will proceed with the second option: assisting in selling the asset through an auction executed by the National Wealth and Auction Office (KPKNL).

For potential buyers, purchasing assets through auction has several advantages. Firstly, the sale price is determined through a minimum of two stages. Initially, it is offered at a fair market price. In case the asset is not bought during the first auction (No Bid/NAB), It can be offered for re-auction at an average price (market value + liquidation value divided by 2) or precisely at the liquidation value (minimum price). Additionally, buyers receive a guarantee that the legal status of the collateral is secure and free from fraudulent certificates. Moreover, if the asset is vacant and the debtor's whereabouts are unknown for an extended period, the debtor's presence is not required for the ownership transfer (Sale and Purchase Agreement). Instead, the auction decision record from KPKNL serves as the purchase agreement.

The phenomenon at ABC Islamic Bank is that the sale of problematic financing assets through auctions has not significantly increased, despite offering prices lower than market rates. For three consecutive years, from 2021 to 2023, the auction success rates for the bank's assets remained around 11.95%, 11.24%, and 9.04% of total problematic financing asset sales. Therefore, the researcher finds it necessary to investigate whether social media marketing, customer service quality, and sales activities impact the increase in sales of problematic financing collateral through auctions.

2. LITERATURE REVIEW

2.1. Sales Increase

Efforts to boost the volume of goods or services sold through effective and efficient marketing strategies are known as sales increase (Kotler et al., 2016). This involves diverse strategic and tactical elements that businesses can use to enhance both the quantity and value of product or service sales. These elements include sales increase concepts, which encompass factors influencing consumer decisions about marketing strategies, sales management, and innovations in product and sales processes. Additionally, companies must have a strong understanding of their target customers' needs, preferences, and behaviors. According to Schiffman et al. (2011), marketers should consider several factors that

influence customers' purchasing decisions and impact sales increase, including psychological, personal, social, and cultural aspects of the clients.

2.2. Social Media Marketing

Social media marketing involves leveraging social media platforms to engage with consumers, promote products, services, or brands, and connect with the target audience (Kotler et al., 2016). This approach can include various strategies such as content creation, paid advertising, viral campaigns, and direct interaction with customers. Social media has transformed how businesses engage with consumers and advertise their goods and offerings. In this research, social media marketing is defined as actively promoting the sale of problematic financing assets with the help of auctions using both personal and company social media platforms.

2.3. Service Quality

If a company wants to retain and maintain customer trust, it must deliver excellent service. According to Zeithaml et al. (2016), a company's success in providing good service can be measured by analyzing customer consumption patterns and lifestyles. Service quality, as an interaction process between the service entity and the end user, can be defined as the effort to meet and exceed customer needs and expectations (Tjiptono, 2015). Tjiptono (2007) defines quality of service as the degree of excellence anticipated and the management of that standard to meet customer expectations. In the context of selling problematic financing assets through auctions, providing high service quality means offering detailed and clear information about the asset's condition to potential buyers. This ensures that buyers fully understand the product's state and can set realistic expectations.

2.4. Sales Activities

Effective sales often require a deep understanding of customers. This can be achieved through market segmentation to identify potential customers with similar needs and characteristics, allowing for more efficient sales efforts Brar et al. (2022). Careful planning is crucial for successful sales activities, which may include prospecting, explaining products or services, negotiating, reaching out to leads, and closing sales (Conde & Prybutok, 2021). Additionally, building relationships with customers is equally important to encourage repeat purchases in the future (Zeithaml et al., 2016).

