

Analysis on the Effect of Location, Brand Image, and Word of Mouth on the Customers' Decision Process in Choosing Hajj Saving in Sharia-Compliant Banking

1st Siti Sholihah Putri
 UIN Syarif Hidayatullah
 Jakarta, Indonesia
 sishol20@gmail.com

2nd Ade Sofyan Mulazid
 UIN Syarif Hidayatullah
 Jakarta, Indonesia
 adesofyanmulazid@uinjkt.ac.id

3rd Sofyan Rizal
 UIN Syarif Hidayatullah
 Jakarta, Indonesia
 sofyan.rizal@uinjkt.ac.id

Abstract— *This research aimed to find out, to analyze, and to explain the effect of location, brand image and word of mouth on the customers' decision in choosing hajj saving product in sharia-compliant banking in South Jakarta area, either simultaneously or partially. The result of the research was expected to contribute to sharia-compliant banking in South Jakarta area. The data employed in this study was the primary one, collected using a direct questionnaire with the purposive sampling method. The method of analyzing data used was multiple linear regression. The result of the research showed that location, brand image, and word of mouth affected both partially and simultaneously the customers' decision process in choosing hajj saving product in sharia-compliant banking in South Jakarta area.*

Keywords— *Location, Brand Image, Word of Mouth, Decision Process, Hajj Saving, Sharia-Compliant Banking*

I. INTRODUCTION

Indonesia is one of the states with the largest Muslim population in the world consisting of various ethnics, economic levels, social statuses, etc. All of Moslems throughout the world surely want them to be able to undertake hajj worship, including those in Indonesia.

Moslems' wish to undertake hajj worship seems to encounter such constraint as limited hajj quota for every state dispatching hajj congregations so that the waiting list for undertaking hajj is getting longer. Besides, community's income in Jakarta does not allow for paying Hajj Worship Organizing Cost (Indonesian: Biaya Penyelenggaraan Ibadah Haji or BPIH) in cash; therefore a means is required to save money that when has reached 35 million can be used to pay BPIH and to get hajj departure portion.

Besides, Ministry of Religion has stipulated recently that BPIH Deposit Receiving Agency is sharia-compliant banking that has been designated by Hajj Finance Organizing Agency (Indonesian: Badan Pengelolaan Keuangan Haji or BPKH) as governed in Law No.34 of 2014 about Hajj Finance Management. It gives the sharia-compliant banking an opportunity of increasing the amount

of hajj saving. Sharia-compliant banking that has been designated to be BPS-BPIH includes Bank Muamalat Indonesia, BNI Syariah, BRI Syariah, Bank Syariah Mandiri, Bank Mega Syariah dan Bank Panin Dubai Syariah.

Every bank has innovation and ways different from others. One of the ways the sharia-compliant banking uses is location determination. The strategic location can lead the prospect customers to make sharia-compliant banking the service provider for the money they save. A study conducted by [8] found that location is the essential factor in choosing an institution to be the only financial service source for many years, just like what occurs in retail banking in Exeter, UK. It is in line with [10] stating that location factor also affects the customers' interest in using sharia-compliant banking service, so that the more strategic the location of bank, the more accessible the bank is to the customers in doing transaction, just like what occurs in the customers of wadi'ah clearing account product in sharia-compliant Padang Sidempuan subsidiary of PT. Bank Sumut.

To make its product more superior to others, sharia-compliant banking should also be able to build the right brand image for the product, because a brand image is a company's invaluable asset. [11] in his study found that a product's brand image can be a guideline for the customers to decide to choose and using the product issued by a sharia-compliant financial institution, just like that in BMT Sahara Tulungagung. It is in line with [6] study finding that brand image factor has a more specific effect on consumers' perception on the product, just like that in manufacturing companies in Bekasi area, Indonesia.

Sharia-compliant banking should also promote its product to attract the prospect of customers' interest. One of the promotions the banking does not make but has a significant effect is word of mouth. [5] study found that in making a decision, the customers need to use various information sources.

