

Factors that Influence the Customers Interest in Choosing Micro Financing

Case Study: BRI Syariah KCP Cimahi

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Keywords: Rational Market, Emotional Market, Spiritual Market, Customer Interest.

Abstract: This research is motivated by the phenomenon of the low number of customers of financing in sharia banking, this is seen from the lack of public interest, especially the perpetrators of SMEs to take micro financing in Islamic banks. The purpose of this research is to know the reason of interest of customer choose micro financing and which market become the most dominant factor. The research method used is explanatory survey with data collection technique through questionnaire. Population in this research is micro financing customer in BRI Syariah KCP Cimahi with sample counted 136 respondents with simple random sampling technique. Data analysis technique used is method analyst CFA (Confirmatory Factor Analysis) by using Lisrel. The research findings show that the rational market, the emotional market and the spiritual market have a positive and significant impact on customers' interest in choosing microfinance, the most dominant market is the rational market. The implications obtained from this research if the perception of customers on the market rational, emotional market and spiritual market is higher, the higher the interest of customers and the impact of high number of customers of sharia banks.

1 INTRODUCTION

UMKM has become the backbone of the Indonesian economy and has a proportion of 99.9% of the total 56.74 million business units in Indonesia (Marta, 2016). as for obstacles that must be faced by business actors such as, lack of access to capital, weak business network and limited facilities and infrastructure (Hafsah, 2004). Such constraints, can be overcome with the support of banks in channeling funds to the actors of SMEs. But about 60-70% of actors of SMEs do not have access to finance through banking (ekonomi.kompas.com).

Banking such as conventional bank or syariah bank is the channeling of funds for business actors, especially the actors of SMEs. However, conventional banks provide additional fees or interest on each transaction is one that is forbidden by Islamic religion. Given that 85% of the population of Indonesia is the majority of islamic religion (Republika.co.id, 2017). Islamic banks as one solution to face the problem. As according to

Muhammad Ayyub (2007) the purpose of Islamic banks that can create prosperity micro business actors.

The channeling of funds for financing of micro business or other financing can be proven by the interest of the people who start using financing or collecting funds in syariah bank, along with the data on the number of customers of sharia bank:

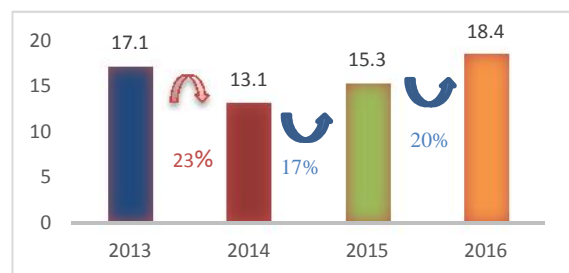


Figure 1: Data Number of Financing (in Million).

Source: Ipot News, 2016.

Based on Figure 1.1, the number of customers of sharia banks until the year 2016 is still very small, as well as the decline in the number of customers from the year 2013 to the year 2014 by 23%. As for the cause of the lack of public interest in sharia banks such as, the lack of syariah bank, the number of responses of sharia banks is the same as conventional banks and the age of sharia banks are still quite young, so it has not fully cultivate public confidence to use syariah bank (Yoga, 2016).

In addition, the large population in Indonesia, led to competition between sharia banks and conventional banks. Competition is conducted to attract public interest in financing or collect funds to choose to do financing in accordance with the criteria or conditions desired (Abhimantra, Maulina, & Agustianingsih, 2013). Research Alkatiry (2015) argued that the existence of customers who switch from conventional banks to sharia banks due to the financing pattern, the ratio and the increasing number of sharia bank offices.

Allah (SWT) mentions in Al-Qur'an the letter of Al-Baqarah verse: 278-279. "That if the person who believes in Allah will leave something related to usury (conventional bank) and if not to switch then Allah will be hostile to that person If he has left usury then Allah SWT will give property for that person".

