

## MUSLIM'S PERCEPTION TOWARDS FINANCING ACTIVITIES IN CONVENTIONAL BANKS

Briansyah Kancanaburi

Institute of Public Policy and Economic Studies (INSPECT) Yogyakarta, Jalan Kenari R 13  
Sidoarum III, Godean, Sleman, Yogyakarta, 55564 Indonesia, Phone: +62 274 798342,  
Correspondence E-mail: briansyahkancanaburi@gmail.com

Received: August 2013; accepted: February 2014

**Abstract:** The purpose of this research is to analyze Muslim's perception toward conventional bank, to analyze the awareness of Muslim toward *riba* in their financing activities, and to analyze the factors that influence Muslims to save their money in conventional bank. The data used in this research is secondary data. The techniques for collecting data by interview and observation using questionnaire for 130 respondents. The analysis method used in analyzing this research is simple regression with classical assumption test. The Result of this research shows that they are economic factor & services significantly influence the dependent variable. Another variable, which do not influence significantly, are products and sharia factor. The most influence factor in this research is economics by 0.002 from those processed variable.

**Keywords:** muslim's perception; behavior; conventional bank

**JEL Classification:** D03, D13

**Abstrak:** Tujuan penelitian adalah menganalisis persepsi Muslim terhadap bank konvensional, untuk menganalisis kesadaran Muslim terhadap *riba* dalam kegiatan perekonomian, dan untuk menganalisis faktor-faktor yang mempengaruhi Muslim untuk tergerak menyimpan uangnya pada bank konvensional. Data yang digunakan pada penelitian ini adalah data primer. Teknik pengumpulan data yang digunakan adalah wawancara dan observasi dengan pembagian kuisioner pada 130 responden. Metode analisis yang digunakan regresi sederhana dengan uji asumsi klasik. Hasil dari penelitian ini menunjukkan bahwa 2 variabel independen secara signifikan berpengaruh terhadap dependen variable, mereka adalah faktor ekonomi dan pelayanan. Variabel lain yang tidak signifikan berpengaruh adalah produk & faktor syariah. Variabel yang paling berpengaruh pada penelitian ini adalah faktor ekonomi dengan 0,002 terhadap variable dependen.

**Kata kunci:** persepsi muslim; perilaku; bank konvensional

**Klasifikasi JEL:** D03, D13

### INTRODUCTION

Indonesia is a unique country that consists of many cultures, languages, ethnics, and religion. Talking about religion, known as Muslim's country, with the biggest population in Muslims of the world. Islamic rules guide Muslims to stay focus on the ultimate objectives (*Maqasid Al-Shariah*) which are necessity (*Al-Daruriyyah*) for mankind to be able to live peacefully in this world, according to the *Quran*

and the *Sunnah*, those include five main areas (1) protection of life, (2) protection of *al-Din* [Islam], (3) protection of human generation, (4) protection of intellect, and, (5) protection of wealth or resources. If those kind of main point ignored and cannot be established, *fasad* (chaos and disorder) exists in this world, and there will be obvious loss in the hereafter. Some scholars argued that though the five *daruriyat* are essential for human welfare, necessities are not confined to these five *maqasid*; hence, they pro-

posed additional *daruriyat* such as equality, freedom and protection of the environment (Kamili, 2009). The challenging part of them is the last part of it that is to protect wealth or resources. The appearing of financial institution is one of ways to protect the wealth by its regulated system. There are several financial institutions which are not mentioned here, in reality, there are two main dual system in finance which are conquer the world, Islamic and conventional, the Islamic provides financial services and systems under Islamic law, while conventional one provides financial services and systems by government law.

In fact, one of the biggest challenges of Islamic Banking and finance industry today is to come up with products and services that is *Shari'ah* compliant or legitimate from Islamic point of view without undermining the business aspects of being competitive, profitable and viable in the long run (Dusuki, 2001). Fundamentally, Muslim's objection on conventional Banking system comes from the understanding that interest is equal to forbidden *rib*, besides the operational activities of the Banking system, within which un-Islamic business activities exist. These activities include the channeling of fund to businesses concerning unlawful goods and services, the speculative activities (*maysir*), the unjust profit sharing for lenders and borrowers (*jahala*), and the uncertain contracts (*gharar*) (Iqbal, 1997).

