

Effect of Sharia Product Attributes and

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Effect of Sharia Product Attributes and Insaniyyah Promotion that is Conducted By Sharia Bank Toward Non-Muslims' Decision to Become a Customer

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Abstract

A quantitative result tries to find out the effect of sharia product attributes that are offered and insaniyyah promotion that is conducted by Sharia Bank toward non-Muslims' decision to become a customer in Bank Kaltim Sharia East Borneo, Indonesia used sample. Sampling was done using purposive sampling technique. The total data can be further analyzed as much as 142 respondents. Data were analyzed using multiple linear regression and *t*-test. The result shows that sharia product attribute has 0.196 on the level of no significance. From the analysis result, it can be concluded that sharia product attribute does not give effect toward non-Muslims' decision to become a customer; therefore, the first hypothesis is declined. While insaniyyah promotion gives effect significantly toward non-Muslims' decision to become a customer; therefore the second hypothesis is accepted.

Keywords: sharia product attribute, insaniyyah promotion, non-Muslims' decision

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1. Introduction

There are major differences in product attributes offered by conventional banking with sharia banking. The statement is supported by Rivai and Arifin (2010) which states that the attributes of Islamic products have a product feature that rejects the existence of usury known as the method of interest in conventional banking. This is explicitly stated in the Qur'an in Surat Al-Baqarah verses 278-279. The attributes of Islamic products are unique attributes based on Qur'an and Sunnah attached to the products of sharia banks according to Iqbal and Mirakhor (2011). In addition, according to Usman (2012) the advantages of product features obtained at Sharia Bank are banking products and services with a more varied financial scheme to make Sharia Bank as a credible banking system and can be enjoyed by all groups of Indonesia without exception.

Including non-Muslims communities. the support of the government and the advantages of the Islamic banking system, these two things increase the public interest to become customers in Islamic banks, especially Muslims. Then Dusuki and Abdullah (2007) concluded that religion was not the only determining factor when choosing a bank and suggested that targeting prospects on the basis of religion will no longer be viable. Profit sharing system and government support on Islamic banking can increase Muslim consumers, even non-Muslim consumers. Similarly, non-Muslims communities also glance at the features of products offered by Islamic banks. It is not possible for non-Muslims communities to switch to sharia bank.

Another factor that affects customers in raising awareness or interest in choosing a sharia bank is the promotion done by the bank itself. In the promotion of Islamic banks must also be based on Islamic religious rules. Abuznaid (2012) describes a shariah marketer to be 4 characteristics rabaniyyah (deity), akhlaqiyyah (ethics), al-waqi'yyah (reality), insaniyyah (humanist). Insaniyyah promotion is honest in promoting his products, being polite not discriminating customers according to race, color and nationality and also the promotions made must be understandable and not just refer to a kum, so it can be said promotion is universal.

The fundamental differences between Islamic and conventional banking are prohibition of bank interests and investment is only for legitimate businesses according to Islamic (for example by not financing manufacturers producing liquor). Profit-sharing system as the basic operational principle is not accommodated by conventional banking system which recognizes profit system in their operational activities. One of the key successes in marketing Islamic banking products is by setting up competitive transaction fees based on the principles of Islamic Sharia Kamarulzaman and Madun (2013).

The problems are paradigm of religious fanaticism in society is still strong, so the perception of the sharia market itself is only understood as Muslim market is a 'closed' market for non-Muslims. So many non-Muslims societies are basically interested in the features of the products offered by Islamic banks, but are hindered by the suspicion of racial, religious, national and status constraints. In the case of a profit sharing system that is one an important element of sharia market has long been applied to European countries

2. Literature Review

2.1. Literature review

Islamic purchase decisions are influenced by external, internal, marketing factors Mut-sikiwa and Marumbwa (2013). Then, the consumer decision process is a combination process of the interaction of relevant external, and internal elements in the decision process, Lin and Chen (2006). The Customer decision process Familmaleki et al. (2015) as the customer process of buying intention, stage of purchase, payment until receipt of the product.