Table 1. Previous Studies

Variable	Authors	Finding
a. Word of mouth variable	Fatma Cakir, and Aysenur Cetin	a) The result of research shows that consumers affect positive and negative experience and recommendation of people surrounding and they can also share their experience.
b. Decision variable	ISSN 1309-8047	
c. Using data quality test (validity and reliability tests)	International Journal Of Business And Management Studies Vol.5, No.1 2013	
d. Using t-test		
Brand image variable	Onigbinde Isaac Oladepo and Odunlami Samuel Abimbola	The result of research shows that brand image, advertising, promotion, and personal selling simultaneously affect significantly the consumers' purchasing decision
Decision variable	ISSN 2053-4051	
Using data quality test (validity and reliability tests)	British Journal of Marketing Studies Vol.3 No.4 May 2015	From the result of research, it can be seen that brand image and promotion mix affect considerably the consumers' purchasing decision.
Using hypothesis testing		
Location variable	Sabri Hasan, Muhsin Wahid, and Muh. Syafi'i Basalamah	The result of regression test shows that marketing mix (product, promotion, location, employee, infrastructure, and service process) in regression has positive significant effect on the customers' decision in choosing KPR BNI Griya.
Decision variable	ISSN 2319-8028	
Using a multiple linear regression analysis		
Using hypothesis testing (F- and t-tests)	International Journal of Business and Management Invention Vol.5 No.6 June 2016	The result of test either simultaneously or partially shows that marketing mix has simultaneous significant effect on the customers' decision in choosing KPR BNI Griya.

The source of information can be reliable people such as family members, friends, co-workers, and people in their surrounding environment. It can be transmitted utilizing sharing a positive or negative experience with a product, just like that in consumers when choosing a travel agent in Aydin Province, Turkey. It is in line with [9] study finding that word of mouth is considered as real and honest. An individual tends to believe more in the product information they hear from friend, relative, or the person closest to the one having experience with the product compared with the data from advertisement, just like what occurs in the consumers of Kober mie setan in Soekarno-Hatta bystreet, Malang.

II. LITERATURE REVIEW

A. Location

The location of the service facility is a crucial factor affecting a successful service because the situation is closely related to the potential market of the service provider. Overall, there are two possible considerations in the term of service facility location [4].

Location, in bank marketing, is networking in which the bank's product and service are provided and can be utilized by customers. Therefore, bank marketing networking is not only in the form of bank office alone in which the bank's product and service are provided but also other bank offices and even other banks' ATM in which the banks' product and service can be utilized [4].

B. Location Dimension

Several factors can be used as location measurement variable [4]:

- Access, i.e. the location is passed through or affordable to public transportation vehicles.
- Visibility, i.e. the location or place can be seen clearly in normal visibility;
- Environment, i.e. the surrounding area supports the service offered.
- Parking area, i.e. the location has a wide, comfortable and safe parking lot, for both two- and four-wheel vehicles; and
- Traffic, i.e. the place is located in crowd place free of traffic jam.

C. Brand Image

Brand image can be considered as the type of association arising in the consumers' mind when recalling a particular brand. The association can appear in the form of precise thinking or image attributed to a brand, just like when we think of others. Brand image can be positive or negative, dependent on an individual's perception of a brand [13]:

- Supporting brand association. Supporting brand association is related to the consumers' opinion of product considering that the product consumed is excellent and useful to consumers.
- Brand association power. Brand association power is indicated with a good reputation the product has in the consumers' eyes, in which the product is considered to have self-expression benefit and to increase consumers' self-confidence.
- Brand association uniqueness. If a product has typical characteristics distinguishing it from others, it will be remembered by the consumers. The consumers' remembrance will get stronger when they have felt the benefit of a product, and they consider that no other brands can satisfy their want.

Bob Foster [7] suggests the components of brand image measurement as follows:

- Attributes, brand image, has memorable quality;
- Benefits, brand image, has an interest that can give a solution to the consumers' problem

D. Word of Mouth

Word of mouth is a communication circulating and arising between consumers and prospective buyers in the form of both direct contact and social media that can market and promote product or service from producer to consumer. In the presence of word of mouth, anything is discussed, talked about, and made something that should be considered [1].

E. Word of Mouth Dimension

Several factors can be used as the word of mouth measurement variable. Fanny and Tri Yuniati (2016) say that word of mouth can be measured using the following factors:

- Being recommended by others;
- Growing motivation, the consumers are encouraged to make purchasing due to others' motivation; and
- Getting information, the consumers get information about sharia-compliant banking.