The term "Islamic Banking" means conducting banking operations which is in accordance based on Islamic teachings. Banking practices which involve the receipt and payment of interest are not compatible with Islamic rules. Yet it is a fact of life that the Muslims societies are unable to keep away from interest based transactions when modern Banks appeared on the scene. The Islamic Banking movement, which has been gathering momentum in recent years, seeks to change this situation. This movement has two dimensions. On the one hand, theoretical work is being undertaken on various aspects of interest free Banking. On the other hand, practical experience is being gained in running interest free Banks and financial institutions. A good deal of interaction is also taking place between the theory and practice of Islamic Banking. The Islamic Banking movement is still

in its infancy but it has already made a significant impact on the world financial scene. The role of Islamic Banking is still relatively small comparing with conventional Banking. However, the Islamic Banking system proved that it has ability to pass through the economic crisis in Indonesia. There are several excellences in Islamic Banking, so it can survive in a very difficult situation for banking industry. One of the excellences is the growth of banking which is related to the real growth of economy (financial deepening = ratio between credit and GDP). The ratios for Islamic Banking are 0.07% in 1997, 0.05% in 1998, and 0.06% in September 1999. These indicate that the role of Islamic Banking is relatively stable in Indonesian economy. For conventional Banking, the ratios are 71.05% in 1997, 57.80% in 1998, and 33.07% in September 1999. These indicate that the role of conventional Banking is declining in economy and majority of the credits bring about no impact to the growth of real economy measured with GDP (Karim, 2001)

Today, the economic world coming with dual financing system as mentioned above, it caused several problems in economic. *Qur'an* has laid down several premises for economic justice. For example, people are not allowed to devour their wealth unjustly except through mutual consent. All forms of elements that would create economic injustices such as bribery (*al-Rishwa*) fraud or deception (*al-Ghish*), gambling (*al-Maysir*), dubious contracts (*al-Gharar*) and *riba* are condemned in the highest term. Interest is considered as a major destabilizing factor that contributes to cyclical fluctuations in the economy and it transfers resources from the poor to the rich (Minsky, 1982).

The statement above told more when the people always do not care about *riba*. Absolutely people do not care the existence of *riba* in conventional Bank, Quran strictly said *riba* in all types of business transaction is haram, *riba* in here is *riba al-nasiah*, which is strictly prohibited, in Islamic rules such as, interest in loan. And another prohibited *riba* is *riba al-fadl*, when the transaction is not balance between 2 parts of exchange/commodities. One of the most important objectives in *shariah* from the financial point of view is elimination of interest (*riba*) in all categories of business transactions. *Riba* is

prohibited because it causes unfairness in business transaction. It makes easier for the rich to be richest and make the poor deep burden. It makes only a small number of the community become powerful and another will be weak. *Shariah* has made this type of profit illegal and strongly prohibited it. Taking into consideration of *maslahah* of society, *riba* makes a community unproductive as one can earn easy money without working hard (Thajudeen, 2012).

Those facts and information is clear, but many people still do not aware about it all, in making decision to save their money, consumers usually consider interest rate. Savings is, according to neoclassical economists, a function of interest rate. The higher interest rate level, the more money to be saved and current consumptions to be sacrificed. The sacrifice of current consumptions will benefit future consumptions. Keynes admits that interest rate influences consumptions, though he contends that in short run, with constant income, the influence of interest on expending is not significant (Mankiw, 1997). Interest rate agreed in advanced by a conventional Bank and consumers indicates certainty, i.e. the amount of interest consumers will earn. This amount of interest can be counted as a certain percentage of savings. Concept offered by Islamic Banking does not use interest rate. Agreement between an Islamic Bank and consumers concerns the proportion of profit sharing and contains uncertainty. In a situation where economy still predominated by conventional banking system, interest rate becomes a reference (bench-mark) for the consumers, though it does not prevail for those avoiding conventional Banks because of *riba*. In recent economic crisis showed by the low real sector growth, profit sharing earned by Islamic banking is also small, far smaller than interest rate. Consequently, those who choose bank with economic profit motives will consider saving money in Islamic banking as uninteresting (Karim, 2001).

