

Research Article

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Analysis of Factors Influencing Community Decisions in Choosing Sharia Banking Services in Indonesia

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Received: December 18, 2023; Accepted: December 24, 2023; Online: December 31, 2023 | DOI: <https://doi.org/10.47353/ijema.v1i7.200>

Abstract: *This research is motivated by the many products and services offered by banking institutions providing broad opportunities for consumers to choose banking institutions that suit their needs. The aim of this research is to analyze the factors that influence people's decisions in choosing sharia banking services in Indonesia. This research method uses qualitative research methods. The data sources used in this research are primary data and secondary data. The research results show that the factors that influence customers' decisions to use sharia banking services are psychological and marketing factors consisting of motivation, perception, learning processes, beliefs, attitudes and products, promotions, advertising, and services. And the most influential is the principal part of banking practices and promotions carried out directly.*

Keywords: *Influencing Community, Customer Decisions, Banking Services.*

Introduction

Recently, developments in banking have increased, this is indicated by the increasing number of banks in Indonesia currently. Increasingly tight competition between banks in attracting customers has made various banks increasingly making it easier to make loans at the bank for their customers. One of them is sharia banking which is increasingly in demand by various groups.

The development of sharia banking in Indonesia cannot be separated from the sharia banking system in Indonesia in general. The Sharia Banking System is also regulated in Law Number 10 of 1998, where Commercial Banks are Banks that carry out business activities conventionally or based on sharia principles and in their activities provide services in payment traffic. The role of Islamic banks in spurring regional economic growth is increasingly strategic to create a balanced economic structure.

Sharia banks operate or carry out their business activities not based on interest or interest free (Interest free) but based on the principle of profit and loss sharing (PLS principle) which is based on the Al-Qur'an and As-Sunnah (Antonio, 2001).

This is one solution that is expected to protect customers from all feelings of anxiety, doubt and uncertainty arising from conventional banks that apply the bank interest principle. Where it is explained that the concept of profit-sharing places more emphasis on the benefit of humanity while the concept of interest is more concerned with oneself (personally) without looking at the social impact that occurs. The sharia banking system and conventional banking have similarities, however, in terms of remuneration provided to customers, they differ according to their respective remuneration principles.

From a theoretical perspective, Islamic banking is different from conventional banks because Islamic banks apply sharia principles (Islamic law). The main sources of law are the Koran and Hadith. With the development of sharia banking, it turns out that sharia banks are still not the public's main choice in determining financial transactions. although the growth of sharia banking assets has increased significantly every year.

Sharia banks as financial institution business actors that provide financing services can provide innovative offerings in products and services, bearing in mind that customers' interest in carrying out transactions at an institution is absolutely in the hands of each consumer (Labetubun, 2021).

The purchasing decision is a long process and has several stages such as problem recognition, information search, alternative evaluation, purchasing decision, and the final stage of behavior after purchasing (Sofyan, 2020). Factors that influence decision making are factors originating from the customer himself, which consists of cognitive processes which include needs or motivation, perceptions, attitudes and non-cognitive customer characteristics, namely demographic aspects, lifestyle, and customer personality. and second, namely factors originating from outside the customer, namely influences from the environment, namely influences from the environment consisting of cultural values, sub-cultural influences and cultural traffic, social class, and other determining situations.

Sule and Saefullah quoted (Sudirman, 2020) that consumer behavior cannot be directly controlled by companies. Therefore, companies (in this case sharia banking) need management in marketing which aims to identify various things that consumers need and how to fulfill them.

This is done because various information is needed about consumer behavior in obtaining, consuming and consuming products and services, including the decision processes that precede and follow these actions. When planning, a consumer will choose a product that suits their needs and desires. Therefore, consumers need a certain amount of information about the product, which will end in a purchasing decision. In general, Kotler is quoted (Shavab, 2021) that the sequence of the decision-making process is recognition of needs, information search, evaluation of alternatives, purchase decision, and behavior after purchase.

On the other hand, the development of sharia banking in Indonesia is still experiencing many obstacles. Many sharia banking customers are floating customers who prioritize profit motives, so they can move when deposit interest rates at conventional banks are more profitable. This group of customers usually has dual accounts, both at sharia banks and conventional banks. Only some customers who are truly loyal save their funds in sharia banks for religious reasons. Others are due to forced factors, for example following campus rules or workplaces that collaborate with sharia banks.

But most people already know what a sharia bank is, but they don't know the products offered by sharia banks, so people who don't know sharia bank products will certainly not be interested in using sharia bank services because they think that the supporting facilities provided are still limited. inferior to the facilities offered by conventional banks, except for people who have a strong desire to save at sharia banks because they avoid the element of usury. Understanding and knowledge also influence people's views regarding Islamic banks. Simply put, the public's view of Islamic banks depends on what they know. If knowledge about sharia banking is low, then the view and desire to become a sharia bank customer will certainly be low too.

Sharia banking requires special arrangements, namely that it must be able to accommodate the various interests of not only Muslims but also non-Muslims because sharia banking is universal or comprehensive, such as providing human resources who can provide services as appropriate as possible without distinguishing between ethnicities or religions. in offering a wide selection of products according to the needs of sharia banks, so that all groups of Indonesian consumers are interested. Because all groups of customers also have certain reasons in determining their choices.

