

DETERMINANTS OF CUSTOMER DECISIONS TO SAVE AT ISLAMIC BANKS

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ABSTRAK

The purpose of this study is to analyze the factors that determine the level of trust and public interest in saving savings in Islamic banks. This study uses a qualitative method through a multi-dimensional approach and the type of data used in this study is secondary data obtained through literature reviews of previous scientific studies, bank reports, independent agency reports, and online media. Researchers found that the level of inclusion and literacy of Islamic financial institutions affects consumer decisions to save their money in Islamic banks. Building customer loyalty and emotional bonds is needed in order to raise the image and make free marketing with testimonials for their satisfaction as customers.

Keywords : *trust; savings; sharia; bank; emotional, literacy; inclusion*

INTRODUCTION

Today the banking industry is very important in encouraging the economic development of a large country. Almost all sectors related to financial activities always require banking services. From the daily life of these people, it can be seen that financial institutions are always involved, including: saving, transferring funds, payment transactions, and so on.

In the era of free trade, every company faces very tough competition. To face the intense competition in the banking industry, there must be an appropriate strategy to increase the number of customers who are interested and decide to save at a bank. Business competition between banks is getting sharper and more mature. This has encouraged the emergence of various types of products and business systems in various competitive advantages. In a situation like this Bank General (conventional) will face new competition with the presence of financial institutions or non-conventional banks.

Phenomenon this is marked by the growth of financial institutions with sharia. A very interesting thing that distinguishes between management of Islamic banks with commercial banks lies in providing remuneration, both received by banks and investors. The development of the world of Islamic banking cannot be separated from the role of customers who trust the banking sector to storage of financial assets. Functions of banking in general in terms of raising funds from the

community then it will be distributed to parties who are in deficit and need funds so that in this function, funds saved by the community will be more productive and useful.

According to the Banking Law no. 10 of 1998 concerning banking, banks are businesses that collect funds from the public in the form of savings and channel them back to the community in the form of credit or other forms in order to improve people's living standards. Commercial bank is a bank that carries out activities conventionally and or based on sharia principles, which in its activities provides payment traffic services.

Islamic Financial Institutions (sharia financial institutions) are a group of businesses or institutions whose assets are basically in the form of financial assets based on the concept of sharia. According to Law no. 21 of 2008 concerning banking law sharia law in Indonesia that Islamic financial institutions are entities or institutions whose activities are to collect funds from the public and channeling it to the community is also based on sharia principles and I regulates the type of business, sharia implementation provisions, business feasibility.

Islamic banks are one of the financial institutions that have function is to collect public funds and then distribute them to community and provide banking services. All Islamic banks its activities are based on sharia law and do not charge interest but the profit sharing between the two parties concerned, The profits obtained by Islamic banks are those paid for customer in accordance with the contract and agreement between the customer and the Islamic bank.

Islamic banks have three general activities that function to:facilitate the public in financing in Islamic banks, namely collect funds from the community, channel funds to the community and provide services in the form of sharia banking services. Activities generally, Islamic banks are used as guidelines in carrying out activities applicable in marketing and financing between customers and banks sharia. The development of Islamic banks increases every year proves that Islamic banks can compete with other banks.

Islam as a religion of Rahmatan lil 'Alamin is a perfect religion. Both worship and muammalah have the best rules and procedures for humans. In muamalah, trust in fellow human beings is an important factor in conducting transactions. Allah SWT has explained about belief in Surah An-Nisa:58;

﴿إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُمْ بَيْنَ النَّاسِ أَنْ تَحْكُمُوا بِالْعَدْلِ إِنَّ اللَّهَ نِعِمَّا يَعِظُكُمْ بِهِ﴾ إِنَّ اللَّهَ كَانَ سَمِيعًا بَصِيرًا

“Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and Seeing.”(QS. An-Nisa: 58)

Islamic Banks as Islamic Financial Institutions have an important role in supporting the Indonesian economy. The majority of the Muslim population in Indonesia is the main capital in attracting customers. The Financial Services Authority (OJK) predicts that one day the bank's performance will be will be surpassed by Islamic banks. Average growth of the number of accounts and savings during 2018 reflect the progress and achievements of the bank impressive sharia. Therefore, Islamic banks are expected to be able to create national financial significance for the Islamic banking industry.

