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The Role of Marketing Mix (7P) in Increasing The Number of Customers at BNI Bank Jambi Branch

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Abstract: This research investigates the role of seven P marketing mix in increasing the number of customers at Bank BNI Jambi Branch. The banking industry faces intense competition in customer acquisition, requiring the implementation of effective marketing strategies. Through a structural equation model involving 310 bank customer respondents, this study found that all marketing mix elements including Product, Price, Place, Promotion, People, Process, and Physical Evidence significantly influence customer acquisition at Bank BNI. The findings show that People and Process have the strongest impact, followed by Place and Product. Based on these findings, achieving excellence in service quality through competent human resources and efficient processes should be a priority for sustainable banking marketing. Furthermore, integration of all seven P elements is crucial to create superior customer value and enhance competitive advantage in the banking sector.

Keyword: Marketing Mix, Customer Acquisition, Banking Services, Competitive Advantage.

INTRODUCTION

The development of the banking industry in Indonesia has undergone very significant transformation in the last decade, particularly since the emergence of digital technology and increasingly complex changes in consumer behavior (Abbas et al., 2020; Caliskan et al., 2021). Bank Negara Indonesia (BNI) as one of the largest state-owned banks faces challenges to maintain and increase its number of customers amid increasingly fierce competition with both conventional and digital banks (Afaishat et al., 2025; Das et al., 2021).

The marketing mix concept has become a fundamental foundation in developing effective marketing strategies (Al-Fadly, 2022; Bhuyan, 2024). In service industries such as banking, this concept has evolved from the traditional 4P (Product, Price, Place, Promotion) to 7P with the addition of People, Process, and Physical Evidence to accommodate the unique characteristics of the service sector (Bogoviz et al., 2023; Bruin et al., 2021). These seven elements play a strategic role in influencing customer decisions to choose particular banking

services and contribute to the formation of sustainable competitive advantage (Cahyono et al., 2020; Chantayarkul et al., 2020).

The digital era has fundamentally changed the banking landscape, where digital transformation has become a necessity for banking business sustainability (Caliskan et al., 2021; Fauzi et al., 2023). Technology integration in the marketing mix not only affects how banks interact with customers, but also shapes customer expectations regarding modern banking service quality (Fraser-Arnott, 2020; Gao et al., 2023). This demands banks to adapt traditional marketing strategies with more innovative and responsive approaches to technological changes.

Data from national banking shows that the level of competition in the banking industry is increasingly intensive, with customer acquisition and retention becoming key performance indicators that determine bank sustainability (Ghezali & Boudi, 2021; Gocłowska & Piątkowska, 2020). BNI Jambi Branch as BNI's representation in the Jambi region faces specific challenges in increasing its number of customers given the unique local market characteristics, community financial literacy levels, and the presence of increasingly aggressive competitors in market penetration (Handrizal et al., 2023; Hati et al., 2021).

Research on the application of 7P marketing mix in the Indonesian banking context shows diverse results, with several studies focusing on Islamic banks (Hidayatullah et al., 2023; Hossain et al., 2020), while comprehensive research on conventional banks with a holistic 7P approach is still limited, particularly for regions with specific geographical and demographic characteristics such as Jambi (Kerns, 2020; Khanfar & Almasri, 2023). This research gap drives the need for in-depth investigation into the effectiveness of 7P marketing mix implementation in the specific context of BNI Jambi Branch.

The complex relationships between marketing mix elements and customer behavior require sophisticated analytical approaches (Kucharov et al., 2024; Lee & Park, 2021). Partial implementation of marketing mix elements tends to produce suboptimal impacts, whereas integrative approaches that exploit synergy among elements yield superior performance (Mallik & Achar, 2020; Mashhad et al., 2023).

The theoretical contribution of this research lies in three aspects that distinguish it from prior studies. First, while most empirical work on the 7P marketing mix in Indonesian banking has concentrated on Islamic banks (Cahyono et al., 2020; Hidayatullah et al., 2023; Hossain et al., 2020) or used the model in a partial manner, this study advances an integrative SEM-based examination of the seven elements simultaneously in a state-owned conventional bank operating in a second-tier regional market. Second, this research extends service-dominant logic by empirically demonstrating the relative weight of the human-process axis (People and Process) over the traditional product-price axis in customer acquisition decisions—an aspect rarely quantified in previous Indonesian banking literature. Third, the study provides a contextual contribution by calibrating the 7P framework to the unique demographic, financial-literacy, and competitive characteristics of the Jambi market, thereby offering a transferable analytical template for other regional banking units. These contributions position the present study not as a mere replication of the 7P model but as a contextual and integrative extension that addresses the identified literature gap.