Sharia banking seeks to serve the needs of society broadly and comprehensively. In general, prospective customers who need transactions or other products will choose banks that can provide benefits and convenience, where each customer will pay attention and consider certain factors that will be used to

make decisions regarding savings or loans or financing. Where these factors consist of external factors and internal factors. External factors consist of cultural, social, and marketing factors. Meanwhile, internal factors are personal and psychological factors (Kotler and Armstrong, 2012).

The development of sharia banking and the many factors that influence customers in using sharia banking services. This encouraged the author to conduct research on Islamic bank customers in general by taking several factors which in previous research had a positive influence on customer decisions, namely products, promotions, and services.

Based on the description above, the author is interested in conducting research entitled: "analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia".

Method

This research seeks to analyze and describe the analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia. The type of research used in this research is a descriptive analysis method. According to (Haris, 2023), descriptive analysis is empirical research that investigates a specific symptom or phenomenon in a real life setting. The results of this research were collected using primary data and secondary data.

The approach used in this research is a qualitative approach. According to Bogdan and Taylor in (Arifudin, 2023), a qualitative approach is a research procedure that produces descriptive data in the form of written or spoken words from people and observable behavior. According to (Saepudin, 2019) the method is to transcribe the data, then coding the notes in the field and interpreting the data to obtain conclusions.

This research uses qualitative research with field research methods. According to (Arifudin, 2018) this approach is adapted to the main aim of the research, namely describing and analyzing the analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia. So that this method will be able to explain the problems of the research (Saepudin, 2020).

Determining appropriate data collection techniques greatly determines the scientific truth of a research. The data collection techniques used in this research are observation, interviews and documentation.

Engineering can be seen as a means of carrying out technical work carefully using the mind to achieve a goal. Even though the study is actually an effort within the scope of science, it is carried out to collect realistic data systematically to realize the truth. Research methodology is a means to find a cure for any problem. In this case, the author collected information about the analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia from books, articles, journals, theses, theses, ebooks, etc. (Arifudin, 2019).

Because it requires material from the library as a data source, this research utilizes library research. Researchers need books, scientific articles and other literature related to the topics and problems they explore, both print and online (Saepudin, 2021).

Searching for information from data sources requires the use of data collection techniques. Amir Hamzah in (Arifudin, 2020) claims that data collection is an effort to collect information related to the subject under study. The author uses library research methods to collect data. Specifically, the author started with the library to collect information from books, dictionaries, journals, encyclopedias, papers, periodicals and other sources that provide insights related to the analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia.

Amir Hamzah further said that data collection means various efforts to collect facts related to the topic or discussion that is being or will be explored. These details can be found in scientific literature, research and scientific writings, dissertations, theses and other written sources. According to (Saepudin, 2022) data collection can be carried out in various circumstances, using different sources, and using different techniques.

Observation is part of the research process directly regarding the phenomena to be researched (Chadijah, 2022). With this method, researchers can see and feel directly the atmosphere and condition of the research subject (Arifudin, 2021). The things observed in this research are about the analysis of factors that influence people's decisions in choosing sharia banking services in Indonesia.

The interview technique in this research is a structured interview, namely interviews conducted using various standard guidelines that have been established, questions are arranged according to information needs and each question is needed to reveal any empirical data (Rahayu, 2020).

Documentation is a technique for collecting data through existing documents or written notes. Documentation comes from the word document, which means written items. In implementing the documentation method, researchers investigate written objects, such as books, magazines, meeting minutes and diaries. According to Moleong in (Arifudin, 2022) the documentation method is a way of collecting information or data through examining archives and documents. Documentation strategies are also data collection techniques proposed to research subjects. This data collection method using the documentation method was carried out to obtain data about the condition of the institution (research object), namely analysis of the factors that influence people's decisions in choosing sharia banking services in Indonesia.

Muhadjir in (Hanafiah, 2021) states that data analysis is the activity of carrying out, searching for and compiling records of findings systematically through observations and interviews so that researchers focus on the research they are studying. After that, make the found material for other people, edit, classify and present it.

Results and Discussion

Factors That Influence Customer Behavior

First, the religiosity factor. The term religion in this research is called religiosity, which is an attitude seen in a person's behavior that is internalized by religious values or teachings. According to Harun Nasution in (Mayasari, 2023), religion is a bond that must be held and obeyed which has a big influence on human life. Meanwhile, according to J.G Frazer in (Hoerudin, 2023), religion is a submission to a higher power than humans who are believed to be able to control nature and human life. Meanwhile, according to Atang Abdul Hakim quoted (Kartika, 2021), religiosity is a person's attitude to life which is based on the values he believes in. Another definition put forward by Glock and Stark in (Fitria, 2023), eligiosity is how much knowledge, how strong one's beliefs are, how diligent one is in the implementation of worship, and how deep one's appreciation of the religion one adheres to is. Religiosity in an Islamic perspective means implementing the teachings of the Islamic religion as a whole (kaffah), including customer behavior in choosing a bank as a place for transactions. According to (Arif, 2015), someone will be said to have religiosity if they have the following characteristics: The religiosity of everyone includes several dimensions.

