

# Analysis of the Interest and Perception of Indonesian Communities Against Sharia Banking

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**Abstract**—The role of Islamic banks in spurring regional economic lines is increasingly strategic in order to realize a proper and balanced economic structure. Support for building Islamic banks also needs to be demonstrated by the "dual banking system," where conventional banks are allowed to open sharia business units. Islamic banks have considerable development potential. But how big is the potential, in which market segmentation has good potential, what products are expected by the community and what factors influence the decision making to choose financial institutions and how their behavior, need to be studied further. It is important to decide on a strategy of development and scale of development in the future. This research was designed to provide answers to these questions. Analyzing the relationship between factors that determine people's preferences for Islamic bank products and services, both in terms of fund raising and fund distribution as a basis for establishing socialization and marketing strategies for Islamic banks. The implication of the results of this study is that Islamic banks have become the people's choice because of religious factors, namely the desire to practice Islamic law. However, Islamic banks still have to pay attention to facilities, services, and product variations in accordance with the development of the needs of their customers

**Keywords**—Islamic banking, community perception, Islamic banking products and services

## I. INTRODUCTION

The role of sharia banking in Indonesia is inseparable from the payment system in Indonesia in general. The Islamic banking system is also regulated in Law No. 10 1998 where Commercial Banks are banks that do business in conventional or sharia-based activities whose activities provide services in payment traffic. The role of Islamic banks in spurring regional economic ranks is increasingly strategic in order to realize a better economic structure in a balanced manner. Support for developing Islamic banking is also shown by the "dual banking system", in which conventional banks are allowed to open sharia business units.

The birth of Islamic banks in Indonesia was driven by the desire of the Indonesian people (especially the Islamic community) who view interest as usury, so that it is prohibited by religion. From the legal aspect, the underlying development of Islamic banks in Indonesia is Law No. 7 of 1992. In the Law sharia principles are still vague, which are expressed as the principle of profit sharing. The principle of Islamic banking is

expressly stated in Law No. 10 of 1998, which is then renewed by Law Number 23 of 1999 concerning Bank Indonesia and Law No. 3 of 2004. Thus, the development of financial institutions that use sharia principles began in 1992, beginning with the establishment of Bank Muamalat Indonesia (BMI) as a bank that uses the first sharia principles in Indonesia. As of May 2004, the development of the number of Islamic bank offices has reached 353 bank offices, with asset values of 11.6 trillion *rupiahs*. The amount of financing disbursed reached 7.56 trillion *rupiahs* and third party funds amounted to 7.77 trillion *rupiahs*. Although from business growth and the number is quite a lot, but the role nationally is still small compared to the role of banks nationally, which is equal to one percent [1].

Islamic banks have considerable development potential. But how big is the potential, in which market segmentation has good potential, what products are expected by the community and what factors influence the decision making to choose financial institutions and how their behavior, need to be studied further. It is important to decide on a strategy of development and scale of development in the future. This research was designed to provide answers to these questions. Analyzing the relationship between factors that determine people's preferences for Islamic bank products and services, both in terms of fund raising and fund distribution as a basis for establishing socialization and marketing strategies for Islamic banks.

The understanding and socialization of the community about sharia bandage products and systems in Indonesia is still very limited. This is supported by data published by Bank Indonesia, that until October 2006, the Islamic banking system had only 1.5% of the total market share of the banking industry. Although the population of Indonesia is Muslim, but the development of Sharia products is slow and undeveloped and conventional banks. The efforts of sharia bank developers are not enough to only be based on legal and legal aspects but also have to be market-oriented or the community as a service user (consumer) of banking institutions.

Public perception of Islamic banks is an urgent matter that must be considered in order to measure, plan, and implement the strategy of developing Islamic banks in any field. KARIM Business Consulting (in 2004) has conducted research on public perceptions of Islamic banks. From the results of the study it can be seen that the public is less aware of Islamic

banks related to products and facilities offered due to lack of promotion or market education.

In terms of market segments, if Islamic banks intend to focus on Muslims as their target market, they can utilize role models seen by the local community. Whereas if Islamic banks want to expand the market to non-Muslim market targets, they can take advantage of more universal Muslim and non-Muslim figures. One of the Islamic banks has done this. However, it seems that it also seems half-hearted because it briefly arises, then sinks again.