3. RESEARCH METHODS

The study that is being presented takes a quantitative approach. The strategy employed involves collecting primary data through a preliminary-tested form, which is subsequently shared with respondents via Google Forms, featuring questions pertinent to every parameter in the questionnaire. The population examined in the research comprises 30 respondents selected randomly from the employees of ABC Islamic Bank. The correlation among the variables under study can be demonstrated using the following constellation diagram:

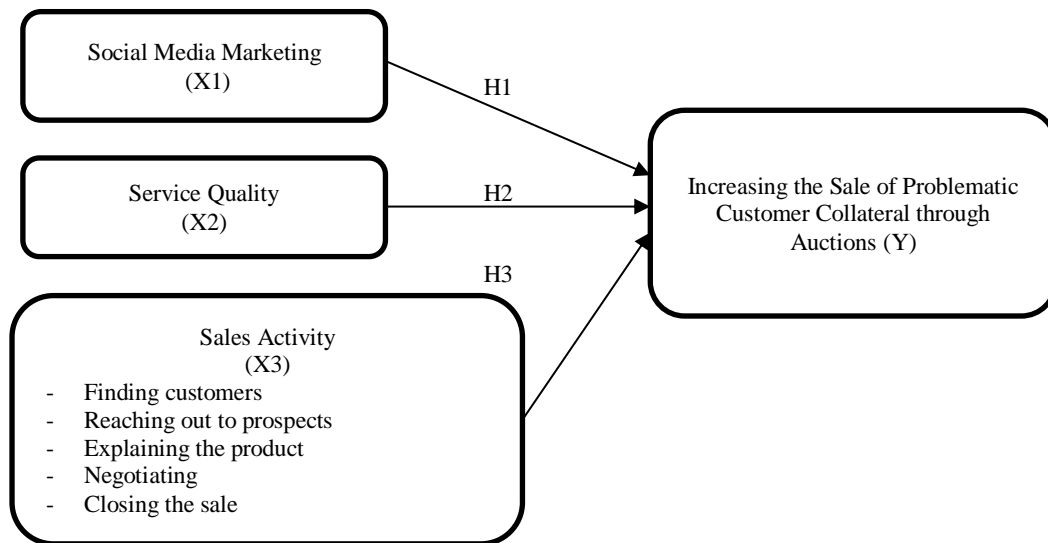


Figure 1. Relationship Between Variables

Source: Processed by the Author (2024)

4. RESULTS AND DISCUSSION

4.1. Research Results

4.1.1. Results of Validity and Reliability Testing

Table 1. Results of Validity Testing

Variable	Indicator	r value	r table	Sig.
Social Media Marketing (X1)	X1.1	.956	0.361	.000
	X1.2	.948	0.361	.000
	X1.3	.933	0.361	.000
Service Quality Variable (X2)	X2.1	.935	0.361	.000
	X2.2	.966	0.361	.000
	X2.3	.929	0.361	.000
	X2.4	.952	0.361	.000
Sales Activity Variable (X3)	X3.1	.918	0.361	.000
	X3.2	.951	0.361	.000
	X3.3	.869	0.361	.000
	X3.4	.915	0.361	.000
	X3.5	.916	0.361	.000
	X3.6	.886	0.361	.000
	X3.7	.946	0.361	.000
	X3.8	.907	0.361	.000
	X3.9	.915	0.361	.000
	X3.10	.836	0.361	.000
	X3.11	.927	0.361	.000
Sales Improvement Variable (Y)	Y1	.903	0.361	.000
	Y2	.884	0.361	.000

Source: SPSS, processed by the Author (2024)

Table 1 shows that the Social Media Marketing variable (3 instruments), Service Quality variable (4 instruments), and Sales Improvement variable (2 instruments) all have Pearson Correlation values above 0.361, indicating validity. The Sales Improvement parameter also has a Cronbach's Alpha of 0.746, exceeding the 0.60 threshold, confirming its reliability. Thus, the instruments for the four variables (1 dependent and 3 independent) meet validity test requirements.