Second, the profit factor (profit sharing); In terms of profit, one of the factors that influences customers in transactions at Islamic banks is the profit-sharing system used. The Islamic economic concept offers a profit and loss sharing system as an alternative to the interest system run by conventional banks.

Profit sharing according to Ktut Silvana quoted (Fasa, 2020) is a partnership between two or more parties in a business activity or project where each party is entitled to all profits and is responsible for all losses that occur. Profit sharing in the context of this research is the amount of compensation received by customers for placing a certain amount of funds through savings, deposit, and current account products as well as profit sharing determined in the context of financing.

Third, service factors; Service is the main requirement for the survival of a bank, including sharia banks. The service and comfort provided to customers will determine the rate of growth of a bank. According to Hasibuan, in (Tanjung, 2020) good service is service that is provided in a friendly, fair, fast, precise manner, with good ethics so that it meets the needs and satisfaction of those who receive it. Meanwhile, according to Kotler in (Athik Hidayatul Ummah, 2021) service is any activity or benefit that a party can provide to another party which is basically intangible and does not result in ownership of something and its production may or may not be linked to a physical product.

Fourth, the facility factor; According to Tjiptono in (Siregar, 2021) facilities are physical resources that exist before a service can be offered to consumers. Facilities can also be anything that can make it easier for consumers to obtain satisfaction. So, the existence of the facilities offered by banking will be able to facilitate customers' work or business, so that the expected goals are achieved optimally. Facilities in this case can be in the form of the availability of Automated Teller Machines (ATMs), smooth networks, cash cars, and so on. Each bank will have different facilities. According to Tjiptono in (Hadiansah, 2021) the indicators for these facilities are various considerations that are able to respond to users, spatial layout, equipment, lighting and color, as well as other supporting elements.

Fifth, product factors; Talking about products, usually always associated with quality. Product quality is an understanding that the product offered has a higher selling value than competitors' products. Therefore, companies try to focus on product quality and compare it with products offered by competitors. Product quality has several dimensions, namely; performance, reliability, features, durability, conformance, serviceability, and aesthetics (Assauri, 2016).

Decision to Become a customer

According to Kotler and Gary in (Bairizki, 2021) purchasing decisions are a stage in the decision-making process, namely when consumers actually buy a product. Decision making is an activity of individuals who are directly involved in obtaining and using goods offered by producers. Schiffman and Kanuk in (Silaen, 2021) define a purchasing decision as a person's decision where he chooses one of several available alternative options. With the various choices offered, consumers can make the best decision from what is offered.

Consumer knowledge is all the information that consumers have regarding various kinds of products and services. As well as other knowledge related to these products and services and information related to their function as a consumer. The types of consumer knowledge regarding sharia banking are:

1. Product knowledge is a conglomerate of many different types of information. From the results of the recapitulation of data regarding consumer knowledge regarding sharia banking, the average score for the product knowledge indicator was obtained, namely 341.2 compared to the expected score of 500.
2. Usage knowledge includes various pieces of information possessed by consumers that are closely related to product acquisition. From the results of recapitulation calculations of data regarding consumer knowledge regarding sharia banking, it was obtained that the average of the usage knowledge indicator was 353 compared to the expected score of 500.

3. Purchasing knowledge is an examination of what consumers know about absolute and relative prices and can provide important information to guide marketing actions. From the results of the recapitulation of data regarding consumer knowledge regarding sharia banking, the average score data obtained from the purchasing knowledge indicator was 398.5 compared to the expected score of 500.

A customer's decision is a person's reaction to several alternative solutions which is carried out consciously by analyzing the possibilities of these alternatives along with their consequences. Actions in making the decision to become a sharia bank customer are:

1. Need recognition: Need recognition may occur when consumers are faced with a problem. Among consumers there appear to be two distinct styles of need or problem recognition. Some consumers are the true type who feel that they have a problem when a product does not function satisfactorily (such as a cordless telephone that is constantly on static). On the other hand, other consumers are of the desired state type, where for them the desire for something new can drive the decision process.
2. Pre-purchase research: Pre-purchase research begins when consumers perceive a need that can be met by purchasing or consuming a product.
3. Evaluation of alternatives: When assessing potential alternatives, consumers tend to use two types of information, namely the set of brands they are interested in and the criteria used to evaluate the brands.

Conclusion

Based on the results of the discussion above, it can be concluded that the first factor is the psychological factor which consists of motivation, perception, learning process, beliefs, and attitudes. However, the most dominant factor in this section was that 100% of respondents agreed that all respondents answered Agree that sharia banking services implement Sharia principles in every banking transaction practice. The second factor is the marketing factor which consists of products, promotions, advertising, and services. The most dominant factor is the product where brochures are distributed directly by the bank to the public, with 100% of respondents agreeing with this. The factors that influence customers' decisions to use sharia banking services are psychological and marketing factors consisting of motivation, perception, learning processes, beliefs, attitudes and products, promotions, advertising, and services. And the most influential is the principal part of banking practices and promotions carried out directly.

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