

# Factors That Influence the Low Interest of Indonesian Muslim Communities to Become a Sharia Bank Customer

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**ABSTRACT** : This study aims to determine the factors that influence the low interest of the Indonesian Muslim community to become customers of Islamic banks. Independent variables: Technology, Promotion, Product, Profit Sharing, Location, Religiosity and Knowledge of the law of usury in Islam. Variable: The low interest of the Indonesian Muslim community to become sharia bank customers. This study uses primary data in the form of a questionnaire with a Likert scale processed with SPSS 23 software, with a sample of 120 respondents randomly, using quantitative descriptive analysis techniques. The results showed that the variables of technology, promotion, product, profit sharing, and religiosity had no significant effect on the low interest of the Indonesian Muslim community to become sharia bank customers, while the location variable, knowledge of the law of usury in Islam had a significant effect on the low interest of the Indonesian Muslim community to become a customer. Islamic bank customers.

**Keywords** - Technology, Promotion, Products, Profit Sharing, Location, Religiosity, Knowledge of usury Law

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## 1. INTRODUCTION

Indonesia is a country that has the largest Muslim population in the world in 2015 with a total of 219,960,000 Muslims. The number of Indonesian Muslims reached 12.6% compared to the total Muslim population in the world in 2015

The purpose of Islamic Banking in Indonesia is to facilitate residents in Indonesia in conducting social transactions according to the Shari'a (muamalah). Islamic banking should be used by Indonesian residents. However, the Indonesian Muslim community that uses all types and models of financing offered by Islamic bank financial institutions is relatively low. Conventional banks are more preferred by the public than Islamic banks. For this reason, Islamic banking needs to make efforts to socialize the mechanism and sharia so that the public knows and understands about Islamic banking, and the community returns to placing their trust in sharia transactions and transacting according to sharia.

the researcher wants to know the causes of the low interest of the Indonesian Muslim community to become customers of Islamic banks. Where the variables to be studied are technology, promotion, product, profit sharing, location, religiosity and knowledge of the law of usury in Islam.

## 2. LITERATURE REVIEW

### 2.1 Technology

Information technology consists of two electronic devices that have different functions. The first function is a set of electronics that can be used as an electronic tool to communicate, the second function can be used to calculate, write and store (Respati, 2008: 241). Most of the use of technology is from the financial sector, especially banking. Because in the financial sector, banks need to process various kinds of electronic data not only in one place, but reach all over Indonesia and even the world. The rapid advances in computer technology, both hardware, software, host to host systems, network systems and data communications have had a tremendous impact on electronic banking services. One example of the use of technology in the banking sector is the existence of electronic banking. According to E-Banking can be defined as a service that allows bank customers to conduct banking transactions through the internet network. By utilizing e-banking, there are many benefits that will be obtained by customers, especially when viewed from the amount of time and energy that can be saved because e-banking is clearly queue-free and can be done from anywhere as long as the customer has the supporting facilities to perform the e-banking service.

### 2.2 Promotion

Promotion includes all activities aimed at introducing goods, producers, and places of sale as well as stimulating the desire to buy. According to Mahmud Machfoedz, promotion is an effort made by companies/marketers to influence other parties to participate in the changes they make. various means that can be used to promote the products and services they offer. In addition to advertising, they also use personal selling, public relations, and sales promotions to inform potential consumers. This combination of promotional tools is called the marketing mix. In the book written by Siswanto Sutojo, promotion is an activity carried out to inform buyers about the existence of a product in the market or certain marketing policies that have just been established by the company, for example giving a purchase bonus or a price cut.

### 2.3 Product

According to Kotler and Armstrong (2008: 266) product is anything that can be offered to the market to attract attention, acquisition, use or consumption that can satisfy a want or need. Products include more than just tangible goods. Various bank products are services offered to customers to get attention, to be owned, used or consumed to meet customer needs and desires. Bank products consist of savings products (current accounts, savings and time deposits), loans (credit) or other bank services such as transfers, clearing, collections, safe deposit boxes, credit cards, letters of credit, bank guarantees, traveler cheques, bank drafts. , and other bank services (Wahjono, 2010: 15-16).

### 2.4 Profit Sharing

In the Islamic bank system, it plays a dual function, at the funding stage, it will act as mudharib, therefore the funds collected must be managed optimally, but in financing, Islamic banks will act as shohibul maal, so they must invest their funds in halal and profitable businesses. Because to know the level of profit sharing in a certain period it cannot be carried out unless there must be financial reports or reliable acknowledgments (Ridwan, 2005: 120). At this stage of the cooperation agreement, it is agreed by the parties, then all aspects related to the business must be agreed upon in the contract so that the parties can bind each other (Ridwan, 2004: 120). Payment of Islamic bank rewards to fund owners in the form of profit sharing is very much dependent on the income earned as mudharib for the management and mudharabah (Wiroso, 2005: 88).