Researchers take one branch of the BRI Syariah KCP Cimahi, The following data of micro customers BRI Syariah KCP Cimahi:

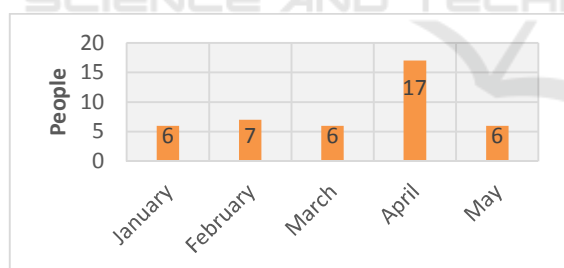


Figure 2: New Customer Data.

Source: BRI Syariah KCP Cimahi (2017).

Based on Figure 2 above can explain that customer interest in BRI Syariah is still small and somewhat fluctuating, hence the researcher want to find information about the reason of interest of customer choose to use financing in bank BRI Syariah KCP Cimahi.

In relation to the problems or opinions of previous research, that humans are motivated by the interest that encourages the occurrence of muamalah, as proposed by "Hermawan Kartajaya and Muhammad Syakir Sula (2006) that there is a division of sharia market segment to affect

customers such as rational market, emotional market and spiritual markets".

The previous research related to the research to be studied. The study reinforces that the rational factors that serve as one of the reasons customers choose a particular bank that is from Ghozali Maski (2010) and Diah Wahyuningsih (2014). Researchers also found some previous research related to the emotional market that is M.R. Hirmawan (2015) and Lilis Yulianti (2011) mentioned that the results of his research shows the factor of belief or religiosity affecting the interest of the customer. Khafiatul Hasanah (2016) research uses spiritual marketing in marketing the product so as to help attract customers.

2 LITERATURE REVIEW

Interest is part of the component of consumer behavior in the attitude of consuming, the tendency of a person to act before buying decisions, actually implemented (Husein, 2005: 45).

Interest here is the interest of customers according to Muhammad Djumhana (2003: 282) customers are consumers of services in banking. The interest of customers in doing micro financing according to Muhammad (2002) funding provided by one party to other parties to support planned investment. The purpose of financing is to seek profitability for financing, to help businesses that require funding such as capital and investment and to help the government develop SMEs business.

Differences in interest in customers can be collected in the form of customer market segments in a banking system such as rational markets, emotional and spiritual markets (Kartajaya & Sula, 2006).

Rational market according to Hermawan Kartajaya and Muhammad Syakir Sula (2006: 1) is a collection of customers where the customer is very sensitive to price differences, service quality and product variety. The indicators are from Ghazali Maski (2010) and Diah Wahyuningsih (2014) as follows: profit factor, service quality factor, bank characteristic factor, knowledge factor and physical object factor.

Emotional market according to Hermawan Kartajaya and Muhammad Syakir Sula (2006: 1) as a collection of customers who come to the company or syariah syariah finance for the consideration of halal-haram. indicators of the emotional market are: the religiosity factor (Karim.A, 2011) and the attributes of sharia (Muhammad, 2004).

The spiritual market according to Hermawan Kartajaya and Muhammad Syakir Sula (2006: 4-6) is

a collection of customers in considering products and services against the spiritual values that are believed. Spiritual marketing indicators on the spiritual market according to Hermawan Kartajaya and Muhammad Syakir Sula (2006: 5): theistic, ethical, realistic and humanistic.

3 METHODOLOGY

Objects in this study are micro customers who do financing at Bank BRI Syariah KCP Cimahi and done in the Year 2017. Type of research using field research (field research). The method used is descriptive quantitative method. Research design is explanatory. Population of 206 customers and using sample 136. Data collection techniques using questionnaires. Data analysis used such as descriptive analysis and confirmatory factor analysis (CFA) using Lisrel application 8.7. In the confirmatory factor (CFA) analysis there is a model conformity test, CFA analysis of validity and reliability, coefficient of dominant variable.

4 RESULTS

The result of descriptive analysis of respondent characteristic of BRI Syariah KCP Cimahi customer is seen from gender mostly male, which is 69 from 136 respondent, then from majority age 45-54 year. The last education is dominated by high school education. Type of business majority farm vegetables Type of financing is often taken the ib 75.

The nominal amount of financing taken by the customer is Rp. 26,000,000-55,000,000. The financing installment period taken by customers is 3 years on average. The business turnover that customers get is an average of under 5,000,000 because of the large number of farmers who have the risk of crop failure.