In conveying product and facility information to the community, it is necessary to emphasize the main differentiation of Islamic banking products and services with those offered by conventional banks, both related to rational benefits, and emotional benefits. Rational benefits here are related to the logic calculation in the form of financial benefits obtained by customers. The main message that must be conveyed to customers is that Islamic banks have better, more just, humane and easy financial benefits.

Furthermore, emotional benefits here are more about financial benefits as well as spiritual interests. Emphasis on emotional benefits is very important for Muslim customers who forbid usury. If this emotional benefit hits the customer's mind, the effect will be long and strong so that customer loyalty arises. In addition, it is necessary to emphasize the feeling of calm and comfort for customers related to funds entrusted to Islamic banks, so that Islamic banks must be truly credible and trustworthy.

The hope is that of course customers will move from the rational benefits of emotional benefits, which will further emphasize spiritual benefits in banking and business. Spiritual is more universal, so that the teachings of any religion can truly recognize that the Islamic banking system is a system that is just, humane, reassuring, has a noble value even though it comes from a particular religion (Islam). The concrete target is of course to customers from various religions and those who are willing to use Islamic banks.

This is a thing that is not easily realized by Islamic banks which do claim to be a universal system. Until now, the image formed by Islamic banks is a bank that is very synonymous with a particular religion. It will feel different when the image and reality that are highlighted is a banking system that is fair, humane, has spiritual values, is reliable, has high technology.

On the other hand, customers also attach importance to the low administrative costs, so the significance of differences in administrative costs needs to get attention and be notified to the public as a competitive advantage. However, if it is true that the administrative costs of Islamic banks are high, this must be balanced with convenience and services that satisfy customers. The customer will not feel burdened if the administrative costs are worth the convenience, comfort and satisfaction obtained.

Sharia bank technology and services are far behind compared to conventional banks. This needs to be a serious concern for practitioners, regulators, and all Islamic bank activists. Islamic banking must be brave and confident that a large investment in technology and services will have a major

impact on the presence of customers and of course the volume of Islamic banking.

Meanwhile, even though sharia bank customers generally do not prioritize profit sharing along halal basis, the competitive returns can be an attraction for those who have investment objectives, while also increasing the variety and quality of the bag and product offered [2].

#### A. Formulation of the Problem

Is there an influence of potential sharia banking development factors based on an analysis of economic potential and the attitude / preference pattern of economic actors towards Islamic banking products and services in Indonesia?

#### B. Research Purposes

The objectives of this study are:

Testing and Analyzing the factors-factors potential development of Islamic banking is based on the analysis of the economic potential and pattern of behavior / preferences of economic agents in the products and services of Islamic banks,

#### C. Benefits of Research

- Providing information about the potential for sharia banking development based on an analysis of economic potential and the attitude / preference pattern of economic actors on Islamic bank products and services,
- Study the characteristics and behavior of community groups that are classified as
  - (a) only want to deal with Islamic financial institutions / banks only
  - (b) who want to deal with Islamic banks and also conventional banks depends on perceptions of benefits and better services, and
  - (c) who do not wish to deal with Islamic banks
- The analysis of the relationship between factors that determine people's preferences for Islamic bank products and services, both in terms of fund collection and fund distribution as a basis for determining socialization strategies and premiums for Islamic banks.

## II. LITERATURE REVIEW

### A. Difference between Islamic Banks and Conventional Banks

In a country with a majority Muslim population, the need for a banking system that fulfills the rules of Islamic law in recent decades has increased. The emergence of new banks implementing the sharia system is proof that the Indonesian people are increasingly concerned about the halal nature of each banking transaction. Then, are banks that apply conventional systems considered to be illegitimate in the

Islamic perspective? What is the most basic difference between Islamic banks and conventional banks?

To prevent the illegitimate bank system, a new banking system emerged which prioritized the rules of Islamic law in each transaction. Such banks are known as sharia banks. The difference between Islamic banks and conventional banks lies in many things. Not only related to the use of the legal basis for the implementation of the system, but also several other important aspects such as profit, orientation, investment, so that the existence of the supervisory board in these two banks is also different.