Opinion stating that to save in Islamic banking is uninteresting can be argued as the third party fund deposited in Islamic banking increases from year to year (except in 1998 when all of the bank experience serious crisis). In 1999, third party fund collected by Islamic

banking (i.e. Bank Muamalat Indonesia) reaches IDR 528.08 billion, meaning that there is an increase of IDR 136.16 billion or 34.78% from IDR 391.92 billion in 1998. This amount exceeds the attainment in 1997 when the economic crisis was starting, i.e. IDR 463.27 billion. The increase happens from demand deposit, savings, and time deposit. *Wadiah* increases 17.77%, from IDR 68.01 billions to IDR 80.09 billion. *Mudharabah* savings increases 44.48% from IDR 102.85 billion to IDR 148.58 billion, whereas *mudharabah* time deposit increases 3.77% from IDR 221.08 billion to IDR 229.42 billion. This increase of third party fund indicates the restoration of society's and business partners' trust to Bank Muamalat Indonesia after the decrease in 1998 when interest rate in conventional banking was rapidly increasing.

Several reasons above stated that the Muslims people in Indonesia mostly come to part of *duniawi*, small number of people doing maximum under Islamic rules, especially in economic and finance side. Those all explained by *Quran* and *Sunnah* clearly. One's motivation in doing an activity is related to his psychological condition. If one in doing an economic activity, such as saving in Islamic Banking, motivated by religious and economic motive, this will be appropriate with those arranged by Islam (Khoirunissa, 2009). It makes interested when the study researched, to measure the awareness of Muslims people toward Islamic finance, whether they still trust to their holy guide or they follow another options. The area of research focus on Jogjakarta only, to make the research simply and easy. This study aims to analyze the awareness of Muslims toward *riba* in their financing activities and to identify the factors that influence Muslims to save their money in conventional Bank.

Khoirunissa (2003) told that there was positive relationship between economic motive and religious motive are the factors that influence their preferences toward Islamic bank significantly, both of them influenced the behavior of the consumers to choose. The economic motives in the study included economic benefits, quick services, online facilities, easy reachable locations, as well as healthy financial systems, and for religious motives are obeying religious orders, lessening economic imbalances in soci-

ety, having good understanding on Islamic principles, and getting information/knowledge concerning Islamic Banking, as well as living in a religious supporting environment. Fatmah found that the factors affecting the loyalty of customers to *shariah* bank were the practically consistent obedience to Islamic Banking principles (religious motive), economic motive, trust, and commitment.

This study also combined the earlier studies about consumer preference in countries, the research was conducted in Malaysia by Marimuthu *et al.* The result of this study concluded that the economic motive and religious motive positively have strong relationship, it means that both of them always have significant point to influence as the factor of consumer preference. Saini *et al.* (2011) investigated the level of consumer awareness and use of Islamic banking products in South Africa. A non-probability sampling method was used whereby a questionnaire was administered to 250 respondents and statistically analyzed to determine the factors that are important in the choice between Islamic or conventional banks.

Erol and El-Bdour (1989) through their empirical study find that motive in choosing an Islamic Bank, as a depository institution is not religion, but profit. The existence of Islamic bank's new branch is not such an important consideration for the improvement of service. Besides, peer groups have influence on consumers' decision to choose an Islamic bank and consumers' awareness to obtain profit from profit and loss sharing investment and income re-distribution role of Islamic banking system. Later, in 1990, Erol *et al.* conduct a study on consumers' decision to choose Islamic or conventional banking. This study reports that consumers choose an Islamic bank because of its quick and efficient services, its reputation, and its banking secrecy. Here, the conclusion can be taken is that profit motive (economic factor) exists in choosing Islamic banking.

The result of research conducted by Naser *et al.* (1999) indicates that factors motivating consumers to choose Islamic banking are bank reputation, reason of religion, perception that Islamic banking do not only offering facility which is equal to conventional banking but also apply Islamic principle, and banking ability to

take care of secrecy, as well as profit. At the same time, factors motivating consumers to choose both Islamic and conventional bank is to diversify investment and the limitation of Islamic banking branches and service time. Conclusion can be taken from this research is that consumers choose Islamic banking because of both religious factors and profit (economic factors).

According to Webster, quoted by Sutisna (2001), perception is the process of how the stimulus-stimulus (which affects the responses were selected and interpreted, each person's perception of an object is different because it has a perception of a subjective nature. Stimulus is any form of physical or verbal communication that can affect individual responses. One of important stimulus that can influence consumer behavior are environmental (social and cultural) because the various person's perception of an object, therefore they has perception of subjective nature. Consumer perceptions of the various stimulus it receives is influenced by its characteristics. Kreitner (2005) said that perception is the process of interpretation of a person on the environment.