In addition to several factors above, word of mouth can also be measured using the following factors [1]:

- The speaker. The most crucial element in word of mouth is who is speaking of or the speaker. In this context, anyone becoming the speaker is considered as having strong social and economic positions such as artist, custom figure, pious religious figure (alim ulama), official, parent, teacher, and those considered as elder or more competent to talk about specific issues.
- Direct communication form. Communication can use a variety of digital media, including electronic mail (email), chatting, and even social media network such as facebook, twitter kaskus, tell a

friend, blog, yahoo messenger, WhatsApp and blackberry messenger.

- Persuasive form. Persuasion given in word of mouth is expected to be close to the truth and the sincerity of producer regarding the content of product offered in the market.
- The topic of discussion. All of these words of mouth messages will lead to a specific brand that will, of course, be disseminated rapidly, surpassing everything's speed in a nanosecond in inter-human conversation.

E. Decision Process

The process of making purchasing decision is highly affected by consumer behavior. The process is actually the problem solving one in the attempt of fulfilling the consumers' want or need [13].

F. Decision Process Dimension

1. Problem identification. The problem results from inside consumer constituting the need, driven by internal (from inside the buyer) or external stimulation.
2. Information searching. After a problem arises in the form of need driven by external stimulation, and impulse to meet such the demand, the consumers will search for information about the object that can satisfy their want. The consumers' information source is divided into four categories:

- Personal reference, including family, friend, neighbor, acquaintance;
- Commercial source, including the advertisement, salesperson, distributor, packaging, store display;
- Public source, including mass media, consumer ranking determining organization; and
- Experience source, product management, studying, and use.

3. Alternative assessment. The information obtained from the consumer is used to get a more explicit description of alternatives to encounter and the appeal of individual options.
4. Purchasing decision. Evaluation stage leads the consumers to create preference among the alternative product brands they prefer.
5. Post-purchasing behavior. After purchasing, the consumers will feel satisfaction or maybe dissatisfaction.

III. METHOD

This study was quantitative research. A quantitative research method can be defined as the one building on a positivist philosophy, used to study specific population sample; the sampling technique used was generally random sampling one; data collection was carried out using research instrument, and data analysis were conducted quantitatively/statistically aiming to test the hypothesis applied [2]. This research was conducted to explain the variables to be studied and the relationship between one

variable and another. The variables studied were, among others: location (X_1), brand image (X_2) and word of mouth (X_3), and decision process (Y) in hajj saving customers in sharia-compliant banking in South Jakarta area.

A. Method of Collecting Primary Data

The primary data source was the one giving data directly to data collector [2]. This primary data was collected through a data collecting technique using a questionnaire developed by the author.

In this questionnaire, the author employed a Likert scale. Likert scale was used to develop instrument used to measure attitude, perception, and opinion of an individual or a group of individuals to an object's potency or problem, alternative policy to be developed, policy implementation, policy output and policy outcome [3].

B. Secondary Data

Secondary Data is the source giving data indirectly to the data collector, through others or document [2]. Secondary data employed in this research was the library study. In this library study, the author read, studied, and learned written materials such as books, articles, journals, internet, and other printed information relevant to this study.

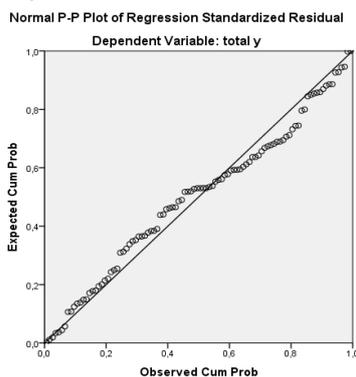
C. Analysis Method

Data analysis method employed was a multiple linear regression analysis one. A multiple linear regression analysis was required to conduct classical assumption and statistic criteria tests first to find out whether or not the model can be used to estimate and to test the hypothesis, thereby getting a good regression result.

IV. RESULT AND DISCUSSION

A. Normality Test

Graphic analysis



Considering the result of test as shown on P-P Plot graphic in the figure above, it can be seen that regression model in the graphic can be stated as normal, as the data is distributed around diagonal line and follows the direction of diagonal line.