### 2.5 Location

Location is a distribution channel where products are provided for sales (Wahjono, 2010: 126). Meanwhile, according to Lupiyoadi (2001:61), location is the place where the company must be headquartered to carry out operations,

So the location is the place where a type of business will be carried out. Location is an important aspect of channel strategy, a good location makes it easy to access places of business that attract many customers to make transactions. According to Wahjono (2010: 128) Bank location determinants must be built in strategic places, close to where customers are located, easy to reach. The determination of the location is essentially to get closer to the customer, both the customer of the source of funds and the customer of the financing, but apart from that, there are several objectives in determining the location of the bank, namely:

## **2.6 Religiosity**

Religiosity is a personal relationship with a divine person who is Almighty, Most Merciful and Most Merciful (God) which results in a desire to please the divine person by carrying out His will and avoiding what he does not want (the prohibition). Religion or religiosity is manifested in various aspects of human life. Religious activity does not only occur when a person performs ritual behavior (worship), but also when carrying out other activities driven by supernatural powers. It is not only related to visible and visible activities, but also invisible activities that occur in a person's heart. According to Abdullah (2000) religiosity can be defined as an act of expressing religious teachings through the ritual behavior of maghdah worship and ghairu maghdah worship, namely social society. The form of social life can be carried out in the cultural, political, legal, and economic sectors

## **2.6 Knowledge of usury Law**

The definition of usury according to the term is an excess of property without compensation for exchanging assets for assets. According to Sayit Sabiq, usury is additional capital, be it a little or a lot. Abdurrahman al-Jaziri argues that usury is the addition of one of two similar goods that are exchanged without compensation for the addition. Riba is often translated into English as 'usury'. Meanwhile, in terms of usury, namely according to Syafi'iyah scholars, usury is a form of transaction by determining a certain substitute (iwadh makhshush) "which is not known in common (with the exchanged), in the syar'i size at the time of the transaction, or accompanied by a suspension of both goods. exchanged" or there is one of them. "According to Hanafi scholars, usury is a surplus value that does not exist in goods exchanged based on the shari'i size required by one of the parties to the contract at the time of the transaction".

## **3. RESEARCH METHODS**

Islamic banking is the object of this research. The types of data in this study consist of primary data and secondary data. SPSS 23 computer program was used in this study. This analysis provides a description (description) of a data which will then be interpreted in the discussion.

## **4. RESULTS AND DISCUSSION**

### **4.7.2. Partial Hypothesis Testing (T Test)**

By knowing the value of the t-table in this study, namely 1,981 which was obtained from  $t_{\alpha/2 ; n-k-1} = 0.05/2 ; 120 - 7 - 1 = 0.025 ; 112$  (with information ( is the error tolerance limit set with a value of 5% (0.05), n is the number of samples and k is the number of variables in the study) for that it can be seen the level of significance of each variable factor in table 4.29:

**Tabel 4.29. Uji Parsial (T)**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,692	2,846		3,055	,003
Technology	-,034	,176	-,026	-,194	,847
Promotion	-,181	,111	-,193	-1,630	,106
Product	-,268	,275	,096	,976	,331
Profit Sharing	-,107	,119	-,093	-,894	,373
Location	,374	,164	,279	2,277	,025
Religiosity	-,123	,166	-,093	-,742	,460
Knowledge of usury Law	,247	,077	,288	3,201	,002

#### 4.8 Data Analysis Results

##### **The factor of the influence of technology variables on the low interest of the Indonesian Muslim community to become sharia bank customers**

The t-test carried out in this study on the Technology variable (X1), obtained the t-count > t-table, namely -0.194 < 1.981 and the significance value of 0.847 > 0.05, based on this value it can be interpreted that the independent variable, namely the product does not has a positive effect on the lack of interest of the Indonesian people to become customers in Islamic banking, and the results of the research on the technology variable (X1) are not in accordance with the hypothesis which states that the product has an effect on the low interest of the Indonesian Muslim community to become customers of Islamic banks. From the results of this study, it can be concluded that the lack of interest of the Islamic community in Indonesia to become the first Islamic banking customers is not caused by technological factors that have been adopted by Islamic banking banking.

##### **The factor of the influence of the promotion variable on the low interest of the Indonesian Muslim community to become a customer of a sharia bank**

The results of the T-test on the promotion variable (X2) in this study obtained the t-count > t-table, namely -1.630 < 1.981 and a significance value of 0.106 > 0.05 which means that the independent variable, namely promotion (X3) does not have a positive effect. on the dependent variable, namely lack of interest (Y), and the results of the research on the promotion variable (X2) are not in accordance with the hypothesis which states that promotion affects the lack of public interest in becoming customers in Islamic banking, from the results of this study it can be concluded that the low interest of the Muslim community In Indonesia, to become a customer of a sharia bank, one of them is not caused by promotional factors that are not carried out by Islamic banking.