Declaring reasons of people to choose Islamic Bank as their partner for economic and finance activity refers to the various services and products of Islamic Bank that they choose. According to Kotler (1983), consumer satisfaction is the feeling a person who satisfied or otherwise. After comparing between reality and expectations received from a product or service. Kotler also said that consumer behavior is influenced by cultural, social, and personality, as well as psychological factors. Hence, cultural and social factors can be categorized as external factors, while psychological and personal factor are internal factors So, inside of satisfaction of consumers always contained by several reasons, such as, good services, product quality, friend's suggestion, parent's suggestion, self and motivation (religious and economic motive), and etc. to make people decide their decision to fulfill their needs and those reason are taken from the compilation variables as preference reasons in earlier research. From those factors that explained by Kotler (2000) and Sumarwan (2004), the writer is sure that the main factors which are influence consumer's

decision only 6, they are: age, education level, good service, monthly wage, family's responsibility, and *shariah* factor.

## RESEARCH METHOD

### Data and Source

This research located in Jogjakarta, by random respondent, the technique of selection respondent will be explained below. People who sign in and join in conventional bank will also join in this research as respondent to fulfill the research questionnaire about their saving preferences in conventional bank. The research expands who will involve in this research specifically the people who established informal business such as: retail shop, barbershop, online shop, pavement shop, and etc.

The study decided the target and population are the people who already have account in conventional bank and they have established informal business.

### Sampling Technique

This research using accidental sampling, means deciding the research sample by accidental case, it means to capture data through the respondents who happened to meet accidentally and completed the requirement of research as a source of data (Ardiansyah, 2005). For example, we will interview customers of a bank, then we can define whom we met at the office of the bank and really have a bank account (Sumarni dan Wahyuni, 2006: 78).

For the efficient research, save for money, power, and time, this study decides the sample population by Slovin formula as follow:

$$n = \frac{N}{1 + Ne^2} \quad 1)$$

where:  $n$  = sample size;  $N$  = population size;  $E$  = percent distance in accuracy due to sampling error that can be tolerated or desired.

For the efficiency and easier research, the study decides that the people who have conventional bank account is 200, and its 200 will be divide into 7 conventional banks which are big and credible, located in Jogjakarta, they are,

Bank BCA, Bank Danamon, Bank Niaga, Bank BNI, Bank BRI, Bank BPD, and Bank Bukopin, which the significance level is 0.05, so it formulates in here:

$$n = \frac{200}{1 + 200(0.05)^2} \quad 2)$$

$$n = 133$$

From the Slovin formula the study concludes that the ideal population for 200 random sample populations is 133 persons who take the survey about this research. The 133 persons will be divided into 7 conventional banks, so in every bank the study take 19 samples research. The questionnaires will spread more than 133, approximately 140, to minimize the error and cancel data that will use for this research, the study make anticipation to spread the questionnaires more than 133.

### Operational Definition of Variables

**Independent Variable.** (1) Product ( $X1$ ): Features, Appropriate, Easily, and Perceived Quality. (2) Services ( $X2$ ): Reliability, Responsiveness, Secure Guarantee, and Empathy. (3) Economic Factor ( $X3$ ): Economic advantages, good liquidity (Good Finance Condition), reachable location, and interest rate. (Jumariah, 2006). (4) *Shariah* Factor ( $X4$ ): High ratio of profit sharing, and religious restrictions on bank interest.

**Dependent Variable.** The only one variable here is taking decision ( $Y$ ), it means the behavior of people toward the decision they take to save in conventional bank, however they are Muslims. It refers to their motive or factors that influence them to save money there. Motivation ( $Y$ ): Good quality of products, services & facilities, effect of family, friends & environment, self-loyalty (Sumarwan (2004), Pride and Ferrel (1993).

### Analysis Tool

In the end of collecting data from the respondent, the study should analyze it, as next step. This step is necessary because the purpose of data analysis is to collate and interpret data (quantitative), which has been obtained

(Prasetyo, 2007). The data analysis models in this research are:

**Multiple Regression Analysis.** Regression equation by using two or more independent variables. The general form of the multiple regression equation is as follows (Purbayu, 2005):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e \quad 3)$$

Where:  $a$  = Constanta;  $b$  = Coefficient Regression;  $Y$  = Consumer Motivation to Save;  $X_1$  = Product;  $X_2$  = Services;  $X_3$  = Economic Factor;  $X_4$  = Shariah Factor;  $e$  = Error

## RESULT AND DISCUSSION

There are different among respondent's characteristics, to know the differences, this research will differ according to their characteristics. The characteristics are based on sex, education basic, banking account, and their job.