Model conformity test, the suitability of the model is evaluated through a review of the goodness of fit criteria.

Table 1: Goodness of Fit Testing Research Model.

Absolute Fit Measures		
<i>Goodness-of-fit Index(GFI)</i>	≥ 0,90 Model Fit	0,931
<i>Root mean square error of approximation (RMSEA)</i>	$RMSEA \leq 0.08$ berarti model fit dengan data, 0,9 – 1.0 berarti	0,037

	model cukup fit dengan data	
<i>Expected cross-validation index (ECVI)</i>		1,156
Incremental Fit Measures		
<i>Adjusted goodness-of-fit Index(AGFI)</i>	≥ 0,90 Model Fit	0,894
<i>Normed Fit Index (NFI)</i>	≥ 0,90 Model Fit	0,963
<i>Tucker-Lewis Index (TLI)</i>	≥ 0,90 Model Fit	0,991
Parsimonious Fit Measures		
<i>Comparative fit index (CFI)</i>	≥ 0,90 Model Fit	0,993
<i>Incremental fit index (IFI)</i>	≥ 0,90 Model Fit	0,993
<i>Relative fit index (RFI)</i>	≥ 0,90 Model Fit	0,952
<i>Parsimonious normed fit index (PNFI)</i>	≥ 0,90 Model Fit	0,744
<i>Parsimonious GFI (PGFI)</i>	≥ 0,90 Model Fit	0,608

Based on Table 1 can be seen that the value of RMSEA 0.037 indicates that the fit model, while based on other indicators the model is quite fit. It is proved that research can be continued.

Table 2: CFA analysis results validity and reliability.

Variable	Sub Variable	CR	VE	
Rational Market	PR1	0.788	0.927	0.7
	PR2	0.890		
	PR3	0.807		
	PR4	0.845		
	PR5	0.903		
Emotional Market	PE1	0.797	0.780	0.6
	PE2	0.802		
Spiritual Market	PS1	0.821	0.828	0.5
	PS2	0.627		
	PS3	0.646		
	PS4	0.763		
	PS5	0.631		

Based on Table 2 can be seen that all indicators have a factor loading () 0.5, this indicates that all indicators on each variable declared valid. All CR values > 0.7 and All VE values > 0.5 indicate that each

variable has good reliability. Then the research can proceed.

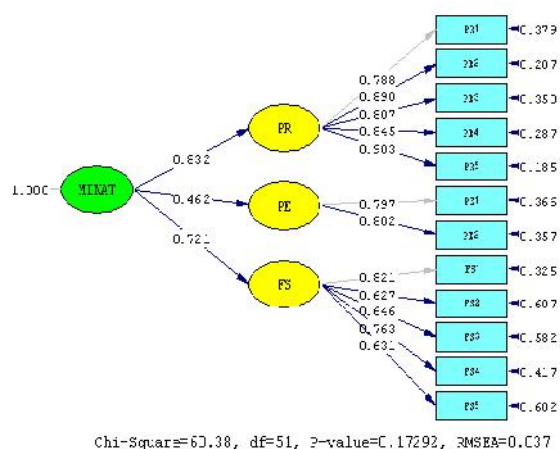


Figure 3 Model CFA and Variable Dominant.

Source: Data Processing Results (2017)

Rational market is a collection of customers who come to banks that are sensitive to price differences, service quality and product variety. Customer response to the rational market is very high against several factors that exist in rational markets such as profitability, service quality, bank characteristics, knowledge and physical objects of a banking.

Based on the results of statistical tests of rational market variables have a positive effect on customers' interest in choosing micro financing. This can be seen from the direction of the coefficient of rational market variable with positive value (0.0832) then the first hypothesis is accepted. Rational market variables also significantly influence the interest of customers in choosing micro financing seen from the value of t arithmetic greater than t table (5.743 > 1.96). This means that the rational market has a considerable influence on customer interest. Rational markets rank first in influencing customers' interest. This is due to the high assessment of customer perceptions of rational factors that affect customers choosing financing in BRI Sharia.

The statistical test results based on sub-variables, the first factor that has a big influence for the rational market that is the physical object of 0.903. That's because, if more and more locations or branch offices are provided, the more people are interested in becoming a customer because of the strategic location close to the place of business or residence. Then the more syariah banks provide comfort then the customers are more satisfied, and the more ATM facilities the more easier for customers to transact so

that customers tend to choose Islamic banks that can facilitate their activities.