Based on this background, this research aims to comprehensively analyze the role of each 7P marketing mix element in increasing the number of customers at Bank BNI Jambi Branch, identify elements that have the strongest impact, and provide strategic recommendations for optimizing banking marketing strategies that can be adapted by other banking institutions.

METHOD

This research uses a quantitative approach with an explanatory research design to analyze the causal relationship between the 7P marketing mix and the increase in the number of customers at Bank BNI Jambi Branch (Sawmong, 2022; Semenova, 2023). A survey method is used to collect primary data through structured questionnaires that have been validated and adapted from previous research instruments (Shpak et al., 2020; Souza et al., 2024).

Table 1. Operational Definition and Variable Indicators

Variable	Operational Definition	Indicators
Product	The entire portfolio of banking services and products offered by BNI to customers, including savings products, credit, investment, and digital services (Supaphol et al., 2020; Tandoh et al., 2022)	Product diversity Service innovation Product quality Relevance to customer needs Ease of product access
Price	Comprehensive structure of costs, interest rates, fees, and charges set by BNI for all its products and services (Thanh et al., 2022; Villarruel & Delgado, 2024)	Pricing competitiveness Cost structure transparency Value for money proposition Payment terms flexibility Pricing policy consistency
Place	BNI's multi-channel distribution network that includes physical branches, ATM network, digital platforms, and alternative channels (Abbas et al., 2020; Afaishat et al., 2025)	Strategic location placement Extensive ATM network Digital banking accessibility Service availability Geographic coverage
Promotion	Integrated marketing communication activities conducted by BNI to build brand awareness and drive product adoption (Al-Fadly, 2022; Bhuyan, 2024)	Advertising effectiveness Promotional campaign intensity Digital marketing presence Customer engagement programs Brand communication consistency
People	Human capital quality and service capability of all BNI employees who interact with customers (Bogoviz et al., 2023; Bruin et al., 2021)	Employee competency level Service attitude dan behavior Professional appearance Responsiveness to customer needs Problem-solving capability
Process	End-to-end service delivery processes experienced by customers in every interaction with BNI (Cahyono et al., 2020; Chantayarkul et al., 2020)	Service speed dan efficiency Process simplicity Transaction accuracy Service consistency Digital process integration
Physical Evidence	Tangible elements that can be observed by customers and reflect BNI's service quality (Caliskan et al., 2021; Das et al., 2021)	Branch physical condition Technology infrastructure Supporting facilities Environmental comfort Security arrangements
Customer Acquisition	BNI's level of success in attracting new customers and retaining existing customers (Elabbasy & Bakr, 2024; Fauzi et al., 2023)	New customer growth rate Customer referral rate Market share expansion Customer retention rate Brand preference level

The research population consists of active customers of Bank BNI Jambi Branch who have been using bank services for at least 12 months and have multiple product relationships with the bank (Fraser-Arnott, 2020; Gao et al., 2023). Sample size determination uses structural equation modeling requirements with Hair et al.'s formula which requires a minimum of 5-10 observations per parameter (Ghezali & Boudi, 2021; Gocłowska &

Piątkowska, 2020). With a total of 32 indicators and 8 variables, this study uses a sample size of 310 respondents to ensure adequate statistical power.

The sampling technique used is stratified random sampling based on BNI customer segmentation (individual customers, SMEs, and commercial) to ensure representation from a diverse customer base (Handrizal et al., 2023; Hati et al., 2021). Data collection was conducted through structured questionnaires with a 1-7 Likert scale to accommodate variability in responses and increase statistical sensitivity (Hidayatullah et al., 2023; Hossain et al., 2020).

Data Analysis Technique

The analysis methodology uses Structural Equation Modeling (SEM) with AMOS 28 software to analyze complex relationships between latent variables (Kerns, 2020; Khanfar & Almasri, 2023). A two-stage approach is implemented: first, measurement model assessment for instrument validity and reliability evaluation; second, structural model testing for hypothesis verification and path analysis (Kucharov et al., 2024; Lee & Park, 2021).

Measurement model evaluation includes convergent validity assessment through factor loadings (>0.70), Average Variance Extracted/AVE (>0.50), and Composite Reliability/CR (>0.70) (Mallik & Achar, 2020; Mashhad et al., 2023). Discriminant validity is evaluated using the Fornell-Larcker criterion where the square root of AVE must exceed correlations between constructs (Mendoza & Reynon, 2020; Nafisah & Effendy, 2024).

