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Marketing Strategy Factors In Decision of Sharia Bank Customers In West Sumatera

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Abstract

Prospective customers make many factors as reasons so they deal and become customers of a sharia bank. One factor that becomes a theoretical consideration is the marketing strategy developed by Islamic banks themselves. However, the results of previous studies have shown inconsistent results in which a portion of Islamic bank customers make religious factors their main reason to become sharia bank customers and some other customers make Islamic bank marketing strategies the main reason. This study is to analyze the marketing strategies of Islamic banks based on the views and perceptions of their customers, whether they can encourage and strengthen the decision to become a sharia bank customer. This study was conducted on respondents who are customers of Islamic banks in West Sumatra. The results of the study show that the improvement of Islamic bank marketing strategies that are perceived and perceived by customers can encourage and strengthen their decision to become customers of Islamic banks.

Keywords: marketing strategy, decision factor, sharia bank customer, perception, West Sumatra

Introduction

The economic activities of a region are strongly supported by the operational activities of financial institutions and banks, one of them is the Islamic banking institution. In accordance with its role, Islamic banks as financial intermediaries, where Islamic banks are intermediaries for parties who experience financial deficits and surpluses. In addition, the activities and operations of Islamic banks are also in line with the objectives of the Indonesian central bank in order to maintain the stability of the value of the rupiah and promote the nation's economy. Another goal of Islamic banks which is no less important is to give satisfaction to their customers or the creation of customer satisfaction.

Customer satisfaction and the community will be reflected in the economic and financial decisions that they make. The customers and prospective customers of Islamic banks are faced with various considerations in decision making so that they become customers and transact with Islamic banks. Many factors are taken into account by customers to deal with Islamic banks. Besides religious factors - Islamic banking provides interest-free services to its customers, interest payments and withdrawals are prohibited in all forms of transactions, Islam prohibits interest in attracting or paying interest (usury), this prohibition distinguishes Islamic banking systems from conventional banking systems (Lewis and Algaoud , 2003) - as one of the strongest factors to be the reason, the marketing strategy factor is also a strong factor in influencing the reason for the decision on Islamic banks.

The decision of Islamic bank customers is very dynamic along with the dynamics of the development of marketing strategies conducted by Islamic banks and the dynamics of customer perceptions, namely how they perceive and perceive the Islamic bank's marketing strategy so that it can influence their decisions, whether stronger or not. Customer decisions that make

marketing strategies as their main reason if the customer gets the advantage of economic and psychological aspects.

Theoretically, consumer decision making is influenced by many factors, both internal factors and external environmental factors of consumers themselves. In addition, consumer decisions can also be influenced by marketing strategies carried out by company marketers. Assael (1992), suggests three factors that influence consumer choice in decision making, namely individual consumer factors (internal), environmental (external), and marketing strategies.

The progress of Islamic banks is very dependent on customer factors meaning that the customer must be well managed because the development and development of Islamic banks depends on the number of customers they have. It all starts from the operational system. Many research results suggest that customers consider various factors in their bank selection. Haron, et al. (1994), examining the behavior of banking customers in Malaysia, said that in order to obtain more customers, both Islamic banks and conventional banks, banks must have information about the factors used by customers in choosing their banks. The results of his research stated that the three most important factors that are taken into consideration by the Muslim community in choosing a bank are fast and efficient service, speed of transaction, and hospitality of bank personnel. Whereas for Non-Muslims is hospitality of bank personnel, fast and efficient service, and reputation and image of bank.

Erol and El-Bdour (1989), state that religious variables are not the main motive for bank selection but are more motivated by profit. He stated that Islamic banks are duplicates of conventional banks. El-Bdour (1984), shows that 30% of respondents save not because of religion, this means that 70% of respondents save by considering profit even though they save in Islamic banks.

Based on the findings of previous studies, both in Indonesia (West Sumatra) and abroad, it seems that Islamic banking based on religious values has not been fully used as respondents to determine their decisions. From these findings it can be seen that the customer's choice of Islamic banks is not only because of religious values, but also because of economic benefits (profit), or other factors.

The gap to be filled in this research is why there are motives other than religion (religious) being the main reason for customers to deal with Islamic banks. The main reason should be religious and only followed by others, especially for research conducted in West Sumatra which is famous for its customary and religious philosophy, namely "Adat Basandi Syarak, Syarak Basandi Kitabullah" (custom jointed with religion, religion jointed with Kitabullah).

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Based on the phenomena and research loopholes that have been described previously, the research question is "Whether the customer in his decision becomes a customer, the marketing

strategy that is perceived or perceived by the customer can weaken or strengthen his decision" can strengthen a person's decision to become a customer Islamic bank.

