

# The Influence Of Religious Values, Social Factor And Service Quality In Individual Customer Decision Using Murabahah Financial On Islamic Bank, Indonesia

Kapriani, Muh. Yunus Zain, Osman Lewangka, Sanusi Fattah

**Abstract:** The purpose of research is analyze influence of religious values, social factor and service quality in psychology, trust and customer individual decision using Murabahah Financial on Islamic Bank in Indonesia. The research was used survey methods with the number of sample 180 person. Analysis data were used Structural Equation Model (SEM). The result was showed that religious values has significant influence to psychology factor and trust, but the religious value indirect influence to customer decision. The religious values has indirect influence through psychology factor and trust. Social factor has significant influence to psychology factor, trust and customer decision. Then service quality has significant influence to psychology factor, trust and customer decision. Psychology factor has a significant influence to trust but indirect influence to customer decision. Trust has a Significant influence to individual customer decision using Murabahah Financial from Islamic Bank in Indonesia.

**Index Terms:** Religious Values, Social Factor, Service Quality, Psychology, Trust, Customer Decision

## 1. INTRODUCTION

### 1.1 Background of the Study

Bank Syariah or Islamic Bank (BI) as the one of important financial business based on the principal in Moslem religion. The presence of Islamic Bank giving the new experience in social economy Moslem people of the worldwide (Yusak, 2009). In Indonesia especially Makassar-South Sulawesi, most of people on this area is Moslem. The practical system of Islamic Bank to be one effective solution in the economic problem in Makassar. In principal, Islamic Bank emphasises existence of justice, open-minded, friendly, and universal. Overall, the principle is realized through mechanism of sharing holder by negating transaction base on interest like as the practice in general conventional bank (Hasan, 2010). In Indonesia, existence of Islamic Bank was pioneered by Bank Muamalat. This Bank was started their operating since 1992.

Protocol operation of Islamic Bank in Indonesia based on Indonesian Banking Law Number 7 year 1992, then renewed with Indonesian Banking Law Number 10 year 1998. After operates during more than two decades since build in 1992, performance of Islamic Bank at national level and level of regional in South Sulawesi has not shown a good result. According to target which has been determined by Indonesian Bank, Islamic Bank must contribute 5% from total national asset. Development of Islamic Bank especially national financial product was grewed but slowly. In 2012, the Islamic Bank financial growth only 9,47% or amount 122,73 trillion. This is decreasing number if compared to 2011 in amount 46,43% (Indonesian Bank, 2013). The slowly growth of national financial also happened in South Sulawesi in 2012 with amount 9,47%. This is slowly grewed if compared to financial growth in 2011 with value 46,43% from year before (Indonesian Bank, 2013). Development of Islamic Bank in South Sulawesi especially growth financial product is interesting phenomenon and important to analyse. This phenomenon has a strong related to customer decision and trust to Islamic Bank. Although different in principal between conventional Bank and Islamic Bank, but in general, we still can apply consumer behavior model to observe this phenomenon. Consumer behavior model have universal character for all industrial form and type, including Islamic Bank itself. Kotler and Keller (2006) have been identify that factors influencing behavior of purchasing of consumer is cultural, social-economy and personal. Related with Kotler and Keller statement, consumer decision making models was described by Schiffman and Kanuk (2007) is decision making of consumer through three stages is : input (effort for marketing and socio-cultural environment), process (psychology factor mainly purchasing decision process) and output (purchasing decision). Especially for Islamic Bank, usage of the consumer behavior model can be done by integrating religious values as the one of important cultural factor (in modelling consumer behavior) is a real relevant influences behavior of Islamic Bank customers. The integration