Statistic Analysis

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal	Mean	,0000000
Parameters ^{a,b}	Std. Deviation	2,41184648
Most Extreme	Absolute	,086
Differences	Positive	,086
	Negative	-,068
Test Statistic		,086
Asymp. Sig. (2-tailed)		,069 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

The table above shows that the residual (2-Tailed) significance level is $0.069 > 0.05$, so that it can be concluded that regression model has normal data distribution.

C. Multicollinearity Test

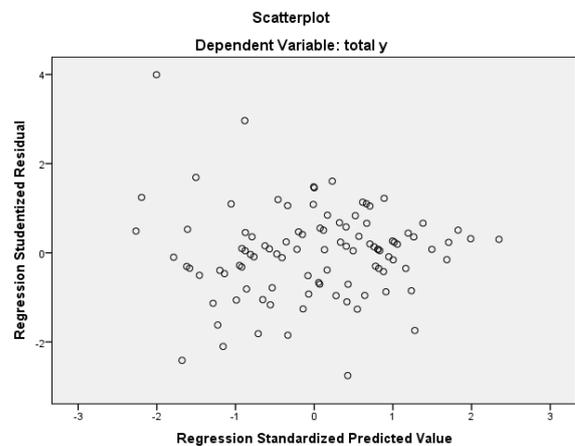
From the table above, it can be seen that tolerance scores are 0.504 for location (X_1), 0.537 for brand image (X_2) and 0.470 for word of mouth (X_3). VIF scores are 1.983 for location (X_1), 1.861 for brand image (X_2) and 2.128 for word of mouth (X_3). Because independent variable has tolerance score more than 0.1 and VIF score less than 10/10.00, it can be stated that there is no multicollinearity between independent variables in regression model.

Table 3. Coefficients

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Lokasi (x_1)	,504	1,983
Brand Image(x_2)	,537	1,861
Word of Mouth(x_3)	,470	2,128

a. Dependent Variable: total y

Heteroscedasticity Test



Graphic Analysis

From the figure above, it can be seen that the dots are distributed randomly both above and below zero number on

Y axis. It can be concluded that no heteroscedasticity occurs in regression model, so that regression model is feasible to use to predict the decision process based on location, brand image, and word of mouth variables.

Statistic analysis

Table 4. Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,928	1,368		2,872	,005
Lokasi	,049	,037	,174	1,298	,197
Brand Image	-,008	,085	-,012	-,093	,926
Word of Mouth	,076	,094	,150	1,446	,102

a. Dependent Variable: RES_2

From table above, it could be concluded that no heteroscedasticity occurs in location, brand image, and word of mouth. It could be seen from significance levels of 0.197 for location, 0.926 for brand image, and 0.102 for word of mouth variables, all of which are more than 0.05.

D. Multiple Linear Regression Analysis

Table 5. Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,676	2,137		1,252	,213
Lokasi (x1)	,141	,058	,221	2,417	,018
Brand Image (x2)	,401	,133	,268	3,024	,003
Word of Mouth (x3)	,349	,085	,391	4,123	,000

a. Dependent Variable: total y

Considering the result of multiple linear regression analysis in the table above, regression equation is obtained as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 2,676 + 0,141X_1 + 0,401X_2 + 0,349X_3 + 2,137$$

Where:

Y = Decision Process

α = Constant

X₁ = Location

X₂ = Brand Image

X₃ = Word of Mouth

β₁, β₂, β₃ = Coefficient of Regression (showing the increase and decrease rates of dependent variable based on the relationship of independent variable score)

e = Standard Error

E. Partial Test (t)

The interpretation of multiple linear regression analysis table is as follows:

1. t statistic > t table 2.417 > 1.984 and probability value is significant, 0.018 < 0.05. Therefore, it could be concluded that Ho1 is not supported and Ha1 is supported. It means that location variable affects partially the decision process in choosing hajj saving product in sharia-compliant banking.
2. t statistic > t table 3.024 > 1.984 and probability value is significant, 0.003 < 0.05. Therefore, it could be concluded that Ho2 is not supported and Ha2 is supported. It means that brand image variable affects partially the decision process in choosing hajj saving product in sharia-compliant banking.
3. t statistic > t table 4.123 > 1.984 and probability value is significant, 0.000 < 0.05. Therefore, it could be concluded that Ho3 is not supported and Ha3 is supported. It means that word of mouth variable affects partially the decision process in choosing hajj saving product in sharia-compliant banking.