The difference between conventional Islamic banks and banks can be seen from the table below.

TABLE I. THE DIFFERENCE BETWEEN CONVENTIONAL ISLAMIC BANKS AND BANKS [3].

Difference	Islamic Bank	Conventional Bank
Law	Islamic Sharia based on the Qur'an and the Hadith and has been declared by the Indonesia Ulema Council (MUI)	Positive Law that applies in Indonesia
Investment	Halal business only	All business
Orientation	Profit (Profit oriented) and prosperity and happiness in the afterlife	Profit oriented only
Advantage	Profit sharing	Flower
Nasaba and Bank Relations	Partnership	Creditor and Debtors
The existence of the Supervisory Board	There is	There is no

1) *Legal differences used*: As mentioned above, that the most striking difference between Islamic banks and conventional banks lies in the law they use. Islamic banks have a system that is based on Islamic law based on the Qur'an, Hadist, and Fatwa Ulama (Indonesian Ulama Council), while conventional banks have a system based on positive law in force in Indonesia. Some transaction systems in Islamic banks that use Islamic legal perspectives include al-musarakah (partnership), al-mudharabah (profit sharing), al-musaqat (farmer cooperation), al-ijarah (rent), al-ba' i (profit sharing), and al-waka lah (agency) [3].

2) *Investment differences*: The difference between Islamic banks and conventional banks in the underlying law also spawned differences in each system used, for example in terms of investment. In Islamic banks, a person will be allowed to borrow funds if the type of business proposed is a business that is lawful and good, such as agriculture, animal husbandry, trade, and so on. Meanwhile, in conventional banks, a person may apply for a loan against businesses that are permitted by positive law. Businesses that are not halal but recognized as positive law in Indonesia will still be accepted in applying for loans [3].

3) *Differences in orientation*: The existing orientation in the conventional bank system is merely profit orientation or profit oriented. While in the conventional bank system, the

orientation used in addition to profit orientation also pays attention to the prosperity and happiness of living the afterlife for cooperation.

4) *Profit sharing*: The profit sharing system between conventional banks and Islamic banks is also different. Conventional banks apply a fixed or floating interest rate system to each loan given to customers. Therefore, conventional banks assume that businesses run by customers will always be profitable. This is different from the profit sharing system implemented by Islamic banks. In Islamic banks, the profit from the use of capital is divided according to the agreement agreed at the beginning. Islamic banks will still pay attention to the possibility of profit or loss of the business they finance. If it is considered unprofitable, Islamic banks will refuse the loan application that the customer has [3].

5) *Customer and bank relations*: In social terms, the difference between Islamic banks and conventional banks is also found in the relationship between banks and their customers. In Islamic banks a partnership system is applied, while in conventional banks the customer and bank relations are called creditors and debtors.

6) *Differences in supervision*: Every transaction system carried out by Islamic banks must be under the supervision of the Supervisory Board. This supervisory board contains a group of scholars and economists who master the understanding of fiqh muamalah. Meanwhile, in conventional banks each transaction system is not monitored other than by positive law.

#### B. Community Perception of Islamic Banking

The tone of cynicism is still often heard by most Muslims towards Islamic banking and other Islamic financial institutions, for example the difference between Islamic banks and conventional banks is only a vocabulary, namely "interest" is replaced by "profit sharing". Generally, people only know that Islamic banks are banks without interest and do not know at all about the mechanism of "profit sharing" so often wonder if saving in Islamic banks and not getting interest then what do I get? On the other hand, according to the perception of those whose names are profit sharing, the value is smaller than the bank interest.

While Islamic banks with profit sharing systems do not provide certainty of income as conventional bank interest provides certainty of income. While according to some traders who need loans, declaring credit in Islamic banks the process is complicated and convoluted. Islamic banks are also still seen as social institutions such as distributing zakat and giving money without the need to return.