- *Kapriani is a PhD student, Hasanuddin University of Economic and Business, Makassar, Indonesia. E-mail: [nhaniekahar@yahoo.com](mailto:nhaniekahar@yahoo.com)*
- *Professor. Muh. Yunus Zain, is a lecturer, Faculty of Economic and Business, Hasanuddin University, Makassar, Indonesia*
- *Professor Osman Lewangka, is a lecturer, Faculty of Economic and Business, Hasanuddin University, Makassar, Indonesia*
- *Sanusi Fattah, PhD is a lecturer, Faculty of Economic and Business, Hasanuddin University, Makassar, Indonesia*

can be done with analyzing Moslem consumer behavior concepts by Mulitama (2006) state that one important factor influencing decision a Moslem to do purchasing of financial products is religious values. Some empiric concepts and fact indicates that religious values, social factor, service quality, psychology factor, and trust can influence individual customer decision using Murabahah Financing at Islamic Bank in Makassar-South Sulawesi.

## 1.2 Problem of Study

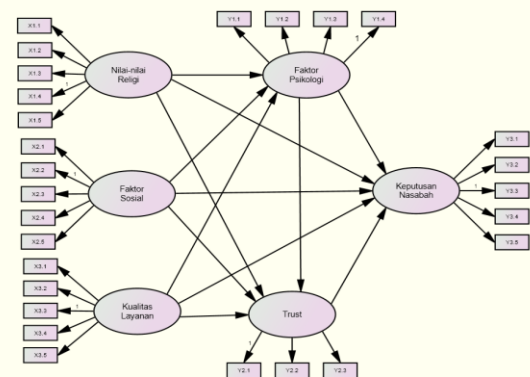
Various tendency of some concepts and empirical studies identified as religious values, social factor, and service quality, psychology factor and trust can be used as a determining factor in the customer's choice and use of Murabahah financing at Islamic Bank in Makassar. Thus, to Makassar the existence of several factors that need to be studied and researched in more depth. The research questions of this study are :

- Do religious values influence positive and significant to psychology factors, trust and individual customer decision use Murabahah Financing on the Islamic Banks in Makassar?
- Do social factors influence positive and significant to psychology factors, trust and individual customer decision use Murabahah Financing on the Islamic Banks in Makassar?
- Do services quality influence positive and significant to psychology factors, trust and individual customer decision use Murabahah Financing on the Islamic Banks in Makassar?
- Do psychology factors influence positive and significant to trust and individual customer decision use Murabahah Financing on the Islamic Banks in Makassar?
- Do trust influence positive and significant to individual customer decision use Murabahah Financing on the Islamic Banks in Makassar?

## 2. Literature Review

According to Kotler (2005), behavior of buying consumer hardly influenced by factors: 1) cultural including: cultural, sub-cultural and social class, 2) social : reference group, family, the role and status, 3) personal including: age and life cycle phase, work, economics, personality, life-style, and self-concept, and 4) psychological consisted of: motivation, perception, learning, trust and altitude. Mangkunegara et al. (2005), divide factor influencing consumer behavior into four big groups is : cultural (cultural, sub-cultural, and social class), social (reference group, family, the role and family status), personal (age and stages in life-cycle, work, economic situation, life-style, personality and concept itself), and psychological (motivation, perception, learning process, trust and altitude). Hawkins (2007) state that consumer in taking purchasing decision influenced by external and internal factor. External factor is consisted: cultural, sub-cultural, demographics, social status, reference group, family, and marketing activities. While internal factor is consisted : perception, learning, memory, motives, personality, emotions and attitudes. While according to Wells and Prensky (1996), purchasing activity of consumer influenced by: 1) reason of consumer characteristic consisted of : demographics, personality, psychographics, life-style, culture, values and reference group, and 2) behavior process consisted of : motivations, perceptions, learning, attitude formations and