Before going to main step of the research,

the study wants to test the validity & reliability questionnaire test, to ensure the questions which are throwing to respondents are good. For the validity test, the study wants to differ the  $r$  test &  $r$  table, with degree of freedom ( $df$ ) =  $n-k$ ,  $n$  as the amount of sample and  $k$  as the amount of construct. In this research the study counts the  $df$  is  $30-5 = 25$ , the position of  $df$  in 28, with alpha 0.05, the study gets  $r$  table = 0.396. If  $r$  test (each question declared in corrected item-total correlation columns) more than  $t$  table and value of  $r$  is positive, it can be concluded that the question is valid.

The reliability test result above declared that the value of Cronbach Alpha > 0.60 concluded that those 4 questions are reliable.

The processing data by Multiple Linear Regression with those independent variables, product ( $X_1$ ), services ( $X_2$ ), economics factor ( $X_3$ ), *shariah* factor ( $X_4$ ), and dependent variable is motivation ( $Y$ ). looking at the hypothesis declared before:

(1) Supposed that factors of product, services, economics, and *shariah* significantly affect the

**Table 4. Descriptive statistics**

Sex			
No.	Persons	Amount	Percentage
1	Male	73	56.15
2	Female	57	43.85
	Total	130	100%
Education Basic			
No.	Education Level	Amount	Percentage
1	Senior High School (SMU)	43	33.07
2	D3	15	11.53
3	S1	68	52.33
4	S2	4	3.07
	Total	130	100%
Job			
No.	Kind of Jobs	Amount	Percentage
1	Civil Employee	53	40.76
2	Private Employee	40	30.76
3	Entrepreneur	11	8.46
4	Lecturer	4	3.07
5	Student	22	16.95
	Total	130	100%
Banking Account			
No.	Kind of Accounts	Amount	Percentage
1	Conventional Bank	83	63.85
2	Syariah Bank	47	36.15
	Total	130	100%

**Table 5. Regression result**

Variables	Standard Coefficients (Beta)	t-stat	Sig.
Constant (C)	1.940490	2.589808	0.0107
Product (X1)	0.010849	0.128234	0.8982
Services (X2)	0.202845	2.470028	0.0149
Economic Factor (X3)	0.221528	3.161535	0.0020
Shariah Factor (X4)	0.155958	1.811125	0.0725
R-squared	0.134475		
Adjusted R-squared	0.106778		
F-stat	4.855244		
Prob (F-stat)	0.001131		

motivation of customers in the bank conventional simultaneously.

(2) Supposed that factors of product, services, economics, and *shariah* significantly affect the motivation of customers in the bank conventional partially.

Then, the study tests the hypothesis above by Eviews 3.0, using confidence level 95% or 0.05 significant level ( $\alpha = 0.05$ ). The result after processing data showed in table 5.

*First*, simultaneous hypothesis test, aims to test the effect of simultaneous independent variables toward dependent variable, using *F* Test. Refer to from the table 5, the value of *F*-stat is 4.8552 with probability of *F*-stat is  $0.001131 < 0.05$ , if the probability of *F*-stat smaller than alpha 5%, it means all of variables simultaneously affect the *Y* variable or preference motivation of consumer to choose conventional bank as their banking institution to do financing activity. From the hypothesis test, *H1* says that product, services, economics factor and *shariah* factor simultaneously influence preference motivation of consumer is accepted. In contrary with *H0* says that product, services, economics factor and *shariah* factor simultaneously do not influence preference motivation of consumer is rejected.

*Second*, coefficient determinant means to know the percentage of those variables (product, services, economics factor & *shariah* factor), which are affect preference motivation of consumers. Identified from value of adjusted *R*-squared 0.106 or 10.6%. It means 10.6% independent variables affect dependent variable, another percentage 89.4% affected by another

variables, which are not included in this research.

Third, t-test for those 4 variables, to know the effect each variable toward preference motivation of consumers partially. Partially effect of each variable could find in significance value each variable, when it is less than alpha 5% or 0.05, it means that the variable is affect significantly toward *Y* variable or preference motivation of consumers.