There are also those who argue that interest rates in conventional banks are not usury as long as they do not exceed the inflation rate of around 10% as it is today, so the bank interest rate is 10% or less than 10% means not usury. That interest is only a replacement for the value of money that has fallen from the effect of inflation earlier. This argument is the reason why they prefer conventional banks [4].

Misunderstanding of Islamic banking and other sharia financial institutions shows the uneven distribution of information on Islamic banking and other Islamic financial institutions. Many people do not understand correctly what Islamic finance institutions are, the systems used, the types of products, and what are the advantages of Islamic financial institutions when compared to conventional financial institutions [4].

Islamic banks are business institutions that operate based on sharia principles. Here it needs to be understood that Islamic banks, like other business organizations, have a goal to obtain optimal profits, but by paying attention to the principles and business ethics according to Islamic law, for example the prohibition on taking or paying interest (*riba*), providing financing for companies that produce goods illicit goods and invest in securities that do not meet Sharia compliant criteria. So what must be understood is that Islamic banks are not social institutions tasked with distributing donations without having to be returned. Two well-known ulamas such as Maulana Taqi Usmani from Pakistan and Sheikh Nizam Yaqoobi from Bahrain gave opinions allowing Islamic banks to benchmark with prevailing interest rates such as the BI rate and LIBOR. The analogy they use is, for example, there are two people who open a business selling drinks. The first person sells alcoholic drinks and sets a profit margin of 20 percent. Long story short, the first person succeeded with his business, then the second person was interested in opening a beverage sales business too, but because of his obedience to religion, he sold halal drinks and did not contain alcohol and set a profit margin of 20 percent. From this analogy, the first person in the view of Islam is sinful because he intends to sell products that are forbidden by religion, while the second person can actually get a reward for opening a business selling products that are practiced by religion, even though they set the same level of profit margins. Even so, Sheikh Nizam added, that if indeed among Islamic banks a standard is accepted that is generally accepted even if only for a country, then it would be better than just relying on LIBOR [5].

Profit sharing. When first introduced to the community, Islamic banking has a strong association with a profit sharing system. But in practice, Islamic banking not only offers financing and savings products with the principle of profit sharing (Mudharabah and Musyarakah), but there are also tough trading (Murabahah), Salam, Istisna and Ijarah. Products with profit sharing contracts do not yet dominate the financing portion of Islamic banks, but over time, according to Islamic Banking Statistics September 2007 issued by Bank Indonesia, there is one thing that should be noted, that for the proportion of financing, especially for profit-based (e.g. Mudharabah and Musyarakah), there was also an increase of 43.4% in that period. It means that there has been a significant increase in the pattern of Islamic banking financing, where the proportion of profit sharing based financing has reached 35, 85 % of the total financing issued by Islamic banking in the period September 2007 [6].

The pattern of revenue-based financing, although it is a type fairer financing, however, has a greater risk than other types of financing such as Murabahah. The risks are, among other things, the risk of failure of the project being financed,

where the bank will bear the loss, then the risk of the executor (Mudharib) who has the potential to fraudulently report the increase in costs and result in lower income or profits to be shared between Islamic banks and executors. With the high risk of financing profit sharing, Islamic banks must be careful in providing this type of financing. So that not every businessman or customer who proposes financing to an Islamic bank will get revenue sharing [6].

### C. Participation of All Parties

Another fact that helped shape people's perceptions of Islamic Financial Institutions, namely communication or promotion carried out by sharia financial institutions was less than optimal. Though promotion is very effective for socialization, forming an image and changing people's behavior towards the Islamic financial system. Many factors cause Sharia Financial Institutions to lack promotion in order to increase sales including relatively small promotional budgets, when compared to conventional financial institutions. Besides other limitations such as Islamic Financial Institutions HR.

This is a challenge for Islamic sharia banking and other Islamic financial institutions, but also tests for Muslims as a whole starting from the Indonesian Ulema Council (MUI), Islamic organizations, Islamic political parties, academics, Muslim scholars and all components of Muslims who have commitments towards sharia economic development to socialize evenly so that the public is aware and properly understands Sharia Banking and other Sharia Financial Institutions. This is a big work that requires time, togetherness and synergy, serious effort and not a little money.