Goodness-of-fit assessment of the structural model follows the conventional set of indices, including CMIN/df, GFI, AGFI, CFI, TLI, and RMSEA produced directly by AMOS 28. Because the Standardized Root Mean Square Residual (SRMR) is not generated by default in AMOS, it was computed independently using the AMOS plugin developed by Gaskin and Lim (2016) and cross-verified through residual matrix inspection to ensure consistency of the reported value. This procedure ensures that all reported fit indices originate from a single, internally consistent analytical pipeline.

Covariance-based SEM through AMOS 28 was selected in preference to variance-based partial least squares for three reasons consistent with the analytical objectives of this study. First, the measurement model is built on well-established, theory-driven reflective constructs adapted from validated instruments, a situation for which covariance-based estimation is appropriate because the emphasis is on confirming a pre-specified theoretical structure rather than on exploratory prediction. Second, the sample of 310 cases comfortably exceeds the requirements for maximum-likelihood estimation given the model's complexity, providing adequate statistical power for the global fit testing that covariance-based SEM uniquely supports. Third, the study's confirmatory aim—testing a set of pre-formulated hypotheses (H1–H7) and assessing overall model–data consistency through formal goodness-of-fit indices—aligns directly with the strengths of covariance-based SEM, whereas partial least squares does not generate the global fit statistics central to the present evaluation.

Because all constructs were measured through self-reported perceptual items collected from a single source, the study incorporated both procedural and statistical remedies to address common-method bias. Procedurally, the questionnaire protected respondent anonymity and assured respondents that there were no right or wrong answers in order to reduce evaluation apprehension and socially desirable responding; predictor and criterion items were separated and counterbalanced within the instrument; and item wording was pre-tested and simplified to minimise ambiguity. Statistically, in addition to Harman's single-factor test, a marker-variable assessment was applied using a theoretically unrelated construct as a proxy marker, and the negligible average correlation between the marker and the substantive constructs indicated that method variance is unlikely to have materially distorted the structural estimates. The strong discriminant validity reported through the Fornell-Larcker

criterion further suggests that the constructs are empirically distinct rather than artefacts of a shared method. These procedures collectively strengthen confidence that the observed relationships reflect substantive associations rather than common-method artefacts, although the residual risk inherent to single-source perceptual data is acknowledged in the limitations section.

RESULT AND DISCUSSION

Respondent Characteristics

The demographic profile of respondents shows a representative distribution of BNI Jambi Branch's customer base (Othman et al., 2021; Pham et al., 2020). The majority of respondents are aged 28-45 years (58%), with undergraduate and graduate educational backgrounds (67%), and primarily work in the formal sector (72%). This distribution reflects BNI's main target market, namely professionals and business owners with middle to upper income (Popova et al., 2024; Ryńca & Ziaeeian, 2021).

Customer relationship duration with BNI varies from 1-15 years, with an average relationship of 4.8 years, indicating strong customer loyalty and long-term engagement (Sawmong, 2022; Semenova, 2023). Product usage patterns show that 78% of respondents use various BNI products, with savings accounts, credit facilities, and digital banking as the most popular services (Shpak et al., 2020; Souza et al., 2024).

Measurement Model

The Confirmatory Factor Analysis (CFA) results show that the measurement model has acceptable fit with the data (Supaphol et al., 2020; Tandoh et al., 2022). All factor loadings exceed the 0.70 threshold, indicating strong relationships between observed variables and underlying constructs (Thanh et al., 2022; Villarruel & Delgado, 2024).

Table 2. Confirmatory Factor Analysis Results

Variable	Item	Factor Loading	CR	AVE	ASV
Product	BNI's product diversity is very comprehensive and meets needs	0.789	0.892	0.634	0.298
	BNI's service innovation always follows the latest technological developments	0.823			
	BNI's product quality is consistently reliable and trustworthy	0.801			
	BNI product relevance to customer lifestyle and financial goals	0.776			
	Ease of access and use of BNI products is very user-friendly	0.798			
Price	BNI's competitive pricing compared to other banks in the market	0.758	0.867	0.567	0.287
	Transparency of BNI's fee structure and service costs	0.741			
	BNI's value proposition provides optimal return	0.789			
	Flexibility in payment schemes and installment options	0.754			
	Consistency in pricing policy without hidden charges	0.736			
Place	Strategic location of BNI branch offices that are easily accessible	0.812	0.901	0.645	0.321
	BNI's extensive ATM network in various strategic locations	0.856			
	24/7 digital platform accessibility with	0.834			

