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The Use of Ward Linkage in Cluster Integration with a Path Analysis Approach

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Abstract : Path analysis is an analytical technique to study the causal relationship between independent and dependent variables. In this study, the integration of Clusters in the Ward Linkage method was used in a variety of clusters with path analysis. The variables used are character (x_1), capacity (x_2), capital (x_3), collateral (x_4), and condition of economy (x_4) to on time pay (y_2) through the variable willingness to pay (y_1). The purpose of this study was to compare the Ward Linkage method cluster integration in various clusters with path analysis to classify willingness to pay (y_1). The data used are primary data from questionnaires filled out by customers of Bank X, using purposive sampling. The measurement method used is the average score method. The results showed that the Ward linkage method cluster integration with path analysis on 2 clusters is the best method, by comparing the coefficient of determination. Variable character (x_1), capacity (x_2), capital (x_3), collateral (x_4), and condition of economy (x_5) to on time pay (y_2) through willingness to pay (y_1) can be explained by 58.3%, while the remaining 41.7% is explained by variables outside the model.

Keywords : cluster integration, linkage, path analysis, compliant paying behavior
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