(1) Product with  $p = 0.898 > 0.05$ , looking from hypothesis, *H1* said that product factor influences preference motivation of consumer is rejected. *H0* said that product factor does not influence preference motivation of consumer is accepted. It can be concluded there is no effect from product factor toward preference motivation of consumer.

(2) Services with  $p = 0.014 < 0.05$ , based on hypothesis, *H1* said that services influences preference motivation of consumer is accepted. *H0* said that services not influences preference motivation of consumer is rejected. In conclusion, there is effect from services toward preference motivation of consumer.

(3) Economics factor with  $p = 0.002 < 0.05$ , looking from hypothesis, *H1* said that economics factor influences preference motivation of consumer is accepted. *H0* said that economics factor does not influence preference motivation of consumer is rejected. It can be that there is an effect from economics factor toward preference motivation of consumer.

(4) *Shariah* factor with  $p = 0.072 > 0.05$ , looking from hypothesis, *H1* said that *shariah* factor influences preference motivation of consumer is

rejected.  $H_0$  said that *shariah* factor does not influence preference motivation of consumer is accepted. In conclusion, there is no effect from *shariah* factor toward preference motivation of consumer.

Coefficient determinant means to know the total percentage of those variables (product, services, economics factor & *shariah* factor), which are affect preference motivation of consumers, its 0.106 or 10.6%. From this percentage it can be described that 10.6% independent variables affect dependent variable, another percentage 89.4% affected by another variables, which are nothing in this research.

**(1) Product.** Based from processing data on Eviews, product is one of variable, which is having no effect to dependent variable. The data described on product  $0.8982 > 0.05$  it tells that product have no effect toward. The hypothesis said that the product influence preference motivation of consumer in  $H_1$  is rejected, but in  $H_0$  the product does not influence preference motivation of consumer is accepted. If seeing from beta regression coefficient 0.0010 and then product nothing or never changing the preference motivation of consumer. Based on research journal from Amali *et al.* (2012), consumer preferences in choosing a more conventional banking services is determined by factors that are not related to the product (non-product), such as; procedure faster and easier, the close proximity of the bank, the bank's reputation and the number of offices/branches of a bank, the further explanation explained in the journal.

**(2) Services.** Based on the data, services has  $0.0149 < 0.05$  it has smaller point than alpha. It means that services has effect toward preference motivation of consumer to decide their institution to do banking activity.  $H_1$  said that services influence the preference motivation of consumer is accepted, and  $H_0$ , which is that said services do not influence the preference motivation of consumer is rejected, if there is increasing in services about 0.0149 will also increase the preference motivation of consumers to decide their conventional bank. Referred to research journal from Bank Indonesia collaborated with Banking Research University Andalas. Further analysis showed that a large number of conventional banks respondents

(61%) are still "interested" and "consider" to move to Islamic banks. Conversely, respondents who stated "not interested" to move from conventional banks to Islamic banks provide the main reason caused by; (a) the information provided by them are not clear Islamic banks, (b) does not know about Islamic bank products, (c) lack of Islamic bank office network, and (d) not currently require the services of Islamic banking.

However, respondents did not provide further clarification regarding their choice that "this time they do not require the services of Islamic banking". This study also provides information about the respondent's considerations in choosing the services of conventional banks. The results of respondents' answers given above shows that the most dominant consideration in the selection procedure is a service of conventional banks (quick and easy), deal with banks, and reachable location (home and/or workplace) of respondents with bank offices. Consideration of the above factors is preferable compared to the bank's reputation and image, the number of bank offices/branches available to serve their needs, which is placed as collateral for the money, the requirements demanded by banks as well as the availability banking technology.

Consumer preferences in choosing a more conventional banking services is determined by factors that are not related to the product (non-product), such as; faster and easier procedure, the close proximity of the bank, the bank's reputation and the number of offices/branches of a bank.

**(3) Economics Factor.** Based from the data economics factor has  $0.0020 < 0.05$  means, it variable has effect toward preference motivation of consumer. As hypothesis said that  $H_1$  economics factor that influence preference motivation of consumer is accepted, and  $H_0$  economics factor that does not influence preference motivation of consumer is rejected. Partially, economics factor is influencing the preference motivation of consumer to decide their decision to do active in banking institution. Amali *et al.* also concluded that the results, it provides information about the respondents considerations in choosing the services of Islamic banks, the most dominant considera-

tion, namely are the belief that the interest factor banks against the religion, followed by hospitality workers as well as dealing with the perception that Islamic banks service more quickly and easily. All three of the above considerations consumers demand more than the consideration of the factors the bank's reputation and image, more clear requirements than conventional banks, as well as the proximity of the location (home and/or ) of respondents with bank offices.