Sharia banking in Indonesia has experienced steady growth, although not as fast as in other countries such as Malaysia and the Middle East. This is due to the ongoing unhealthy criticism of these new financial institutions that are not experienced by Conventional Banking. So there is a kind of injustice to the treatment of Sharia Banking, where on the one hand it is expected to be able to make a profit, on the other hand it is required to always make a profit sharing contract.

Seeing this phenomenon, especially to bridge the differences in perceptions between the community and Islamic banking, it is necessary to carry out continuous socialization to reach the meeting point so that an understanding of true Islamic banking is achieved. Therefore, Bank Indonesia, Islamic banking, central and regional governments, MUI and the world of education are required to work together to provide education on the concept of Islamic banking to the public. So that we hope that there will no longer be negative criticism of Islamic banks originating from ignorance.

### D. Previous Research

Research on consumer perceptions in Asia Mall found that consumer perceptions of Islamic banks consisted of several dimensions; The use of banking facilities, Islamic knowledge banking, the role of consumers in choosing bank products have been carried out [7]. In a study of the attitudes of American consumers towards financial sector banks, Kaynak and Hancar found three important attributes considered by consumers in choosing banks [8]; for unavailability of ATMs, services are



fast and efficient, as well as quick response officers. Furthermore, Almossawi research in Bahrain uses five important attributes that are considered by consumers as bank Invert Selection [9]; (a) ATM locations that are comfortable to reach, (b) ATM availability in several locations, (c) bank reputation, (d) 24-hour ATM services, and (e) adequate affordable parking.

#### E. Hypothesis

In connection with the formulation of the problem that has been raised, the hypothesis proposed is as follows:

- H 1: Sharia Variables, Facilities, Services, Image, Management, Products, have an effect jointly on the decisions of the Customer
- H 2: Sharia Variables Influence Customer Decisions
- H 3: Facility Variables Influence Customer decisions
- H 4: Service Variables Influence Customer Decisions
- H 5: Image Variables Influence Customer decisions
- H 6: Management Variables Influence Customer Decisions
- H 7: Product Variables Influence Customer decisions

### III. RESEARCH METHODS

#### A. Sample Selection

This study uses samples originating from respondents of Banking Service Users in several Major Cities in Indonesia, namely Jakarta, Surabaya, Bandung, Makassar and Padang, which are expected to represent the Population of Indonesian Banking Service Users.

#### B. Research Approach

This study uses a quantitative approach with a type of Comparative Analysis. The Quantitative Approach uses statistical procedures in its approach, by Analyzing Data based on the results of the Questionnaire and Survey conducted.

#### C. Data Collection Technique

In this study, the data collection techniques used were secondary data in the form of questionnaires, interviews and secondary data in the form of other writings that support the theme of this research.

#### D. Data Analysis Techniques

The method of data analysis in this study uses quantitative analysis, namely the analysis carried out by tabulation of the results of questionnaire data and tested statistically.

#### E. Variable Measurement

Variable measurement scale uses a Likert scale. According to Rangkuti the Likert scale the answer is not just to agree or disagree, but there are more possible answers, namely with the existence of five Likert scales, namely [10]:

- Scale 1 = Strongly disagree, given a value of 1
- Scale 2 = Disagree, given a value of 2
- Scale 3 = Neutral, given a value of 3
- Scale 4 = Agree, given a value of 4
- Scale 5 = Strongly agree, given a value of 5

### IV. RESULTS AND DISCUSSION

#### A. Sample Selection

Questionnaire Distribution in three major cities in Indonesia, namely in Surabaya in April 2018 as many as 36 questionnaires which can be processed, in the city of Jakarta in May 2018 and questionnaires that can be processed are 30 Questionnaires and in the City of Padang in July 2018 and questionnaires can be processed as many as 30 questionnaires.

The next stage is the distribution of questionnaires in 2 other cities, Jogjakarta in July 2018 and in Makassar in September 2018. The questionnaires that can be processed in the city of Jogjakarta are 41 questionnaires and 45 in the city of Makassar.