Islamic banks since the beginning of their birth have the main purpose as the efforts of the Muslims to base all aspects of their economic life on the Qur'an and Sunnah (M.S. Antonio, 2004). The initial efforts to implement a profit sharing system, also known as profit and loss sharing, were recorded in Pakistan and Malaysia in the management of non-conventional pilgrimage funds around the 1940s. Another institutional pilot is the Islamic Rural Bank in the village of Mit Ghamr in 1963 in Cairo, Egypt.

After two fairly simple initial pioneers, Islamic banks grew very rapidly. In accordance with the analysis of Professor Khursid Ahmad and the International Report of the Association of Islamic Banks, up to the end of 1999 there were more than two hundred Islamic financial institutions operating throughout the world, both in Muslim and non-Muslim countries in Europe, Australia or America (Ahmad, 1999; in Antonio, 2004).

The importance of understanding consumers can be found in the definition of marketing which states as "human activities aimed at satisfying needs and desires through the exchange process" (Mowen et al., 2001; in Hurriyati, 2008). The definition includes two main marketing activities. First, marketers try to satisfy the needs and desires of the market for their target / target market (targeting). Second, marketing includes the study of the exchange process wherein two parties transfer resources, the company receives monetary resources and other resources from consumers. On the other hand, consumers receive products, services and other sources of value. To create a successful exchange, marketers must understand the factors that influence the needs and desires of consumers (Hurriyati, 2008).

The purchasing unit is consumers for the products, services, experiences, and services offered by marketers. They relate to marketers through exchange relationships. This purchasing unit consists of individuals, families, or groups who decide to buy. Marketers are used extensively in this model to try to create exchanges with consumers through the implementation of marketing strategies designed to achieve consumer goals and long-term benefits (Hurriyati, 2008).

Marketers must understand the diversity and similarity of consumers or consumer behavior so that they are able to market their products well. Marketers must understand why and how consumers make decisions for consumption, so that marketers can design marketing strategies better. Marketers who understand consumer behavior will be able to estimate how consumers tend to react to the information they receive, so that marketers can develop appropriate marketing strategies. There is no doubt that marketers who understand consumers will have better competitive ability (Sumarwan, 2004).

Marketers who understand consumer behavior will also be able to influence the behavior so that it matches what the marketer wants. Affecting consumer behavior is influencing consumers' choices so they want to choose certain products and certain brands offered by the marketer. The process of influencing consumers is usually done through the right marketing strategy (Sumarwan, 2004).

Prasetijo and Ihalauw (2005), argued that consumer behavior is a study of how decision makers (decision units), both individuals, groups, or even organizations make buying decisions or make purchases of products and consume them.

Kotler (1997), argues that in a competitive industry, the key to competitive advantage is product differentiation. Market offerings can be defined according to five dimensions:

1. Products (features, quality of performance, quality of conformity, durability, reliability, ease of repair, style, design)
2. Services (ease of ordering, shipping, installation, customer training, customer consultation, maintenance and repairs)

3. Personnel (Ability, trustworthy, reliable, responsive, and communicative)
4. Channel (Reach, expertise and performance)
5. Images (symbols, written and audiovisual media, atmosphere and events)

A difference is worth making if it is important, separate, superior, communicative, preceding, affordable, and profitable. Many marketers choose to only promote one product benefit, thus creating a unique sales proposal as their product position. People tend to remember "number one". Marketers do not make poor, excessive positioning, or create confusing or dubious positioning. After the company develops a clear positioning strategy, the company must communicate position determination effectively through the marketing mix (Kotler, 1997).

The term marketing strategy is commensurate with "taswiq siyasat", namely programs and activities carried out by marketers and companies in winning competition and becoming market leaders. Prasetijo and Ihalauw (2005), suggested that the tips for creating and innovating to win competition in seizing consumers requires planning the right marketing strategy. According to Peter and Olson (1999), marketing strategies are designed to increase opportunities where consumers will have positive assumptions and feelings for certain products, services, and brands, will try these products, services or brands and then buy them repeatedly.

Marketing strategies can be grouped into three main studies: segmenting, targeting, and positioning (STP) (Kartajaya and Sula, 2006). On the other hand marketing strategies are assessed through a marketing mix approach. Marketing mix in Islamic banking is a combination of 7P (product, price, place, promotion, people, physical evidence, and process) (Hurriyati, 2008).

In this research, the operational definition of marketing strategy is a marketing strategy that is perceived or perceived by customers that can strengthen their decision to become sharia bank customers. The indicators used are segmentation, target market, positioning, product, price, location, promotion, participants, physical facilities, and processes.

Methods

This study was designed using the third form of mixed methods (mix method), namely the grafting of qualitative research into quantitative research (embedded design). This embedded design is to answer large numbers of questions (Creswell and Plano Clark, 2007). This research was conducted with an explanatory research approach, which intends to explain the position of the constructs studied and the relationship between one construct and another construct (Sugiyono, 2002).

Qualitative methods are needed to support the results of quantitative methods, specifically explaining the influence of social and cultural classes on business customers on Islamic bank marketing strategies. Qualitative research is also needed because research topics need to be explored, such as variables that are not easily identified, theories not available to explain the behavior of participants or population of research, and theories need to be developed (Creswell, 1998; in Emzir, 2010).