F. Simultaneous Test (F)

Table 6. ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	842,867	3	280,956	46,835	,000b
	Residual	575,883	96	5,999		
	Total	1418,750	99			

a. Dependent Variable: total y

b. Predictors: (Constant), x3 total, x2 total, x1 total

F statistic (46.835) > F table values (2.70) and significance probability value in this study is 0.000 < 0.05, so that it can be concluded that Ho4 is not supported and Ha4 is supported. It means that location, brand image, and word of mouth variable affect simultaneously the decision process in choosing hajj saving product in sharia-compliant banking.

Coefficient of Determinacy (R²)

Table 7. Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,771a	,594	,581	2,449

a. Predictors: (Constant), x3 total, x2 total, x1 total

b. Dependent Variable: total y

Considering the data shown in table above, it can be seen that adjusted R² value is 0.581 or 58.1%. It means that independents variables (location, brand image, and word of mouth) can explain dependent variable (decision process) by 58.1% and the rest of 41.9% (obtained from 100%-58.1%) is explained by other variables excluded from this regression model.

V. CONCLUSION

Considering the result of data analysis and discussion concerning the effect of location, brand image and word of mouth on the customers' decision process in choosing hajj

saving product in sharia-compliant banking in South Jakarta area, the following conclusions can be drawn.

1. Location variable partially affects the customers' decision process significantly in choosing hajj saving product in sharia-compliant banking in South Jakarta area.
2. Brand image variable partially affects the customers' decision process significantly in choosing hajj saving product in sharia-compliant banking in South Jakarta area.
3. Word of mouth variable partially affects the customers' decision process significantly in choosing hajj saving product in sharia-compliant banking in South Jakarta area.

There is a significant effect of location, brand image, and word of mouth variables simultaneously on the customers' decision process in choosing hajj saving product in sharia-compliant banking in South Jakarta area.

REFERENCES

- [1] Ilham Prisgunanto. 2014. *Komunikasi Pemasaran Era Digital*. Jakarta: Prisani Cendekia.
- [2] Sugiyono. 2009. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- [3] _____. 2017. *Metode Penelitian Kebijakan*. Bandung: Alfabeta.
- [4] Wahjono, Sentot Imam. 2010. *Manajemen Pemasaran Bank*. Yogyakarta: Graha Ilmu. Journals
- [5] Cakir, Fatma. and Cetin, Aysenur. 2013. The Effect of Word of Mouth Communication on the Consumers' Travel Agency Choices, *International Journal of Business and Management Studies*, Vol.5 No.1.
- [6] Cretu, Anca E. and Brodie, Roderick J. 2013. The Analysis of Product, Price, Place, Promotion and Service Quality on Customers' Buying Decision of Convenience Store, *International Journal of Advances in Management and Economics*. Vol.2 Iss.6.
- [7] Foster, Bob. 2016. Impact of Brand Image on Purchasing Decision on Mineral Water Product "Amidis" (Case Study on Bintang Trading Company), *American Research Journal of Humanities and Social Sciences (ARJHSS)*. Vol.2.
- [8] Laroche, Michel and Taylor, Thomas. 2015. An Empirical Study of Major Segmentation Issues in Retail Banking, *International Journal of Bank Marketing*. Vol.6 Iss.1.
- [9] Nugraha, Finnan Aditya Ajie., Suharyono and Kusumawati, Andriani. 2015. Pengaruh Word of Mouth Terhadap Keputusan Pembelian dan Kepuasan Konsumen, *Jurnal Administrasi Bisnis*. Vol. 22 No.1.
- [10] Siregar, Budi Gautama. 2016. Pengaruh Promosi dan Lokasi Usaha Terhadap Peningkatan Jumlah Nasabah Produk Giro Wadi'ah di PT. Bank Sumut Cabang Syariah Padangsidempuan, *Jurnal Penelitian Ilmu-ilmu Sosial dan Keislaman*. Vol.2 No.2.
- [11] Subagiyo, Rochmat. 2016. Pengaruh Brand Image Terhadap Keputusan Nasabah dalam Memilih Pembiayaan di BMT Sahara Tulungagung, *Institut Agama Islam Negeri Tulungagung*. Vol.8 No.1.