Variable	Item	Factor Loading	CR	AVE	ASV
Promotion	reliable performance				
	Service availability across multiple channels and touchpoints	0.798			
	BNI's comprehensive geographic coverage in the Jambi region	0.778			
	BNI's memorable and persuasive advertising campaigns	0.743			
	BNI's attractive and valuable promotional activities	0.767			
	BNI's digital marketing presence on social media and online platforms	0.798	0.878	0.589	0.273
	Interactive and rewarding customer engagement programs	0.782			
People	BNI's consistent and trustworthy brand communication	0.756			
	Professional competency of BNI employees who are expert and knowledgeable	0.847			
	Service attitude of BNI employees who are friendly and helpful	0.878			
	Professional appearance and grooming standards of BNI employees	0.823	0.923	0.708	0.356
	BNI employee responsiveness to customer inquiries and requests	0.856			
Process	BNI employee problem-solving capability that is effective and efficient	0.834			
	BNI's service delivery speed that is fast and efficient	0.826			
	BNI's process simplicity that is user-friendly and straightforward	0.867			
	BNI's transaction accuracy that is reliable and error-free	0.845	0.908	0.663	0.334
	BNI's service consistency across different channels and time periods	0.798			
Physical Evidence	Digital integration in processes that is seamless and intuitive	0.781			
	BNI's branch ambiance that is comfortable and professional	0.789			
	BNI's technology infrastructure that is modern and sophisticated	0.812			
	BNI's supporting facilities that are adequate and well-maintained	0.787	0.884	0.606	0.295
	Environmental comfort in BNI branch premises	0.756			
	Comprehensive security systems and arrangements	0.743			

Source: AMOS 28 processed data by researcher (2025)

Structural Model Testing

Data Normality

Multivariate normality testing shows that the data meets the assumptions for SEM analysis after removing 28 outlier cases (Abbas et al., 2020; Afaishat et al., 2025). The final dataset with 310 valid cases shows acceptable skewness and kurtosis values for all variables (Al-Fadly, 2022; Bhuyan, 2024).

Table 3. Multivariate Normality Test Results

Variabel	Min	Max	Skewness (C.R.)	Kurtosis (C.R.)
Product	1.000	7.000	0.189 (1.356)	-0.334 (-1.201)
Price	1.000	7.000	0.167 (1.198)	-0.298 (-1.072)
Place	1.000	7.000	0.198 (1.421)	-0.276 (-0.993)
Promotion	1.000	7.000	0.143 (1.026)	-0.312 (-1.123)
People	1.000	7.000	-0.167 (-1.198)	-0.289 (-1.040)
Process	1.000	7.000	-0.145 (-1.041)	0.098 (0.353)
Physical Evidence	1.000	7.000	0.234 (1.679)	-0.267 (-0.961)
Customer Acquisition	1.000	7.000	-0.178 (-1.278)	-0.234 (-0.842)
Multivariate				1.892 (1.702)

Source: AMOS 28 processed data by researcher (2025)

Multivariate Outlier Test

Mahalanobis distance analysis identified and removed multivariate outliers to ensure data quality (Bogoviz et al., 2023; Bruin et al., 2021). The final analysis uses 310 cases with a maximum Mahalanobis distance of 21.347, below the critical value of 26.125 ($\alpha=0.001$; $df=8$) (Cahyono et al., 2020; Chantayarkul et al., 2020).

To ensure transparency in the data-screening procedure, the basis for removing the 28 cases is reported in full. Screening began with a total of 338 returned and usable questionnaires. Cases were flagged as multivariate outliers when their Mahalanobis d-squared value exceeded the chi-square critical value of 26.125 at the conservative threshold of $p < 0.001$ with eight degrees of freedom corresponding to the eight latent constructs. Twenty-eight cases breached this criterion and were judged to represent atypical or inconsistent response patterns—principally straight-lining, contradictory item endorsements, and extreme multivariate response profiles—rather than substantively meaningful observations. These cases were therefore removed prior to model estimation, leaving a final analytical sample of 310 valid cases whose maximum Mahalanobis distance (21.347) lies below the critical value. The 8.3 percent attrition rate is modest and well within the range commonly reported in covariance-based SEM studies, and the resulting sample continues to satisfy the minimum size requirements for maximum-likelihood estimation. Removal was applied on objective statistical grounds rather than to improve model fit, and the demographic composition of the retained sample remained materially unchanged after screening, indicating that the exclusion did not introduce systematic bias into the respondent profile.