People trust and become customers of Islamic banks because increasing number of customers resulting from customer decisions choose an Islamic bank and show the development prospects of the bank sharia is acceptable to society. Prospective customers are not arbitrary in choosing a bank, requires a unanimous decision to choose and decide as a customer of an Islamic bank.

The main problems faced by these Islamic financial institutions are, how the company attracts customers so they can make decisions save in the bank and to make the bank survive and developed due to the level of competition of Islamic financial institutions in the era of now it's getting tougher. Because of this competition, an institution finance must make a strategy in marketing its products so that not lag behind its competitors. In terms of product marketing, Information is very important in marketing so that every party who interested parties understand the benefits and advantages of the product offered.

The decision is as the behavior or action of two or more alternatives in other words one has to decide between two or more options, for example if someone is faced with two choices between becoming a customer or not and he chose to be a customer of that position he had already done something decisions. There are several factors that influence customer decisions in choosing a sharia bank, namely education, product, location, service, and promotion.

Good service will give good feedback too. Of course, services without promotion assistance will decrease significantly collect and distribute funds from prospective customers. Introducing a Islamic bank products to be known by the public and provide price clarity, product advantages, how to use the product through means of promotion. Promotion is an activity to convey information to the public either directly or indirectly without promotion will affect product sales because people do not know and know the bank let alone its products. As for

some forms of promotion, namely newspapers, tv, and easy advertisements community met.

Not just a promotion, but the promotion must be interesting people's attention to find out more and be interested in the product Islamic Bank. Promotion can not be separated in the management of Islamic banks, because in promotion is a place to convey messages to customers society that influences customer decisions in choosing a bank sharia.

Previous research on advertising has been carried out by Maisya, Fitri (2014) This study aims to see the effect of advertising, sales promotion and public relations to storage decisions at PT. Bank Negara Indonesia, Tbk Branch Bukittinggi. The data in this study were collected from 119 people respondents with survey methods and usage analysis logistic regression. The results show that advertising and the relationship society has a significant influence on decisions savings in PT. Bank Negara Indonesia, Tbk, Bukittinggi Branch. Advertising and public relations are very important factors in influencing consumer storage decisions.

Good Research, Aditya (2014) Indonesia is a country with the majority of the population is Muslim. Conditions in our society shows a changing trend, where previously the banking system conventional tend to be preferred, and switch to using the system sharia-based banking. People tend to use brand image as a direction for evaluating a product. On the other hand, the bank will implement marketing strategies that aim to influence public, one through sales promotion. This research aims to discuss and analyze the influence of brand image and sales promotion to consumers in choosing Islamic Bank savings decisions Independent. Based on the test results, it is known that the brand image and sales promotion has a significant influence on decisions purchase.

Pratama Research, Candra (2017) the purpose of this research is to test the Effect of Bank Image and Trust on Savings Decision with Word of Mouth as Mediation Variable Bank Mandiri customers in Surabaya. The results of this study shows that the image of the bank has a significant positive effect on the Word of Mouth from the savings decisions of Bank Mandiri customers in Surabaya.

Based on research conducted by Hidayat (2022) that only partially religiosity, service quality, trust, reputation, and power of mouth have no effect on interest in saving at BCA Syariah. Simultaneously, religiosity, service quality, trust, reputation, and power of mouth together have a significant effect on interest in saving at BCA Syariah together. The results of this study provide implications for management practitioners and academics, namely the need to develop innovations to make interest higher.