The attribute Islamic banking products is the development of Islamic banking products and services that involve determining the benefits provided to the community based on the principle of Islam Amin et al. (2013), the attribute of in line with Sharia and profit-sharing system are known as trust concept, a moral obligation which is the prime pillar in Islamic banking operation. The attributes of Islamic products are unique attributes based on Qur'an and Sunnah attached to the products of sharia banks according to Iqbal and Mirakhor (2011). People may view that the attributes of the Islamic banking products are very important before they decide to buy. The attributes of Islamic banking products are the development of Islamic banking products and services involving the determination of benefits given by the community.

Promotion is the strength of product as a promotional tool can be extended when one considers the actors involved with the integrated marketing communications Bolan and Williams (2008). Ahmad et al. (2006) concluded in his research, the factors under consideration which influence the customer decision for choosing Islamic banks like mass media services, external influence, convenience and Islamism of products. In promotional activity, consumers in determining the selection of products or brands of Islamic products one of which will be influenced clear strategies targeting the largest segment of the customers or who are interested in dealing with Islamic banks Al-Sharif et al. (2017)

2.2. Hypothesis formulation

2.2.1. Sharia product attributes and non-Muslim's customer decision

Therefore, religious motive such as the principles of Islam and this profit-sharing system could be the main attributes people will consider in choosing Islamic Bank. Islamic banking attributes will be followed by the increasing opportunity of correspondence

between attribute performance and the community's expectation Setiawan and Panduwangi (2017).

Characterizes the typical Islamic marketing approach by offering legitimate products and services permitted in accordance with the Sharia a set of universal principles applied to all human beings, not just to Muslims. This is an opportunity for a business to distance itself from the conventional paradigm that eliminates religious views on specific marketing decisions, as one of the most important aspect in offering attribute of a product Abdullah et al. (2015)

H1: Sharia product attribute has a positive effect on non-Muslims' customer decision

2.2.2. Insaniyyah promotion and non-Muslim's customer decision

Due to promotions made by tellers, customer service or workers Sharia Bank highly uphold honesty at the beginning of the product offering and very detailed. Non-Muslim customers also stated that they were initially reluctant to save in Sharia Bank but after they came to Sharia Bank because the workers did not look at them in one eye and still serve them kindly and well. So that non-Muslim customers do not hesitate to recommend it to their relatives both Muslims and non-Muslims. The respondents said the promotion was conducted in various public places and not just on one people only. Sharia Bank conducts promotions such as in stadiums, in some supermarkets, and in some universities or public schools. This makes the respondents also more daring to ask themselves as a customer.

Advertising plays a significant role in selecting banks as well as give awareness and knowledge about Islamic products and services. Media create attachment of consumer by using famous celebrate which inspire consumer to be a part of Islamic banks and ultimately show a positive relationship with profit Awan and Azhar (2014). Hafied (2015) mass media publications and staff visit declares intensive promotion conducted by Islamic banks either through electronic media advertising, print media, and other promotions so that customers are very considerate in promoting the selection of Islamic banks. Sharia Bank many promotions through television, radio, newspapers, and magazines is an effective medium used to inform the products of Islamic banks to the public. Other communication approach taken by Sharia Kaltim Bank Branch Samarinda also through the path of radio, seminars in universities, the channels of social organizations, student organizations or the introduction through schools. So that the market segment of Islamic banks that are universal, not just for Muslims only.

H2: Insaniyyah promotion has a positive effect non-Muslim's customer decision

3. Methods

3.1. Sample and data collection

The role of sharia product attributes and insaniyyah promotion done in sharia bank product in Samarinda Indonesia. The research began July–August 2017, Their sampling technique is done by using purposive sampling, the respondents who are found in the place and the category non-Muslim' categories. The total questionnaire distributed is 150 questionnaires which could be used for data analysis. Data is done by providing direct questionnaire developed the 142 respondents non-Muslims'. The data were analyzed by using SPSS. Validation of the data collected is done with the data of 142 questioner collected and data that can be used for further testing. Thus, the analysis of hypothesis testing can be done. The results of hypotheses testing based on hypothesis that have been formulated can be seen in the following figure.

4. Result and Discussion

4.1. Respondent description

The number of respondents is 142 consisting of 57 (42.2%) male and 85(59.8%) female. Respondent age is: 48 respondents or 33.8% is 17–29 years old; 63 respondents or 44.4% is 30–40 years old; 31 respondents or 21.8% is > 40 years old. The majority respondents (3 or 2.1%) have junior high school; (64 or 45.1%) have senior high school and (75 or 52.8%) bachelor education.