#### B. Object of Research

From what has been described in the previous chapter, the focus of this research is the Community Perception of Islamic Banking Products and Services in Indonesia. Of course, the object of this research is the banking customers in Indonesia represented by Banking Customers in 5 major cities in Indonesia, namely Jakarta, Surabaya, Padang, Bandung and Jogjakarta, in this case it is expected that the results can represent what is the main objective of the research at this stage, the object of this research came from 3 cities, namely Surabaya, Jakarta and Padang.

#### C. Data Collection Techniques

1) *Preliminary survey*. This research certainly begins with a preliminary survey in several Islamic banks in Indonesia for the management of research permits from the banks sampled in this study.

2) *Literature review*. With literature study, we will get literature, articles, or previous studies that can support this research, and certainly will be a reference for this research and subsequent research.

#### D. Data analysis

The method of data analysis in this study uses quantitative analysis, namely the analysis carried out by tabulation of the results of questionnaire data and tested statistically.

In this study questionnaires were tabulated to test the questionnaire instrument first to test the validity and reliability of the items to be given to the respondents. The initial sample is 30 respondents. Testing Instrument with Validity test and test Reliability of all questions is valid and all variables are reliable.

Characteristics Respondents from the results of this study on 182 respondents indicated that sharia bank customers tended to be dominated by respondents who were aged or over 40 years. In general, they use the services of Islamic banks to open Hajj savings while others choose Islamic banks to get comfort related to the practice of Islamic Shari'a. In terms of education, the average sharia bank customer is quite high, namely undergraduate or undergraduate education. While in terms of the main jobs are dominated by private workers.

1) *Validity test.* Based on the results of the validity test obtained by the Islamic Variable instrument (X1), all items from sharia variables are declared valid because the level of the correlation coefficient is greater than the r-table ( 0.184). All variable instrument facilities Based on the results of the validity test obtained by facility instrument validity (X 2 ) all items from the facility variable are declared valid because the level of the correlation coefficient is greater than the r-table (0.184), so it can be continued in the next analysis. All items from the service variable (X 3 ) are declared valid because the level of the correlation coefficient is greater than the r-table (0.184). All items from the image variable (X 4 ) are declared valid because the level of the correlation coefficient is greater than the r-table (0.184). All items from the management variable (X 5) are declared valid because the level of the correlation coefficient is greater than r-table (0.184). All items from the Product variable ( X4) are declared valid because the correlation coefficient level is greater than r-table (0.184). so that it can be continued in the next analysis. All items from the decision variable to remain a customer (Y) are declared valid because the level of the correlation coefficient is greater than the r-table (0.184), so that it can be continued in the next analysis. The results of the variable validity test are presented in Table 2.

TABLE II. THE RESULTS OF THE VARIABLE VALIDITY

Item	r- count	r- table	Information
X1.1	0,484	0,184	Valid
X1.2	0,705	0,184	Valid
X1.3	0,720	0,184	Valid
X1.4	0,755	0,184	Valid
X1.5	0,455	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X2.1	0,511	0,184	Valid
X2.2	0,654	0,184	Valid
X2.3	0,740	0,184	Valid
Item	r- count	r- table	Information
X3.1	0,561	0,184	Valid
X3.2	0,676	0,184	Valid
X3.3	0,543	0,184	Valid
Item	r- count	r- table	Information
X3.1	0,561	0,184	Valid
X3.2	0,676	0,184	Valid
X3.3	0,543	0,184	Valid
Item	r- count	r- table	Information
X4.1	0,561	0,184	Valid
X4.2	0,676	0,184	Valid
Item	r- count	r- table	Information
X4.1	0,561	0,184	Valid
X4.2	0,676	0,184	Valid

2) *Reliability test.* Reliability test is a measure of the stability or consistency of respondents in answering things related to the construct - the question construct which is the dimension of a variable arranged in a form of a questionnaire. If the alpha value is > 0.6 then it is relual or consistent. Reliability test can be done together with all the questions, in this study Reliability test using Cronbach Alpha with the help of SPSS 16, then the alpha count results are interpreted in the table of r values, if the level of alpha count > 0.6, then the measuring instrument has high level of reliability.