Studies conducted showed that although there is a perception that bank interest contrary to the beliefs/religion, but it is not the main reason for respondents in choosing the type of bank. Banking customers and prospects have relatively rational arguments, including economic motives in determining his choice.

**(4) Shariah Factor.** The data said that *shariah* factor has  $0.0725 > 0.05$  means, that variable is influencing preference motivation of consumer. As hypothesis said that H1 *shariah* factor influence preference motivation of consumer is rejected, and H0 *shariah* factor does not influence preference motivation of consumer is accepted. *Partially*, *shariah* factor is not influencing preference motivation of consumer to choose their banking institution for economic activities. Referred to research journal from Bank Indonesia collaborated with Banking Research University Andalas. From 124 respondents conventional bank customers, as much as 51.4% stated that the concept of interest contrary to religious teachings. However, they still choose to stay in touch with the various products offered by conventional banks. Only 29.8% of respondents who stated unequivocally that the concept of interest does not conflict with religious teachings, so it can legitimize for them to keep in touch with various conventional bank products. While the rest (18.5%) found they do not know; is contrary to the interest of religion. It means, *shariah* factor didn't give significant effect to the preference motivation people to save or doing banking activities in conventional bank, Muslims who involved in it, still aware to the prohibition of *riba*, so then they choose another alternatives to save or doing banking activities in *shariah* bank. It's contrary with Kuncoro (2000:85-96) which

stated that Moslem's consumption and saving behavior consider the benefits of hereafter.

## CONCLUSION

After all, the study wants to take the conclusion from analysis before. Analysis about the factors which are influence preference motivation of consumer to decide banking institution for financing activities, the conclusions are: **(1)** simultaneously, there are various result about 4 factors are used. The study signs, if probability of F-stat is smaller than alpha, identified that all of variables are influencing the Y variable or preference motivation of consumer. The data said that probability of F-stat is  $0.001131 > 0.05$  alpha used in this research; it means all of variables have effect to Y variable. As hypothesis said in H1 about product, services, economics factor, and *shariah* factor influence the preference motivation of consumer is accepted, and H0 said that product, services, economics factor, and *shariah* factor not influence the preference motivation of consumer is rejected. But the problem in R-squared said only 10.6% about 4 factors influence preference motivation of consumer, it means, another variables which are not used for research has effect toward Y variable about 89.4%; **(2)** Partially, based on the analysis above, only 2 factors are has effect toward Y variable, they are services & economics factor, another variables such as, product & *shariah* factor are not influence Y variable. It can be seen from the *p* should smaller than alpha 0,05. It is identified that 2 factors are not influence Y variable, product with *p* 0.8982 and *shariah* factor with *p* 0.0725, it more than alpha 0.05. And then, another variable, services with *p* 0.0149 and economics factor with *p* 0.0020 are smaller than alpha 0.05; it has effect toward Y variable; **(3)** Technically, Muslims are aware toward Islamic rules, from 130 respondents, 79 has syariah bank account as secondary's account after main account in conventional bank, and another only have one account in conventional bank. But in practice, Muslims have difficulty to leave their conventional bank's account for its benefits, loyalty, good function, and services. Mostly, they know the definition of forbidden's *riba*,

when *riba* grows clearly it makes people become lazy to do some financing activities, they only keep their money in a bank, and wait it till grown up, the rich will be richest, and the poor will be poorest, its essential mean from forbidden *riba*.

Based from conclusion above, the study suggests some suggestions for the better development of Muslims and banking institution in Indonesia. The suggestions are: 1) Economic factor is one of the variable, which is influence Y variable, this variable gives strong signal that with the logic assumption, people will save more if they have additional money, the additional money is one of the aspect that the people said that they contribute development to the increasing of economic activities. The suggestions are: **a)** Consistency, to make the people stay, the bank should keep the consistency in giving economics advantages for consumer; **b)** Guarantee, the bank should keep the trust to the consumers, as a secure saving and guarantee that their money in bank is save.

Second factor that influence Y variable is services, the chance for *shariah* bank to innovate their services on banking in order to attract Muslims consumer, and leave their conventional bank's account.