4.2. Validation testing

There are 142 questionnaires collected is done with validation testing. The results of hypothesis testing based on hypothesis that have been formulated can be seen in the following figure. Reliability testing in this research uses Cronbach alpha. All variables in the research have been reliable since the value Cronbach alpha is above 0.06. Validity testing uses corrected item-total correlation. All dimensions in this research have been valid.

TABLE 1: The result of reliability and validity testing.

Variable & Dimension	Cronbach Alpha	Corrected Item-Total Correlation
Sharia Product Attributes:	0.947	
Amin et al. (2013); Iqbal & Mirakhor (2011):		
Islamic principle/no riba		0.793
Profit sharing system		0.777
No image gharar		0.795
Insaniyyah Promotion:	0.974	
Abuznaid (2012)		
Humanis insaniyyah		0.822
Honestly insaniyyah		0.83
Universal insaniyyah		0.834
Non-Muslims Customer Decision:	0.987	
Kotler & Armstrong (2012)		
Stability product choice		0.833
More advantages than others banks		0.799
Fit for their need and want		0.722
Recommend for another customers		0.7

4.3. Hypothesis testing

Hypothesis testing is used to test the hypotheses proposed in this study. From 2 hypothesis of this research, this one is rejected (hypothesis 1). The following is the explanation for hypothesis testing

TABLE 2: Hypothesis testing result.

Hypothesis β t-test Result
H1: Sharia Attribute Product 0.196 0.733 Hypothesis is rejected
H2: Insaniyyah Promotion 1.072 4.045 Hypothesis is accepted
Note: * $\alpha < 0.05$.

4.4. Discussion

This study found an interesting discovery is also supported by an open statement from the respondents. From the open statement, some respondents still do not know about the profit-sharing system and still consider the small margin is not very profitable if only intended to save funds in Bank Kaltim Sharia. Islamic terms contained in Bank

Kaltim Sharia. Bank products were also recognized by respondents that they have not fully understood them. Similarly, the competitors of Sharia Bank is Conventional Bank where the customers still feel not too significantly different with the Conventional Bank so that the profit gained by customers is not so perceived by the customers. The result of this study Bodibe et al. (2016), knowledge product attributes not have significant for a purchasing decision Islamic banking, Shamseer (2012) knowledge and value product attributes did not have significant that affects purchase decision. Attributes product religiosity has an insignificant and an indirect effect on purchase of Islamic bank services Souiden and Rani (2015)

Therefore, this study can support the theory that has been triggered by Abuznaid (2012) which states that the promotion of insaniyyah created for people to run sharia orders that are honest and regardless of race, color, nationality and status so sharia marketing is universal, these things can attract customers and make non-Muslim customers interested to become customers in Bank Kaltim Sharia.

4.5. Conclusion

In this research, there are two objectives that need to addressed. Sharia product attributes will be able insignificant improve the non-Muslims' customer decision. The other result insaniyyah promotion will be significant to improve the non-Muslims' customer decision.

Product attributes have no effect in improving non-Muslim consumer decisions because many potential customers do not understand the knowledge of Islamic principles used in sharia banks, about profit sharing system and gharar image. One of the keys to success in marketing Islamic banking products is to set competitive transaction costs based on Islamic Sharia principles The second key is to promote the humanist, universal humanist campaign without discriminating racial, religious, national and status constraints and honesty according to the principle of Islam

4.6. Research limitations

The limitations of statistical test result in this study show that sharia product attributes not influence non-Muslims customer decision and insaniyyah promotion influence non-Muslims customer decision to use analysis regression. For the future research it is recommended to use the analysis of Structural Equation Modelling (SEM) so that be

more comprehensive. For *Adjusted R Square* is 0.362, so 63.8% the explaining by the other variables

4.7. Future research agenda

Future research agenda, it is suggested that research object is not only the customer non-Muslims but also the customer of Muslims and conventional bank in wider area for instance East Borneo. It is also recommended to add other variables such as Islamic brand awareness, Islamic product knowledge, community influence, social norm, religious obligation

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