TABLE III. RELIABILITY OF RESEARCH VARIABLES

Cronbach Alpha	N of Items
,921	23

In the Cronbach Alpha column there is a number 0.921, which is greater than 0,6, so it can be concluded that the tool has a good level of reliability.

3) *Multiple linear regression analysis.* Multiple linear regression analysis aims to see and prove the influence or relationship between independent variables, namely X1 (Sharia), X2 (Facilities), X3 (service), X4 (Image), X5

(Management), X6 (Product) towards the dependent variable 9 dependent variables) namely Customer Decision (Y). Multiple linear regression calculations provide a determination coefficient value of R of 60 , 4 % which shows that the factors taken into account are factors that can explain the effect on the dependent variable. The results of the linear linear regression test can be seen in table 9.

TABLE IV. MULTIPLE LINEAR REGRESSION TEST RESULTS TEST F

Variable	Unstandardized Coefficient		Standardized Coefficients	Sig t	Information
	B	Std.Error	Beta		
Constans	4.135	2.315		0.081	Significant
<b>Sharia (X1)</b>	0.120	0.053	0.291	0.027	Significant
<b>Facility (X2)</b>	0.199	0.093	0.281	0.037	Significant
<b>Services (X3)</b>	0.242	0.092	0.309	0.012	Significant
<b>Image (X4)</b>	0.052	0.079	0.007	0.516	Not Significant
<b>Management (X5)</b>	0.222	0.093	0.381	0.023	Significant
<b>Product (X6)</b>	2.224	0.092	0.293	0.003	Significant
R Square = 0.604 Adjusted R Square = 0,583 F hitung = 7.678 Sig F = 0.000 T table $\alpha = 5\%$ = 1.300 F table $\alpha = 5\%$ = 2.546					

Test F. The results of calculations with multiple linear regression models obtained a value of 7.678 with significance  $F = 0,000$  while F-table amounted to 2.546. F-count value  $> F$ -table ( $7,678 > 2,546$ ) or sig ( $0,000 < 0, 05$ ). This shows that the Sharia variable (X1), Facilities (X2), Service (X3), Image (X4), Management (X5) and Products (X6) jointly influence the community's decision to become a customer (Y) at the bank sharia.

The results of the analysis of the six variables indicate that the image variable is not very important, because for most people who are Islamic religion their motivation to become customers in Islamic banks is to run Islamic sharia. But interestingly, the community still pays attention to the issues of facilities, services, and the types of products offered. thus the first hypothesis states that sharia variables, facilities, services, images, management and products jointly influence the proven decisions of the Customer.

T test to test the effect of partial free factors on bound factors, t test is used. Decision making is done based on the comparison between the calculated values and the t-table value at the specified level ( $\alpha = 0, 05$ ) (See Table).

TABLE V. T TEST

Variable	Coefficient Beta	t-count	t-table	Sig t-count	Sig t-table
Shariah	0.291	2.282	1.300	0.027	Significant
Facilities	0.281	2.145	1.300	0.037	Significant
Services	0.309	2.263	1.300	0.012	Significant
Image	0.007	0.655	1.300	0.516	Not Significant
Management	0.381	2.224	1.300	0.023	Significant
Product	0.293	2.623	1.300	0.003	Significant

a) *Sharia variable.* Sharia variable has a t-count of 2,282 greater than t-table (1,300) with a significance level of 0,027. This value indicates that sharia factors partially have a very significant effect on community decisions to become customers (Y) in Islamic banks in Indonesia.

A customer will respond to Islamic banks or be motivated to Islamic banks when a product or contract is felt to benefit him. Among the principles in Islamic bank contracts that are perceived to be familiar in the community are the principle of profit sharing. This principle is the principle of business cooperation that is packaged in the form of investment and offers a level of return that can be determined according to the agreement. For Islamic Customers well, it shows that customers are oriented towards happiness that is of a ukhrawi (hereafter) nature. Metawa and Al-Mossawi argue that the customer's decision in choosing a bank is because it is more driven by religious factors, where the customer emphasizes his adherence to the principles of Islamic religion [11].

b) *Facility variables.* Facility factor has a t-count of 2.145 with a significance level of 0.037. The value of t-count (2.145) is greater than t-table (1,300), which means that the Facility factor partially has a significant effect on community decisions to become customers (Y) in Islamic banks in Indonesia.