decision making, and 3) purchasing activity of consumer started from: need recognition, search for alternatives, evaluation of alternatives, purchase and use of product, evaluation of consumption experience, feedback and decision making. Something else that is also influences decision of consumer to do purchasing is service quality. According to Tjipotono (2007) state that service quality is level of excellence what expected and operation to the excellence to fulfill customer desire. According To Parasuraman in Tjipotono (2007) evaluates that customer service quality generally applies five dimension is : tangibles, reliability, responsiveness, assurance, and empathy. According to Berry and Parasuraman (1991) correlates with business for ascending of develops and maintains relationship with customer to maintain successfulness from relationship marketing required existence trust and commitment out of one relationships with customer. Trust is one of important factor to maintain relation between company with customer of long term business. If customer experiences nicety and impressing hence will arise customer itself, trust which in the end will form trust. Trust is accomplishment ability from believing customer measured with two dimensions that is reliability and integrity is referring to Morgan and Hunt (1994). Reliability is mainstay from Islamic Bank employees when they can fulfill hope from its customer (according to Morgan and Hunt, 1994). This is measurable from height of service given by the side of Islamic Bank according to customer hope. Integrity is measurement of customer to quality of service measured with height of trust of the service customer from Islamic Bank. According to Hasan (2010) state that religion and the value inside can controlled trust and behaviour. Expected Moslem will follow and applying every value in gender, occupation, education, salary and other. There is difference of consumer behavior in conventional understanding and Islamic Bank by referring to principle and postulate (Ramli and Mirza, 2007). In the next context, the behaviour of Islamic Bank customers according to Moslem customer behaviour, because Islamic Bank is implementation of Moslem teaching (Adnan, 2011). The conceptual framework can be seen in figure 1 below:



## 3. Hypothesis Study

The problem of the study above could be the formulation of hypothesis as follows:

- Direct exogenous variable influence X1 hypothesis to variable Y1, Y2 and Y3.  
H1a : Direct influence positive and significant of religious value to psychology factor.

- H1b : Direct influence positive and significant of religious value to trust factor.
- H1c : Direct influence positive and significant of religious value to customer decision.
- 2. Direct exogenous variable influence X2 hypothesis to variable Y1, Y2 and Y3.
  - H2a : Direct influence positive and significant of social factor to psychology factor.
  - H2b : Direct influence positive and significant of social factor to trust factor.
  - H2c : Direct influence positive and significant of social factor to customer decision.
- 3. Direct exogenous variable influence X3 hypothesis to variable Y1, Y2 and Y3.
  - H3a : Direct influence positive and significant of service quality to psychology factor.
  - H3b : Direct influence positive and significant of service quality to trust factor.
  - H3c : Direct influence positive and significant of service quality to customer decision.
- 4. Direct endogenous variable influence Y1 hypothesis to variable Y2 and Y3.
  - H4a : Direct influence positive and significant of psychology factor to trust factor.
  - H4b : Direct influence positive and significant of psychology factor to customer decision factor.
- 5. Direct endogenous variable influence Y2 hypothesis to variable Y3.
  - H5a : Direct influence positive and significant of trust factor to customer decision factor.

**4. The Objectives of Study**

The study is aimed to several purposes as follows:

- a) to analyse influence of religious values to psychology factor, trust and individual customer decision use Murabahah Financing on Islamic Banks in Makassar.
- b) to analyse influence of social factor to psychology factor, trust and individual customer decision use Murabahah Financing product on Islamic Banks in Makassar.
- c) to analyse influence of service quality to psychology factor, trust and individual customer decision use Murabahah Financing product on Islamic Banks in Makassar.
- d) to analyse influence of psychology factor to trust and individual customer decision use Murabahah Financing product on Islamic Banks in Makassar.
- e) to analyse influence of customer trust to individual customer decision using Murabahah Financing product on Islamic Banks in Makassar.

**5. Research Methodology**

Research was conducted on survey in five Islamic Bank location in Makassar is: Bank Muamalat, Bank Syariah Mandiri, Bank Mega Syariah, BNI Syariah, Bank Bukopin Syariah and BRI Syariah, respectively. The research object is individual customer from Islamic Banks and they filling survey questionnaire. Research was conducted from February to April 2014. Based the goal of research, we were used Explanatory/Confirmation Research Design that described causal relationship between variable one to another through survey activities (Rahayu, 2005). The approach of analysis is causal or descriptive analysis. The meaning of causal relationship is relationship between explaining variable (exogenous) and variable explained (endogenous).