Research conducted by Septi(2022) concluded that concludes that partially the motivation to avoid usury affects the saving decision. Knowledge of wadiah contracts affects the saving decision and partially knowledge about Islamic banking affects the decision to save at Bank Syariah Indonesia (BSI) East Jakarta area. Simultaneously the avoidance of usury, wadiah contracts and knowledge affect the decision to save at Bank Syariah Indonesia (BSI).

Customer acknowledgment of the benefits of saving at a financial institution or banking affects the customer's high level of financial literacy. It studied by Fry, Mihajilo, Russell, & Brooks (2008), Beckmann (2013), Ianole (2014), and Gaisina & Kaidarova (2017), but Reswari, Sudarto, & Widiastuti (2018) found different results, that financial literacy did not affect financial behavior. Financial behavior is relevant to customer money management, including their saving behavior (Xiao, 2008).

Based on the research review above, it was found inconsistencies in the results of the variables that influence customer decisions storage in an Islamic financial institution so that it is necessary further research on variables that influence decisions savings customers. Based on the phenomenon of the background of the problem above, the researchers are interested in raising the title about "Determinants of Customer Decisions to Save at Islamic Banks".

THEORITICAL AND HYPOTHESIS

As we know, consumer trust is consumer knowledge about objects, their attributes, and benefits. From this concept, consumer knowledge is closely related to the discussion of attitudes because consumer knowledge is consumer trust. Consumer trust or consumer knowledge concerns the belief that a product has various attributes, and the benefits of these various attributes. (Sumarwan, 2011)

Beliefs are descriptive thoughts held by someone about something. Trust arises from repeated perceptions, and there is learning and experience. Trust is a key variable in developing a strong desire to maintain a long-term relationship. To be able to maintain customer loyalty, companies do not only rely on the satisfaction felt by customers, but more than that, trust is a key intermediary in building successful exchange relationships to build high customer loyalty. According to Erin Puri Apriliani (2013), trust can influence purchasing decisions, meaning that the higher the consumer's trust, the higher their purchasing decisions.

Trust is built between parties who do not know each other both in the interaction and in the transaction process. Trust is a foundation of business. A business transaction between two or more parties will occur if each trusts each

other. This trust cannot simply be recognized by other parties, but must be built from the start of the business and can be proven.

Attitudes (attitudes) consumers are important factors that will influence consumer decisions. The concept of attitude is closely related to the concept of trust (trust) and behavior (behavior). Mowen and Minor stated that the term consumer attitude formation often describes the relationship between beliefs, attitudes and behavior. (Sumarwan, 2002).

Beliefs, attitudes and behavior have a reciprocal relationship that influences each other in decision making. All three influence each other, where trust will affect a person's attitude. A person's attitude will shape a person's behavior. According to Sumarwan, "trust is the strength that a product has certain attributes". Mowen and Minor define, "consumer trust as all knowledge possessed by consumers, and all conclusions made by consumers about objects, attributes and benefits". (Sangadji & Sopiya, 2013).

Community trust is formed by the community itself through some of the knowledge they have. Knowledge related to image, reputation and service quality has the power to build trust. In the world of business and marketing, trust from consumers gets serious attention from business people. They try to do various strategies so that consumers come and make transactions. Trust is also not something that comes suddenly and disappears by itself. However, trust is one of the knots of several ropes that are related to each other (Fauzia, 2013).

Interest is a mental device consisting of a mixture of feelings, hopes, convictions, prejudices, fears or other tendencies that lead individuals to a certain choice (Mappiare, 1982).

Interest is closely related to a person's motivation, something that is learned and can also change depending on needs, experience and also fashion that is trending and innate from birth. Factors that influence the emergence of a person's interest depend on physical, social, emotional and experience needs. Interest can influence someone to make a decision.

Decisions are the result of solving problems faced firmly. A decision is a definite answer to a question. Decisions must be able to answer questions about what is being discussed in relation to planning. In addition, decisions can also be in the form of actions against implementation that deviate greatly from the original plan.