A Customer will choose the facilities offered by the Bank, both Conventional and Sharia to make it easier to use facilities in conducting banking transactions, so also with easy-to-reach Islamic banking facilities that can influence customers' decisions in choosing Syariah Banking, thus the second hypothesis stating that Islamic banking facilities have an effect on the proven sharia banking election decision.

c) *Service variables.* Service variable has t-count of 2.623 greater than t-table value (1,300) at a significance level of 0.012. The value of t-count which is greater than the value of t-table means that the service factor has a significant or partial effect on community decisions to remain a customer (Y) in Islamic banks in Indonesia.

Thus it can be interpreted that the Service Quality of Islamic banking can provide a positive effect on customers so that it can influence the decision of customers in choosing Islamic banking as a place to conduct banking services activities, whether saving, borrowing or other banking services activities. The statistical results show that the third hypothesis which states that Service Quality can influence the decision of the Customer in choosing a proven Islamic Bank.

d) *Image variable.* Image variables have t-count of 0.655 which is smaller than t-table (1,300) with a significance level of 0.516. Because the t-count value is smaller than t-table shows that partially the Citra factor does not significantly influence the community's decision to become a customer (Y) on Islamic banks. The results show that there is no effect on customer decisions in choosing Islamic banking, this is because the decision to choose Islamic banks by customers does not consider the bank's image or image, because the customer in deciding the bank selection is more because it has been formed from a conventional bank that is the parent bank management this sharia. Thus the fourth hypothesis which states that the image variable influences the decision to choose Islamic banking cannot be proven.

e) *Management variables.* Management variables have t-count of 2, 224 greater than t-table value (1,300) at a significance level of 0.023. The t-count value that is greater than the t-table value means that the Management factor has a significant or partial effect on the community's decision to remain a customer (Y) in Islamic banks in Indonesia. Customer decisions in choosing Islamic banking are influenced by good management governance, with professional management and trusted and professional Islamic bank leaders providing convenience for customers and prospective customers in the decision to choose sharia banking services. Thus the fifth hypothesis which states that the image variable influences the decision to choose proven Islamic banking.

f) *Product variable.* Product variable has t-count of 2, 623 greater than t-table value (1,300) at a significance level of 0.003. The t-count value is greater than the t-table value, this means that the products offered are diverse, attractive, and innovative banking products, Products that provide convenience in conducting banking transactions, and have a support feature or profit give positive value to society, thus the hypothesis of the six factors of the product significantly or partially influencing the decision of the community to remain a customer (Y) in proven Islamic banks in Indonesia.

## V. CONCLUSION

### A. Conclusion

From the results of the analysis it is known that Sharia factors (X1), Facilities (X2), Services (X3), Imagery (X4), Management (X5) and Products (X6) jointly influence the community's decision to become customers (Y) on Islamic Bank. But partially only factor Sharia (X1), facilities (X2), Service (X3), Management (X5) and Product (X6) have an influence on the decision of the people to become customers of Islamic banks as factors Citra (X4) has no significant influence. The results of the analysis of the six variables indicate that the image variable is not very important, because for most people who are Islamic religion their motivation to become customers in Islamic banks is to run Islamic sharia. But interestingly, the community still pays attention to the issues of facilities, services, and the types of products offered.

The implication of the results of this study is that Islamic banks have become the people's choice because of religious factors, namely the desire to practice Islamic law. However, Islamic banks still have to pay attention to facilities, services, and product variations in accordance with the development of the needs of their customers.

### B. Limitations

The studies that have been carried out have also not emphasized the types of customers (individuals versus institutions) in understanding their perceptions of the existence of types of Islamic banks so that further studies are needed to identify based on samples with certain characteristics (for example: institutional customers). Furthermore, it needs to be accommodated through further research with a qualitative approach.

### C. Research Contributions

This research is needed to find out their perceptions of the existence of Islamic banking institutions and products so that they can get an idea of whether they understand and recommend the need for Islamic banking to be developed in Indonesia.

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