Table 2. Results of Validity Testing

Variable	Cronbach's Alpha	N of Items
Social Media Marketing Variable (X1)	.940	3
Service Quality Variable (X2)	.960	4
Sales Activity Variable (X3)	.977	11
Sales Improvement Variable (Y)	.746	2

Source: SPSS, processed by the Author (2024)

According to Table 2, the Cronbach's Alpha values for Social Media Marketing, Service Quality, Sales Activity, and Sales Increase were found to be 0.940, 0.960, 0.977, and 0.746, respectively. All of these values exceed 0.60 which shows that every instrument for each of the four variables—dependent and independent—satisfied the validity and reliability tests, confirming the instruments' dependability.

4.1.2. Classic Assumption Test

a. Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		30
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.53893859
Most Extreme Differences	Absolute	.121
	Positive	.107
	Negative	-.121
Test Statistic		.121
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS, processed by the Author (2024)

According to the table, the normality test results indicate a two-tailed Asymp. Sig value of 0.200, which exceeds the 5% significance level. This suggests that there is proof to back up the claim that the residuals of the regression model follow a normal distribution. More details about the results of the normality test are displayed in the next figure.

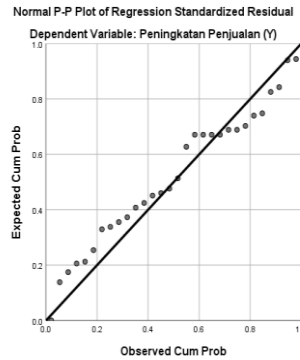


Figure 2. P-Plot

Source: SPSS, processed by the Author (2024)

The graph presented illustrates that the data points follow the trend of the main diagonal line and are spread out around it, suggesting that the data exhibits a pattern of normal distribution.

b. Multicollinearity Test

Table 4. Multicollinearity Test

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.484	.488		3.039	.005		
	Social Media Marketing (X1)	.192	.055	.362	3.515	.002	.386	2.587
	Service Quality (X2)	.129	.032	.382	4.005	.000	.453	2.209
	Sales Activity (X3)	.051	.014	.324	3.608	.001	.508	1.967

Dependent Variable: Sales Increase (Y)

Source: SPSS, processed by the Author (2024)

The results indicates that the VIF values are less than 10, whereas the Tolerance values exceed 0.10. As a result, it can be inferred from these findings that the regression model is free of multicollinearity problems.

c. Autocorrelation Test

Table 5. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.945 ^a	.893	.881	.569	2.250
a. Predictors: (Constant), Sales Activity (X3), Service Quality (X2), Social Media Marketing (X1)					
b. Dependent Variable: Sales Increase (Y)					

Source: SPSS, processed by the Author (2024)

The table's data indicates that 2.250 is the obtained DW value. The upper bound (du) is 1.649 when compared to the 5% significance table value, given the sample size of 30 (n) and the quantity of variables that are not dependent on others (K=3). The data has passed the Durbin-Watson test for autocorrelation since the DW value of 2.250 is lower than $(4-du)$ or $4-1.649 = 2.351$ and larger than the upper bound (du) of 1.649.

d. Heteroscedasticity Test

Table 6. Heteroscedasticity Test
Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
					B
1	(Constant)	.492	.332	1.484	.150
	Social Media Marketing (X1)	.013	.037	.347	.731
	Service Quality (X2)	.012	.022	.537	.596
	Sales Activity (X3)	-.010	.010	-1.047	.305
a. Dependent Variable: ABS_RES					

Source: SPSS, processed by the Author (2024)

The information provided concludes that there is no heteroscedasticity as the significance levels of the independent variables and absolute residuals are both above 0.05. To confirm this, a scatterplot displayed in the accompanying figure can be utilized for further evaluation.

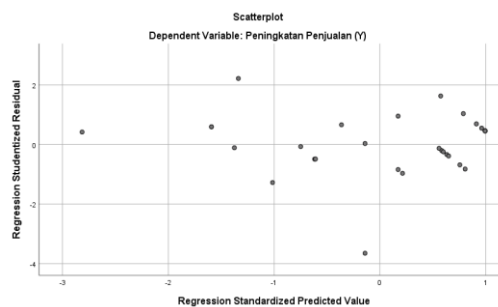


Figure 3. Scatter Plot

Source: SPSS, processed by the Author (2024)

The scatter plot displays a spread of points with no recognizable pattern or trend, that's concludes that heteroscedasticity is not present.