## REFERENCES

- Amali H., et al. (2012). Identifikasi faktor penentu keputusan konsumen dalam memilih jasa perbankan: bank syariah vs bank konvensional. *Jurnal Penelitian*. Kerjasama Bank Indonesia dan Center for Banking Research Universitas Andalas.
- Ardiansyah. (2007). *Minat Masyarakat Dalam Memilih Bank Syariah*. [http://www.pkm.dikti.net/pkmi\\_award\\_2006/pdf/pkmi06\\_114.pdf](http://www.pkm.dikti.net/pkmi_award_2006/pdf/pkmi06_114.pdf), Diakses tanggal 27/02/2014.
- Dusuki, A. (2001). *Challenges of realizing Maqasid al Shariah in Islamic Capital Market: Special Focus on Equity-Based Sukuk*.
- Erol, C., and El-Bdour, R. (1989). Attitudes, behaviour and patronage factors of bank customers towards Islamic Banks. *International Journal Banking and Marketing*, Vol. 7 No.6: 31-37.
- Iqbal, H. (2006). *Analisis Data Penelitian dengan Statistik*, Cetakan Kedua. Jakarta: PT Bumi Aksara.
- Kamili, M.H. (2009). *Maqasid Al-Shariah Made Simple*. IIT.
- Karim, A.A. (2001). *Islamic perspective on economic rationality assumptions*. Paper to be presented in Forum Diskusi Asumsi Rasionalitas dalam Ilmu Ekonomi Sebuah Tinjauan Teori Ekonomi Neoklasik dan Ekonomi Islam, Yogyakarta.
- Khoirunissa, D. (2003). Consumers' preference toward Islamic banking (Case Study Bank Muammalat Indonesia and Bank BNI Syariah). *IQTISAD Journal of Islamic Economics* ISSN 1411 - 013X, Vol. 4, No. 2.
- Kotler, P. (1983). *Dasar-dasar pemasaran*, 1st Printing. Jakarta: CV Intermedia.
- Kreitner, R. dan Kinicki, A. (2005). *Perilaku organisasi (organizational behavior)*. Jakarta: Salemba Empat.
- Kuncoro, M. (2000). Membangun Paradigma Ekonomi Islam. *Jurnal Ekonomi & Studi Pembangunan*, Vol 1 No.2 Oktober 2000: 85-96.
- Mankiw, N. Gregory. (1997). *Macroeconomics*. Fourth edition. New York: Worth Publishers.
- Minsky, H.P. (1982). *Inflation, recession and economic policy*. London: Wheat sheaf Books.
- Naser, Kamal, Jamal, Ahmad, and Khalid Al-Khatib, (1999). Islamic banking: A Study of customer satisfaction and preferences in Jordan. *The International Journal of Banking Marketing for the Financial Services Sector*, Vol.17 No.3: 135-150.
- Prasetyo, B dan Jannah, L.M. (2007). *Metode penelitian kuantitatif teori dan aplikatif*. Jakarta: Rajawali Pers.
- Pride, W.M. and O.C. Ferrell. (1995). *Marketing: concepts and strategies*. 9th edition. Boston.
- Purbayu, B.S. dan Ashuri. (2005). *Analisis statistik dengan Microsoft Excel & SPSS*. Yogyakarta: Penerbit Andi.
- Saini, Y., Bick, G. and Abdulla, L. (2011). *Consumer awareness and usage of Islamic banking products in South Africa*. Wits Business School. University of the Witwatersrand.

- Salusu, J. (1996). *Pengambilan keputusan strategik: untuk organisasi publik dan organisasi nonprofit*. Jakarta: Grasindo.
- Sumarni, M. and Wahyuni S. (2006). *Metodologi penelitian bisnis*. Yogyakarta: Penerbit Andi.
- Sumarwan, U. (2004). *Perilaku konsumen: teori dan penerapan dalam pemasaran*. Bogor: Ghalia Indonesia.
- Sutisna. (2001). *Perilaku konsumen dan komunikasi pemasaran*. Bandung: PT Remaja Rosdakarya.
- Thajudeen, K.S. (2012). *Maqasid Al-Shariah is one of the very important Shariah aspects in Islamic Finance*. INCEIF The Global University in Islamic finance, KL.
- Young, P.V. (1975). *Scientific social survey and research*. Englewood: Prentice-Hall.