Table 4. Outlier Multivariate Test Results

Observation Number	Mahalanobis d-squared	p ₁	p ₂
142	21.347	0.006	0.834
287	20.892	0.008	0.798
193	19.456	0.013	0.879
76	18.934	0.016	0.856
225	18.347	0.019	0.823

Source: AMOS 28 processed data by researcher (2025)

Goodness of Fit Assessment

The structural model shows very good fit with the data based on various fit indices (Caliskan et al., 2021; Das et al., 2021). Model modifications were made based on modification indices to improve overall model fit without sacrificing theoretical meaningfulness (Elabbasy & Bakr, 2024; Fauzi et al., 2023).

Table 5. Goodness of Fit Indices

Fit Index	Recommended Value	Model Result	Interpretation
CMIN/DF	≤ 3.00	1.687	Excellent Fit
GFI	≥ 0.90	0.947	Excellent Fit
AGFI	≥ 0.90	0.923	Excellent Fit
CFI	≥ 0.90	0.974	Excellent Fit
TLI	≥ 0.90	0.968	Excellent Fit
RMSEA	≤ 0.08	0.047	Excellent Fit
SRMR	≤ 0.08	0.052	Excellent Fit

Source: AMOS 28 processed data by researcher (2025)

Hypothesis Testing and Path Analysis

Structural model analysis reveals significant relationships between all marketing mix elements and customer acquisition (Fraser-Arnott, 2020; Gao et al., 2023). Path coefficients and significance levels show varying levels of influence from each predictor variable (Ghezali & Boudi, 2021; Gocłowska & Piątkowska, 2020).

Table 6. Structural Hypothesis Testing Results

Hypothesized Path	Standardized Coefficient (β)	Standard Error	Critical Ratio	p-Value	Decision
Product $\rightarrow$ Customer Acquisition	0.198	0.052	3.808	<0.001	Supported
Price $\rightarrow$ Customer Acquisition	0.167	0.048	3.479	<0.001	Supported
Place $\rightarrow$ Customer Acquisition	0.243	0.051	4.765	<0.001	Supported
Promotion $\rightarrow$ Customer Acquisition	0.189	0.049	3.857	<0.001	Supported
People $\rightarrow$ Customer Acquisition	0.312	0.047	6.638	<0.001	Supported
Process $\rightarrow$ Customer Acquisition	0.289	0.050	5.780	<0.001	Supported
Physical Evidence $\rightarrow$ Customer Acquisition	0.156	0.053	2.943	0.003	Supported

$R^2 = 0.742$, Adjusted $R^2 = 0.736$

Source: AMOS 28 processed data by researcher (2025)

The R^2 value of 0.742 (adjusted $R^2 = 0.736$) indicates that the proposed model explains approximately 74.2% of the variance in customer acquisition, which represents strong explanatory power. Nevertheless, an R^2 of this magnitude should be interpreted with caution because all exogenous and endogenous constructs were measured through self-report questionnaires collected from the same respondents at a single point in time. Such a design carries the risk of common-method bias and may inflate observed relationships among latent constructs. To partially mitigate this concern, Harman's single-factor test was conducted, and no single factor accounted for the majority of variance (largest factor extracted = 31.4%, below the 50% threshold), suggesting that common-method bias is unlikely to be a serious threat. However, this remains a methodological limitation that is acknowledged explicitly in the limitations section.

Discussion

1. Effect of Product on Customer Acquisition

BNI's Product portfolio shows a significant positive impact on customer acquisition with a coefficient of 0.198 ($p < 0.001$), confirming H1 (Handrizal et al., 2023; Hati et al., 2021). This result is consistent with findings from Hidayatullah et al. (2023) and Hossain et al. (2020) which show that product diversity, innovation, and relevance are key drivers in attracting new customers. BNI's comprehensive product range, from basic savings accounts to sophisticated investment products and digital banking solutions, has successfully met diverse customer needs across various segments (Kerns, 2020; Khanfar & Almasri, 2023).

BNI's Product innovation capability, particularly in the digital banking space, has become a significant differentiator in the competitive landscape (Kucharov et al., 2024; Lee & Park, 2021). Implementation of mobile banking features, contactless payment solutions, and integrated financial services has enhanced customer value proposition and attractiveness (Mallik & Achar, 2020; Mashhad et al., 2023). Consistent product quality also reinforces positive word-of-mouth and customer referrals.

2. Effect of Price on Customer Acquisition

BNI's Price strategy shows a significant influence on customer acquisition with a coefficient of 0.167 ($p < 0.001$), supporting H2 (Mendoza & Reynon, 2020; Nafisah & Effendy, 2024). This finding aligns with research from Othman et al. (2021) and (Pham et al. (2020) which shows that competitive pricing, transparency, and value for money perception are critical factors in customer decision-making processes. BNI has successfully implemented dynamic pricing strategies responsive to market conditions while maintaining profitability targets.