Saving is one option in financial planning to face future needs. By setting aside enough money and saving money, we can use the money we set aside for more urgent needs. Saving in the bank is a common choice made by most people.

RESEARCH METHODS

In this study the authors used a qualitative research approach. Bogdan and Taylor (1975) in Ahmadi (2016: 15) explain that qualitative methods are research procedures that produce descriptive data. This research is a type of

qualitative research, through a multidimensional approach using analytical descriptive data analysis methods. The type of data that is packaged in this research is secondary data, which is obtained from reviews of previous scientific research literature, reports from banks and government agencies, and online news media.

RESULTS AND DISCUSSION

I. Sharia Financial Literacy and Inclusion Index

Based on the 2019 Financial Literacy and Inclusion National Survey of the Financial Services Authority (OJK), the Islamic financial literacy index in Indonesia has increased. Based on the data, the Islamic financial literacy index in 2019 was recorded at 38.03% or an increase of 8.33% from 2016, while the national inclusion index in 2019 was recorded at 76.19%, or an increase of 8.39%. This is also in line with the increase in Financial Literacy in the Banking Financial Services sector to 36.12% after previously 28.9% in 2016. In Financial Inclusion, the banking financial services sector was recorded at 73.88% after previously in 2016 which was 63.6%.

Looking at the Islamic financial literacy and inclusion index which is still low and there is an increase from year to year, it shows a positive response to the level of public trust in Islamic banking in Indonesia.

Table I.I : Total savings in Islamic banks

* dalam Jutaan

NO	Nama Bank	Jenis Tabungan	2021	2020	2019
1	Bank Syariah Indonesia	Tabungan Mudharabah	65,102,491	59,008,934	48,064,346
		Tabungan Wadiah	34,836,276	29,580,970	21,135,628
2	Bank Muamalat	Tabungan	16,033,000	14,543,000	14,781,000

Source: annual report 2021

Referring to the 2021 Annual Report of Bank Syariah Indonesia and Bank Muamalat, it can be seen that there is an increasing public interest in saving in Islamic banks. The number that continues to increase shows the increasing public trust in Islamic banks in line with the incessant strategy of increasing the inclusion index and literacy of Islamic financial institutions, especially banking.

2. Customer Loyalty and Emotional Bond

According to survey conducted by Market Research Indonesia (MRI) at the end of 2021 and announced at the "5th Infobank Satisfaction, Loyalty & Engagement (SLE) Award 2022" event, Bank Muamalat customers are still considered to be the most loyal and engaged in the Islamic banking industry. Bank Muamalat occupies the first position in three categories of the four main categories assessed, namely Loyalty Index, Engagement Index, and Marketing

Engagement. This shows how important customer loyalty and emotional bonding is in marketing and influencing people they know to become customers. (mediaindonesia.com, 2022).

Building loyalty and bonds Emotional emotions can start with small steps such as asking how you are doing when making transactions, sending birthday wishes automatically to customers and so on.

3. Digital Technology Update

PT Bank Syariah Indonesia Tbk. (BSI) through the BSI Mobile Application product was named the best mobile banking for the category of Islamic commercial banks awarded by the 2022 Infobank Digital Brand Awards. This is an appreciation for BSI's hard work in developing the digital based Islamic banking industry in Indonesia. (bankbsi.co.id, 2022).

This BSI Mobile application can accommodate customer needs in transactions real time anytime and anywhere. This application does not only contain information and customer savings transactions, but also features zakat, gold savings, voucher needs, tokens and so on.

CONCLUSION

The level of inclusion and literacy of Islamic financial institutions affects consumer's decision to save their money in Islamic banks. Building customer loyalty and emotional bonds is needed in order to raise the image and make free marketing with testimonials for their satisfaction as customers. The selection of appropriate digital technology and according to customer needs is an important point in attracting and retaining customers.

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