4.1.3. Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	1.484	.488		3.039	.005		
	Social Media Marketing (X1)	.192	.055	.362	3.515	.002	.386	2.587
	Service Quality (X2)	.129	.032	.382	4.005	.000	.453	2.209
	Sales Activity (X3)	.051	.014	.324	3.608	.001	.508	1.967

a. Dependent Variable: Sales Increase (Y)

Source: SPSS, processed by the Author (2024)

The above multiple linear regression can be formulates as follows :

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = 1.484 + 0.192X_1 + 0.129X_2 + 0.051X_3 + e$$

The multiple linear regression formula presented provides the following information:

- a = 1.484: This signifies that if no modifications are made in "Social Media Marketing", "Service Quality", and "Sales Activities" or their values remain constant, the "Sales Growth" will be 1.484.
- b₁ = 0.192: Meaning that, with all other factors constant, a 1-unit raise in "Social Media Marketing" raises "Sales Growth" by 0.192. This positive coefficient shows a direct relationship: as "Social Media Marketing" increases, "Sales Growth" also rises.
- b₂ = 0.129: This means that, with all other factors constant, a 1-unit increase in "Service Quality" results in a 0.129 increase in "Sales Growth". The positive coefficient shows that better service quality is associated with higher sales growth.
- b₃ = 0.051: This shows that, with all other variables constant, a 1-unit increase in "Sales Activities" leads to a 0.051 rise in "Sales Growth." The positive coefficient shows that higher "Sales Activities" are directly associated with increased "Sales Growth."

From the equation above, it is feasible to be explained that the direction of the relationship between "Social Media Marketing", "Service Quality", and "Sales Activities" on Sales Growth is positive. The positive regression coefficients indicate a direct relationship, where an increase in "Social Media Marketing", "Service Quality", and "Sales Activities" will lead to a growth in "Sales Growth," and vice versa.

4.1.4. Coefficient of Determination

Table 8. Coefficient of Determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.945 ^a	.893	.881	.569	2.250
a. Predictors: (Constant), Sales Activity (X3), Service Quality (X2), Social Media Marketing (X1)					
b. Dependent Variable: Sales Increase (Y)					

Source: SPSS, processed by the Author (2024)

The table shows that 89.3% of the sales growth is linked to social media marketing, service quality, and sales activities, as indicated by an R Square of 0.893. The remaining 10.7% of the growth could be due to other factors not covered in the study.

4.1.5. F-Test

Table 9. F-Test

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	70.377	3	23.459	72.411	.000 ^b
	Residual	8.423	26	.324		
	Total	78.800	29			
a. Dependent Variable: Sales Increase (Y)						
b. Predictors: (Constant), Sales Activity (X3), Service Quality (X2), Social Media Marketing (X1)						

Source: SPSS, processed by the Author (2024)

The F-test results confirms that the model is valid and that Social Media Marketing, Service Quality, and Sales Activities together significantly influence Sales Growth.

4.1.6. T-Test

Table 10. T-Test

Coefficients ^a								
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.484	.488		3.039	.005		
	Social Media Marketing (X1)	.192	.055	.362	3.515	.002	.386	2.587
	Service Quality (X2)	.129	.032	.382	4.005	.000	.453	2.209
	Sales Activity (X3)	.051	.014	.324	3.608	.001	.508	1.967
a. Dependent Variable: Sales Increase (Y)								

Source: SPSS, processed by the Author (2024)

Based on the table, the following conclusions can be made about how the predictors impact the dependent variable:

a. Social Media Marketing's Effect on Sales Performance

The t-test for social media marketing indicates a significant positive effect on sales growth, with a significance level of 0.002, which is well below the usual threshold of 0.05.

b. Role of Service Quality in Driving Sales Growth

For service quality, the t-test shows a strong and positive relationship between service quality and sales growth.

c. Effect of Sales Initiatives on Sales Performance

The analysis of sales activities reveals a significant and positive impact on sales growth, with a t-value of 3.608.