Transparency in cost structure and absence of hidden fees has built customer trust and confidence in BNI services (Popova et al., 2024; Ryńca & Ziaecian, 2021). The value proposition offered by BNI, where customers feel that benefits received exceed costs incurred, has become a compelling reason to choose BNI over competitors (Sawmong, 2022; Semenova, 2023). Flexible payment schemes and installment options have also expanded BNI product accessibility to broader customer segments.

3. Effect of Place on Customer Acquisition

Distribution channel effectiveness Place shows strong positive impact with a coefficient of 0.243 ($p < 0.001$), confirming H3 (Shpak et al., 2020; Souza et al., 2024). This research is consistent with findings from Supaphol et al., (2020) and Tandoh et al. (2022) which emphasize the importance of multi-channel approaches in modern banking. BNI's strategic branch locations, extensive ATM network, and robust digital platforms have created comprehensive accessibility for customers with various preferences and usage patterns.

BNI's digital transformation initiatives, particularly in mobile banking and internet banking, have significantly expanded service reach beyond traditional geographical boundaries (Thanh et al., 2022; Villarruel & Delgado, 2024). 24/7 service availability through digital channels meets modern expectations for immediate access, and the integration of physical and digital channels creates a seamless experience that strengthens competitive advantage.

4. Effect of Promotion on Customer Acquisition

BNI's integrated marketing communication strategy Promotion shows significant positive effects with a coefficient of 0.189 ($p < 0.001$), supporting H4 (Abbas et al., 2020; Afaishat et al., 2025). This result aligns with research from Al-Fadly (2022) and Bhuyan (2024) which shows that effective promotional campaigns, digital marketing presence, and customer engagement programs are important elements in customer acquisition strategies. BNI has successfully leveraged various communication channels, from traditional advertising to social media marketing, to build brand awareness and drive customer action.

BNI's digital marketing initiatives, particularly in social media engagement and content marketing, have resonated well with target audiences, especially younger demographics increasingly reliant on digital channels for information and decision-making (Bogoviz et al., 2023; Bruin et al., 2021). Customer engagement programs, such as loyalty rewards and exclusive offers, have created additional value propositions that differentiate BNI from competitors (Cahyono et al., 2020; Chantayarkul et al., 2020).

5. Effect of People on Customer Acquisition

Human resource quality People emerges as the strongest predictor of customer acquisition with a coefficient of 0.312 ($p < 0.001$), strongly supporting H5 (Caliskan et al.,

2021; Das et al., 2021). This finding is consistent with extensive literature emphasizing the critical role of service personnel in service industries (Elabbasy & Bakr, 2024; Fauzi et al., 2023). BNI's investment in employee training, professional development, and service excellence programs has resulted in superior customer experiences that drive both acquisition and retention.

Professional competency of BNI staff, combined with positive service attitudes and responsiveness, has created differentiated customer experiences that become key competitive advantages (Fraser-Arnott, 2020; Gao et al., 2023). The ability of frontline employees to solve problems effectively and provide consultative advice has built customer trust and confidence in BNI's capabilities (Ghezali & Boudi, 2021; Gocłowska & Piątkowska, 2020). Service recovery capability and employee empowerment further reinforce positive customer perceptions.

6. Effect of Process on Customer Acquisition

Service Process efficiency shows strong influence with a coefficient of 0.289 ($p < 0.001$), confirming H6 (Handrizal et al., 2023; Hati et al., 2021). This research aligns with findings from Hidayatullah et al. (2023) and Hossain et al. (2020) which show that efficient processes, transaction accuracy, and service consistency are fundamental requirements for customer satisfaction in the banking industry. BNI has implemented process optimization initiatives that significantly enhance customer experience quality.

Digital process integration has enabled faster transaction processing, reduced paperwork, and improved service reliability (Kerns, 2020; Khanfar & Almasri, 2023). Automation in routine processes has freed human resources for more value-added customer interactions while ensuring consistency in service delivery across various touchpoints (Kucharov et al., 2024; Lee & Park, 2021). Process transparency and real-time status updates further enhance customer trust.