Exogenous variable is religious values, social factor and service quality. Endogenous variable is psychology factor, trust and customer decision. Population of research is all of individual customer from Murabahah Financing Product from Islamic Banks in Makassar. The Structural Equation Modelling (SEM) as the analysis tools need sample about 100 to 200 person for data estimate and interpretation. Based on Hair, Anderson, Tatham dan Blask (1998: 605) state that suitable sample measurement for analysis is 100 to 200. If sample more than 400 will be very sensitive and difficult to find goodness of fit measurement. In this research, we were used 180 customers as the sample. We were used SEM and AMOS Software. The reason for use it because we can test together between independent and dependent causal relationship and combining relationship model from indicator and construct.

**Tabel 1. Hypotheses Testing**

HIP	Independent Variable	Dependent Variable	Direct Effect			
			Estimate	CR	p-value	Description
H1a	Religious values	Psychology factor	0,182	2,070	0,042	Significant
H1b	Religious values	Trust	0,300	2,081	0,041	Significant
H1c	Religious values	Customer decision	0,134	0,574	0,566	Non-significant
H2a	Social factor	Psychology factor	0,516	2,301	0,021	Significant
H2b	Social factor	Trust	0,720	2,635	0,008	Significant
H2c	Social factor	Customer decision	0,351	2,138	0,031	Significant
H3a	Service quality	Psychology factor	0,530	3,789	0,000	Significant
H3b	Service quality	Trust	0,182	2,070	0,042	Significant
H3c	Service quality	Customer decision	0,148	2,038	0,045	Significant
H4a	Psychology factor	Trust	0,278	2,178	0,029	Significant
H4b	Psychology factor	Customer decision	0,074	0,388	0,698	Non-significant
H5	Trust	Customer decision	0,985	3,295	0,000	Significant

Indirect Effect				
Independent Variable	Dependent Variable	Intervening Variabel	Estimate	Description
Religious values	Trust	Psychology factor	0,051	Significant
Social factor	Trust	Social factor	0,143	Significant
Service quality	Trust	Psychology factor	0,147	Significant
Religious values	Customer decision	Psychology factor and Trust	0,345	Significant
Social factor	Customer decision	Psychology factor and Trust	0,850	Significant
Service quality	Customer decision	Psychology factor and Trust	0,324	Significant
Social factor	Customer decision	Trust	0,274	Significant

Tabel.1 shows there are path that have a significant influence and insignificant. Thus the hypotheses:

- H<sub>1a</sub> : Religious values have direct influence to psychology factor.
- H<sub>1b</sub> : Religious values have direct influence to trust.
- H<sub>2a</sub> : Social factor have direct influence to psychologgi factor.
- H<sub>2b</sub> : Social factor have direct influence to trust.
- H<sub>2c</sub> : Social factor have direct influence to customer decision.
- H<sub>3a</sub> : Service quality have direct influence to psychology factor.
- H<sub>3b</sub> : Service quality have direct influence to trust.
- H<sub>3c</sub> : Service quality have direct influence to customer decision.
- H<sub>4a</sub> : Psychologi factor have direct influence to trust.
- H<sub>5</sub> : Trust have direct influence to customer decision.

**Supported by empirical data and accepted**

Whereas, for the hypotheses:

- H<sub>1c</sub> : Religious values have directly influence to customer decision.

H<sub>4b</sub> : Psychology factor have directly influence to customer decision.

**Not supported by empirical data and rejected.**

## 6. Conclusion and Recommendation

### Conclusion

1. Religious values has a significant positive influence to psychology factor and trust but indirect influence to customer decision.
2. Social factor has a significant positive influence to psychology factor, trust and customer decision.
3. Service quality has a significant positive influence to psychology factor, trust and customer decision.
4. Psychology factor has a significant positive influence to trust.
5. Psychology factor hasn't direct influence to customer decision.