##### **The influence of product variables on the low interest of the Indonesian Muslim community to become sharia bank customers**

The results of the T test on the product variable (X3) in this study obtained a t-count > t-table, namely 0.976 < 1.981 and a significance value of 0.331 > 0.05 which means that the independent variable, namely the product (X4) does not have a positive effect on the dependent variable is low interest (Y), and the results of the product variable research (X3) are not in accordance with the hypothesis which states that promotion affects the lack of public interest in becoming customers in Islamic banking, from the results of this study it can be concluded that

the low interest of the Muslim community in Indonesia to become a customer of Islamic banks, one of which is not caused by the factor of Islamic bank products.

#### **Factors influencing the profit sharing variable on the low interest of the Indonesian Muslim community to become sharia bank customers**

The t-test conducted in this study on the profit sharing variable (X4), obtained the t-count > t-table, namely  $-0.894 < 1.977$  and with a significance value of  $0.373 > 0.05$ , based on this value it can be interpreted that the independent variable is for The results also do not have a positive effect on the lack of interest of the Indonesian people to become customers in Islamic banking, and the results of the research on the profit sharing variable (X4) are also not in accordance with the hypothesis which states that profit sharing has an effect on the low interest of Indonesian Muslim communities to become customers of Islamic banks. . From the results of this study it can be concluded that the profit sharing factor applied to Islamic banking is not the cause of the low interest of the Indonesian Muslim community to become customers of Islamic banks.

#### **The factor of the influence of the location variable on the low interest of the Indonesian Muslim community to become sharia bank customers**

The results of the T test on the location variable (X5) in this study obtained the t-count value > table, namely  $2.851 > 1.977$ . The significance value is  $0.005 < 0.05$ , which means that the independent variable, namely location (X4) has a positive influence on the dependent variable, namely lack of interest (Y), and the results of the research on the location variable (X4) are in accordance with the hypothesis which states that location has an effect to the lack of public interest in becoming customers in Islamic banking.

#### **Factors influencing the religiosity variable on the low interest of the Indonesian Muslim community to become sharia bank customers**

The religiosity variable (X6) based on the t-test obtained the value of t-count > table that is  $-1.458 < 1.981$ . The significance value is  $0.147 < 0.05$ , which means that perception has no significant effect on the low interest of the Indonesian Muslim community to become sharia bank customers (Y). This study is not in accordance with the hypothesis which states that religiosity affects the low interest of the Indonesian Muslim community to become customers of Islamic banks. In this study, religiosity regarding Islamic banking can be said not to be the cause of the low interest of the Indonesian Muslim community to become customers of Islamic banks.

#### **Factors influencing the knowledge of usury law in Islam on the low interest of the Indonesian Muslim community to become sharia bank customers**

Variable understanding of the law of usury in Islam (X7) based on the t-test, the value of t-count > table is  $2.609 > 1.981$ . The significance value is  $0.010 < 0.05$ , which means that knowledge of the law of usury in Islam has a significant effect on the low interest of the Indonesian people to become customers of Islamic banks (Y). This is in accordance with the hypothesis which states that knowledge of the law of usury in Islam affects the low interest of the Indonesian Muslim community to become customers of Islamic banks.

This shows that the more knowledge of usury law in Islam a person has, the higher the public's interest in using Islamic banking institutions. This also applies when a person's lack of knowledge of the law of usury in Islam, the lower one's interest in becoming a customer of Islamic banking.

## **5. CONCLUSIONS AND RECOMMENDATION**

### **Conclusion**

From the analysis of the discussion data that has been described in previous chapters regarding the factors that influence the low interest of the Indonesian Muslim community to become customers of Islamic banks, the following conclusions can be drawn:

1. Technology does not have a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} < t_{table}$  ( $-0.194 < 1.981$  and a significant value of  $0.874 > 0.05$ ).
2. Promotion does not have a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} < t_{table}$  ( $-1,630 < 1,981$  and a significant value of  $0.106 > 0.05$ ).
3. The product does not have a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} < t_{table}$  ( $-0.967 < 1.981$  and a significant value of  $0.331 > 0.05$ ).
4. Profit sharing does not have a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} < t_{table}$  ( $0.894 < 1.981$  and a significant value of  $0.373 > 0.05$ ).
5. Location has a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} > t_{table}$  ( $2.277 > 1.981$  and a significant value of  $0.025 > 0.05$ ).
6. Perception does not have a positive effect on the low interest of the Indonesian Muslim community to become sharia bank customers, this is indicated by the value of  $t_{count} < t_{table}$  ( $-0.742 < 1.981$  and a significant value of  $0.460 > 0.05$ ).
7. Knowledge of the law of usury in Islam has a positive effect on the low interest of the Indonesian Muslim community to become customers of Islamic banks, this is indicated by the value of  $t_{count} > t_{table}$  ( $-3.201 < 1.981$  and a significant value of  $0.002 > 0.05$ ).

#### Recommendations

- According to the results of this study, most of the Muslim community in Indonesia do not know about the law of usury according to Islamic law, for that it is better for scholars, Islamic leaders, Islamic scholars, to play an active role in providing an understanding of the law of usury according to Islamic law to the Muslim community
- In the opinion of the authors, Islamic banks in Indonesia should immediately increase the number of branch offices, petty branch offices and automated teller machines (ATMs), which are currently very limited in number.

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