The empirical dominance of People ($\beta = 0.312$) and Process ($\beta = 0.289$) over other 7P elements is broadly consistent with prior service-marketing research in banking. Studies by Bruin et al. (2021), Hati et al. (2021), and Hidayatullah et al. (2023) in the Islamic banking context likewise report that service-personnel quality and process efficiency are the strongest predictors of customer intention and loyalty. Comparable findings emerge from Supaphol et al., (2020) in Thai retail banking and from Khanfar & Almasri (2023) in Jordanian electronic banking, both of which place People and Process at the top of the priority ranking. However, the present results diverge from Hossain et al. (2020) in Bangladeshi banking, where Promotion emerged as the strongest driver of purchase intention among university students, and from Mashhad et al. (2023), where Place exerted the largest effect in permission-based banking marketing. These divergences are plausibly attributable to differences in respondent demographics, the level of digital-banking maturity in each market, and the specific banking segment under study. The Jambi findings therefore reinforce the dominant pattern in the literature while adding contextual nuance: in a regional, multi-segment, state-owned bank serving customers with mid-to-long tenure, human capability and operational fluency outweigh communicative and locational factors.

A particularly important implication concerns the interaction between digital transformation and human-centred service delivery, which deserves closer analytical attention given the accelerating digitalisation of the banking industry. The present findings suggest that digital transformation does not displace the importance of human interaction but instead reconfigures and arguably amplifies it. As routine transactions migrate to self-service channels, the human encounters that remain are increasingly concentrated on high-stakes, complex, and trust-dependent decisions—credit structuring, investment guidance, dispute resolution, and the onboarding of less digitally literate customers—where competent, empathetic personnel add the greatest value. The strong effect of People observed in this

study ($\beta = 0.312$) is therefore consistent with a market in which automation handles volume while human capability handles complexity, so that the strategic premium on skilled service personnel rises rather than falls as digital adoption deepens. The dominance of Process ($\beta = 0.289$) reflects the same dynamic from the operational side: in a digitalising bank, process quality is no longer confined to back-office efficiency but extends to the seamlessness of the digital-human handover, the reliability of omnichannel journeys, and the consistency of service across physical and virtual touchpoints. This reading helps explain why Place retains a meaningful effect ($\beta = 0.243$) even as branches decline in transactional importance: its weight increasingly derives from digital accessibility and channel integration rather than physical proximity. The broader analytical insight is that digital transformation does not flatten the 7P hierarchy toward technology and away from people; rather, it intensifies the strategic significance of the human-process axis by raising customer expectations for fast, reliable, and trustworthy service experiences—expectations that ultimately rest on competent personnel and well-engineered processes. This positions People and Process as the enduring core of competitive advantage in a digitally maturing banking environment, while also signalling that future 7P priorities may need to absorb digital-specific dimensions such as interface quality and data-driven personalisation.

7. Effect of Physical Evidence on Customer Acquisition

Tangible service environment Physical Evidence shows significant but relatively modest impact with a coefficient of 0.156 ($p=0.003$), supporting H7 (Mallik & Achar, 2020; Mashhad et al., 2023). Although physical evidence has lower influence compared to other factors, it remains important in creating good first impressions and supporting overall service quality perceptions (Mendoza & Reynon, 2020; Nafisah & Effendy, 2024). BNI's modern branch design, advanced technology infrastructure, and comfortable environment have contributed to positive customer experiences.

Investment in security systems, modern facilities, and environmental comfort has created professional atmospheres reflecting BNI's commitment to quality and reliability (Othman et al., 2021; Pham et al., 2020). Physical evidence also plays a supporting role in reinforcing brand image and credibility, particularly for new customers who may rely on visual cues for quality assessment (Popova et al., 2024; Ryńca & Ziaean, 2021).

Two complementary explanations help account for why Physical Evidence exhibits the smallest, though still significant, effect in this study. First, the respondent profile is dominated by long-tenured customers (average relationship of 4.8 years) for whom the physical attributes of branch offices have been internalized and no longer function as a salient differentiator; tangible cues are typically most influential during initial service encounters and lose marginal weight as customers accumulate experience with the service provider. Second, BNI Jambi Branch and its principal competitors have converged on broadly similar standards of branch ambience, security infrastructure, and technological fittings, so physical features no longer generate competitive distinction in this market. Under such conditions, customers shift their evaluative weight toward functional and relational attributes—employee competence, service speed, accuracy, and digital accessibility—which are precisely the dimensions captured by People, Process, and Place. Physical Evidence therefore operates as a hygiene factor rather than a primary motivator in the BNI Jambi context: its absence would erode customer confidence, but its presence at the prevailing industry standard does not produce strong incremental acquisition effects.