4.2. Discussion

4.2.1. How Social Media Marketing Affects the Rise in Sales of Collateral Assets Through Auction

The first hypothesis test indicate that social media marketing significantly boosts the sales of collateral assets at auction. This finding concludes that Social Media Marketing—using social media platforms (WhatsApp, Instagram, Twitter) by employees of Bank Syariah ABC in the Surabaya area—affects the increase in sales of collateral assets through auction in Surabaya. In other words, the higher the practice of Social Media Marketing by employees of Bank Syariah ABC in Surabaya, the more significant the sales of collateral assets through auction in Surabaya.

This pertains to how employees of Bank Syariah ABC in Surabaya use social media marketing, actively promoting auctioned assets through their social media posts and disseminating information about the products to be auctioned. The findings from the analysis align with the conduct of a large number of respondents (Bank Syariah ABC staff members). This conclusion is consistent with the findings of various past studies, including those by Sidharta et al. (2024), Hendrizal et al. (2023), Saputra & Sari (2022), which indicate a significant positive effect of marketing strategies, including Social Media Marketing, on sales increase, specifically in the context of increasing sales of collateral assets through auction.

4.2.2. How Service Quality Affects the Increase in Sales of Collateral Assets Through Auction

The test findings for the second hypothesis reveal a substantial positive association between Service Quality and an increase in collateral asset sales in Surabaya via auction. This indicates that good Service Quality, which includes service satisfaction, ease of contact when potential customers need information, a friendly attitude, and the consistent offer of assistance by employees of Bank Syariah ABC, contributes to higher sales of collateral assets through auction.

Selling collateral assets through auction is not easy, as potential customers or clients will be cautious to avoid legal issues that may arise later. Therefore, good service quality is required to assure potential customers that the collateral assets being auctioned are valuable, suitable, safe, and meet their needs. For example, employees of Bank Syariah ABC should

be easily reachable and able to provide information about the products/assets being sold. The results are in agreement with prior studies, for example those by Sidharta et al. (2024), Hendrizal et al. (2023), Saputra & Sari (2022), studies show that increased sales are directly correlated with service quality. In the present study, the collateral assets are sold more effectively through auctions.

4.2.3. How Sales Activities Affect the Increase in Sales of Collateral Assets Through Auction

The third hypothesis test findings reveal that Sales Activities have a considerable positive influence on the increase of collateral asset sales through auction in Surabaya. This indicates that high sales activity levels contribute to increased sales of collateral assets through auctions. Sales activities include searching for and prospecting potential clients, promoting the assets in the surrounding area, and conducting periodic visits to the items for sale.

The study's outcomes are congruent with those found in earlier work by Sidharta et al. (2024), Hendrizal et al. (2023), Saputra & Sari (2022), indicating that heightened sales efforts have a notable effect on sales expansion. This research reveals that elevated sales activities lead to an increase in the sales of collateral assets via auctions.

5. CONCLUSION

Considering the analysis and discussion, it is possible to conclude that Social Media Marketing significantly and positively affects the increase in sales of collateral assets through auction. This indicates that greater social media marketing efforts are linked to increased sales of collateral assets through auction. Additionally, Service Quality also significantly and positively influences the increase in sales of collateral assets. This suggests that improved service quality leads to greater sales of collateral assets through auction.

Furthermore, Sales Activities produce a significant beneficial impact on the increase in sales of collateral assets through auction. This implies that increased sales activities, such as proactive client engagement and regular promotions, contribute to higher sales of collateral assets. Overall, these findings highlight the importance of effective social media marketing, high-quality service, and active sales efforts in enhancing the sales of collateral assets through auctions.

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