The quantitative approach of this study uses survey methods. The qualitative approach of this study uses phenomenological methods. Phenomenological research looks closely at individual interpretations of its experiences. Phenomenological researchers try to understand the meaning of an experience from a participatory perspective. They introduce that there are many different ways to interpret the same experience and never assume that they (researchers) know what things mean to the people they are researching (Emzir, 2010).

Two main things that affect the quality of research results, namely the quality of research instruments and the quality of data collection (Sugiyono, 2008). In quantitative research, the quality of research instruments concerns the validity and reliability of instruments. The quality of data collection relates to the accuracy of the methods used to collect data. Therefore the instrument must be used appropriately in the data collection.

Instruments in quantitative research can be tests, interview guidelines, observation guidelines, and questionnaires. This study uses a questionnaire as a quantitative research instrument. The reliability of this research instrument with a quantitative approach was measured by performing a Cronbach Alpha statistical test. Quantitative instruments will be reliable if the Alpha value is ≥ 0.60 (Nunnally, 1960; in Ghozali, 2009).

In qualitative research, the research instrument or tool is the researcher. Therefore, researchers as instruments must also be 'validated' how far researchers are ready to conduct research and go into the field. Validation of the researcher as an instrument includes validation of the understanding of qualitative research methods, mastery of insight into the field under study, the readiness of researchers to enter the object of research, both academically and logistically (Sugiyono, 2008).

The reliability of instruments in qualitative research was carried out by relying on dependability. That is by conducting an audit of the entire research process, so that there will be no mistake that the data was obtained but the researchers did not conduct the research process in the field. Dependability test can be carried out by an independent auditor or supervisor to audit the overall activities of the researcher in conducting research. If the researcher does not have and cannot show "traces of field activity", then the dependability or reliability of the research should be doubted (Faisal, 1990; in Sugiyono, 2009).

Qualitative analysis is carried out using domain analysis techniques, which are techniques used to analyze images of research objects in general, often applied in exploratory research. So that the target is expected to obtain a general picture can be achieved (Salladien, 2009). Qualitative data analysis of this study using the Miles and Huberman models, namely data reduction, data models, and conclusion drawing / verification (Emzir, 2010).

Results and Discussion

A special characteristic of Islamic banking is the implementation of permission and qabul which are pronounced in the form of a contract. In addition, in financing the use of money must also be mentioned so that the customer must notify the Islamic bank for what the money will be used for. The contract in Islamic banking is basically classified into two, namely tijary contract or commercial agreement and tabarru 'contract or virtue contract.

The results of the study show that marketing strategies can influence the decision to become a customer. This result is not in line with Soenarmi (2005), that the decision to borrow customers is not influenced by marketing strategies. This result is in line with Javalgi et al. (1989), Laroche et al. (1986), found that the main determinants of customer choice were 'employee friendliness'; Kaynak (1986) found that from the two sample groups, the first sample, the customer, prefers to 'speed and efficiency of service', while the second sample, bank managers, prefers 'reputation' as the main factor.

In line with the grand strategy of banking development in Indonesia. Various concrete programs have been and will be carried out as the implementation phase of the grand strategy for the development of sharia banking financial markets, including the following: First, a new image of Islamic banking which includes positioning, differentiation and branding aspects. The new positioning of Islamic banks as a banking that mutually benefits both parties, differentiation aspects with competitive advantages with diverse products and schemes, transparency, competency in finance and ethics, **information technology** that is always up-to-

date and user friendly, as well as the existence of Islamic finance investment experts adequate. While the aspect of branding is "Islamic banks are more than just banks or beyond banking".

Both new mapping programs are more accurate to the potential of the Islamic banking market which generally directs the services of Islamic banks as universal services or banks for all levels of society and all segments according to the strategy of each Islamic bank. Third, product development programs that are directed to a variety of product variations that are supported by the uniqueness of the value offered (mutual benefit) and the support of extensive office networks and the use of standard product names that are easy to understand.

Fourth, a service quality improvement program that is supported by competent human resources and the provision of information technology that is able to meet customer needs and satisfaction and is able to communicate sharia bank products and services to customers correctly and clearly, while still meeting sharia principles; and Fifth, broader and more efficient socialization and education programs through various means of direct and indirect communication (print, electronic, online / web-site), which aim to provide an understanding of the benefits of Islamic banking products and services that can be utilized by the community.

Conclusion

The better the syariah bank marketing strategy that is perceived or perceived by the customer, the stronger the customer's decision to continue to make transactions and become a customer of Islamic banks. The development of sharia bank marketing strategies is carried out so as to strengthen the decision to become a customer. The stronger customer decision to transact with Islamic banks if their perceptions are getting better on marketing variables such as STP and 7Ps marketing mix.

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