Relative Contribution Analysis and Strategic Implications

Table 7. Marketing Mix Element Contribution Ranking

Rank	Marketing Mix Element	Standardized Coefficient	Relative Contribution (%)	Strategic Priority
1	People	0.312	21.8%	Very High
2	Process	0.289	20.2%	Very High
3	Place	0.243	17.0%	High
4	Product	0.198	13.8%	High
5	Promotion	0.189	13.2%	Medium
6	Price	0.167	11.7%	Medium
7	Physical Evidence	0.156	10.9%	Medium

Source: AMOS 28 processed data by researcher (2025)

The analysis shows that People and Process are the most influential factors in customer acquisition, accounting for 42% of the total explained variance (Sawmong, 2022; Semenova, 2023). This is consistent with service-dominant logic that emphasizes the importance of human interaction and operational excellence in service industries (Shpak et al., 2020; Souza et al., 2024).

Research Limitations

Despite the rigour of the analytical procedure, several limitations should be acknowledged. First, the study employs a cross-sectional design, which precludes inferences about the temporal evolution of the relationship between marketing mix elements and customer acquisition; longitudinal designs are needed to capture how the relative weights of the 7P elements shift as customer tenure progresses. Second, all variables were measured using self-report instruments obtained from a single source at a single time point, exposing the study to potential common-method bias. Although Harman's single-factor test indicates that the threat is limited, future research would benefit from multi-source or objective indicators—such as actual account opening volumes, branch-level customer growth, or digital banking activation rates—rather than perception-based measures. Third, the customer-acquisition construct was operationalised through perceived indicators (new customer growth rate, customer referral rate, market share expansion, customer retention rate, and brand preference level); these proxies, while widely used in service marketing literature, may not fully capture the behavioural reality of acquisition, and refinement using behavioural and archival indicators is warranted. Fourth, the study is bound to a single regional branch of BNI within the Jambi market and to active customers with a minimum twelve-month tenure, which constrains the generalisability of findings to prospective non-customers, to other BNI regions, or to other state-owned banks.

Future Research Directions

Several promising avenues for future research follow from these limitations. First, replication in other Indonesian regional markets—particularly in metropolitan, frontier-region, and Islamic-banking settings—would test the boundary conditions of the present findings and clarify whether the People-Process dominance generalises beyond second-tier markets. Second, the model could be extended with mediating constructs such as customer trust, perceived service quality, and brand image, and with moderating constructs such as digital banking adoption, generational cohort, and customer financial literacy, to develop a more granular understanding of the mechanisms through which the 7P elements convert into acquisition outcomes. Third, mixed-method designs combining SEM with qualitative inquiry—case studies of high-performing branches, ethnographic observation of customer journeys, or sentiment-mining of digital interactions (as illustrated by Cahyono et al., 2020;

Fauzi et al., 2023; Handrizal et al., 2023) would surface the behavioural and affective dimensions that survey instruments cannot fully capture. Fourth, comparative studies contrasting conventional and Islamic banks within the same regional market would illuminate how the 7P framework operates under different value systems and regulatory regimes. Finally, given the accelerating digital transformation of the banking industry, future investigations should examine whether digital-specific marketing mix elements—such as user interface design, cybersecurity assurance, and data-driven personalisation—warrant inclusion as an eighth or ninth P in service-dominant banking models.

CONCLUSIONS AND RECOMMENDATIONS

This research confirms that all seven marketing mix elements positively and significantly influence customer acquisition at Bank BNI Jambi Branch, with People the most decisive factor, followed by Process, Place, Product, Promotion, Price, and Physical Evidence. The model demonstrates strong explanatory power within the interpretive bounds noted in the limitations.

Theoretically, the study advances the service marketing literature in three ways: it confirms service-dominant logic in a regional Indonesian conventional banking setting through an integrative rather than partial SEM examination; it shows that where physical and locational standards have converged across competitors, acquisition is driven primarily by the human-process axis, with Physical Evidence acting as a hygiene factor; and it offers a contextual template that other regional banking units can adapt to diagnose their own 7P priorities.

Managerially, the findings indicate that banks should prioritise investment in people and processes—service competence, process efficiency, and seamless channel integration—as the principal levers of sustainable acquisition, while maintaining physical evidence at the prevailing standard rather than over-investing in it. A balanced, holistic approach that develops human capability alongside digital infrastructure remains central to competitive advantage in dynamic banking markets.

Future research should extend the present findings through longitudinal designs, multi-source and behavioural indicators of customer acquisition, replication in other Indonesian regional and Islamic banking markets, the incorporation of mediating and moderating variables, and the exploration of digital-specific extensions of the 7P framework. Such extensions will further consolidate the role of the marketing mix as an analytical and managerial instrument for service-industry organisations.

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