### Recommendation

As previous studies always provide recommendations for further research, this study also provide space for other studies to do more research. Advice given to the advancement of research related to the development of substantive and repair methods, as follows:

1. With the evidence of religious values and psychological factors have no significant influence on customer decisions, the research can further develop this research by using more samples and differentiate between Muslim and non-Muslim customers.
2. The study was confined to murabahah financing products Islamic Banks in Makassar, then subsequent research is recommended to develop other research by adding object Islamic banks products such as savings and deposits.
3. Further research is recommended to be able to add variables as well as other indicators, so that the results of the next study could be more varied.

### References

- [1] Adnan and Ahmad Azrin. 2011. Islamic Consumer Behavior (Icb): Its Why And What. International Journal of Business and Social Science Vol. 2 No. 21 [Special Issue – November 2011].
- [2] Bank Indonesia. 2013. Statistik Perbankan Syariah. Bank Indonesia. Jakarta.
- [3] Berry, L. L.A. Parasuraman. 1991. Marketing Services: Competing Through Quality. New York : NY : The Free Press.
- [4] Hair, J.F., Anderson, R.E, Tatham, R.L., and Blash, W.C. 1998. Multivariate Data Analysis. Fifth Edition. Prentice – Hall International Inc., New Jersey.
- [5] Hasan, A. 2010. Marketing Bank Syariah. Ghalia Indonesia, Bogor.
- [6] Hawkins, D., 2007, Consumer Behavior: Building Marketing Strategy – 10<sup>th</sup> edition. McGraw-Hill.
- [7] Kotler, P. 2005. Marketing Management; Analysis, Planning, Implementation and Controlling.8<sup>th</sup> ed. Englewoods Cliffs, NJ.Prentice Hall.
- [8] Kotler, P., and Keller, K.L. 2006. Marketing Management. 12th ed. Pearson Prentice Hall, New Jersey.
- [9] Mangkunegara and Anwar, P. 2005. Perilaku Konsumen. Edisi Revisi. Refika Aditama. Bandung.
- [10] Morgan, Robert M and Shelby Hunt. 1994. The Commitment – Trust Theory of Relationship Marketing. Journal of Marketing 58 ; 20-38 July
- [11] Mowen, J. C., and M. Minor.1998.Consumer Behavior. 5 edition. New Jersey, NJ: Prentice Hall.
- [12] Multitama. 2006. Islamic Business Strategy for Enterpreneurship. Zikrum Hakim, Jakarta.
- [13] Parasuraman, A. 1986. Marketing Research. Massachussetts, Ill: Addison-Wesley Publishing Company.
- [14] Rahayu, Sri. 2005. SPSS Versi 12,0 Dalam Riset Pemasaran. Alfabeta : Bandung.
- [15] Ramli, Asharaf Mohd and Mirza, Azrul Azlan Iskandar. 2007. The Theory of Consumer Behavior vs. Islamic. Proceedings of the 2<sup>nd</sup> Islamic Confrence 2007(iECONS2007) organized by faculty of Economics and Muamalat, Islamic Science University of Malaysia.
- [16] Schiffman, L.G., and Kanuk , L.L. 2007. Perilaku Konsumen. 7<sup>th</sup> ed. Terjemahan. PT Indeks, Jakarta.
- [17] Tjipotono Fandy. 2007. Prinsip-Prinsip Total Quality Service. CV. Andi. Yogyakarta
- [18] Wells, W.D., and Prensky, D. 1996. Consumer Behavior. John Wiley & Sons, Inc., Canada.
- [19] Zeithaml, V. A., and Parasuraman. A. 2004. Service Quality: MSI Relavant Knowledge. Cambridge. MA Marketing Science Institute.
- [20] Yusak, L. 2009. Panduan Praktis Account Officer Bank Syariah. PT. Elex Media Komputindo, Jakarta