Both factors of service quality with the amount of influence of 0.890. This is because, if more employees improve the professional nature will be able to assist customers in developing their business so that customers more trust with employees. Then from the faster service provided to customers the more customers feel happy and if employees have extensive knowledge about sharia products, then customers will get more information about sharia. Finally, if the employees establish good relationships with customers, making customers feel comfortable transacting.

The three factors of knowledge with the amount of 0.845. This is because, that sharia banks have been widely disseminating information related to sharia products one of them through BRI Syariah website and brochures that have been distributed so that more customers who know information about products in BRI Sharia. Then BRI Syariah keep the bank's good name so as to get a good image in the eyes of customers.

The four factors that affect the rational market are bank characteristic factor with the amount of 0.807. This is because, that BRI Syariah has observed the principles of sharia so that customers feel confident and secure using products in BRI Sharia. Then BRI Syariah has a variety of products so that customers can choose products that suit the needs and capabilities of customers.

The five profit factors are 0.788. This is because, BRI Syariah provides installments that are considered a light customer in accordance with the ability of customers as well as a flexible installment period to facilitate customers in completing the financing.

The results of this study are supported by previous research conducted by Ghozali Maski (2010), Diah Wahyuningsih (2014), Ikin Ainul Yakin (2016), Naeem Akhtar (2016), Ahsanul Haque (2009), Hayat Awan (2011), all of these variables can affect the interest or decision of customers in choosing Islamic banks.

The Influence of Emotional Market on Customer Interest in Choosing Financing Emotional market can be interpreted as a collection of customers who come to Islamic banks for reasons of halal-haram, it is driven by the practice of usury. A person who thinks emotionally will put forward the values of religious or religious values in every transaction or in building a business. Emotional thinking actually has two perspectives of time ie the perspective of the present time and the time perspective in the afterlife. So customers who have a high level of religiosity will

use sharia banks as muamalah transactions although the benefits are small as long as it is halal.

Based on the results of statistical tests of the emotional market variables positively affect the interests of customers in choosing micro financing. This can be seen from the direction of the coefficient of positive emotional market value (0.462) then the second hypothesis is accepted. Emotional market variables also significantly influence the interest of customers in choosing micro financing seen from the value of t arithmetic greater than t table ($3.697 > 1.96$). This means that the emotional market has an influence on customer interest. Emotional markets rank third in influencing customers' interest. This is because, still less high assessment of customer perceptions of the emotional factors in choosing financing in BRI Sharia.

The statistical test results based on sub-variables, the first factor that has a big influence for the emotional market is the attribute of sharia amounted to 0.802. This is because the more BRI Syariah provide clarity related to financing products until the process of liquefaction so that customers do not have to fear the clarity of the process of financing. Then BRI Syariah prohibits the existence of gambling-related businesses so that customers can avoid unlawful business. The more transaction activity using sharia principles so customers can get used to the principles in everyday life. Lastly, BRI Syariah implements the prohibition of production of goods or services contrary to Islam, it can be able to covert customers to develop halal business.

Both factors religiosity with a value of 0.797, this is because the more customers are committed in running the principles of halal business so customers must have a high level of religious adherence and consider all business activities according to sharia and customers avoid the element of usury.

The results of this study are supported by previous research conducted by M.R. (2016) Ahsanul Haque (2009), Hayat Cloud (2011), Dita Pratiwi (2012), Asma Roshidah (2015) Idris (2011), Iqbal (2016) mentions that the factor of religiosity significantly influence the interest of customers in choosing Islamic banks. Then research Lilis Yulianti (2011) and Anita Rahmawaty (2014) that the attributes of Islamic products have a positive and significant impact on public interest in transactions in sharia banks. This is because syariah bank has more value about sharia principle

The Influence of Spiritual Market on Customer Interest in Choosing Financing

The spiritual market is a collection of customers in considering the products and services to the

spiritual values that are believed and are not thinking about the things that are worldly. A person who thinks spiritually will consider the suitability of products and services to the spiritual values he or she believes. Thinking spiritually implies that every act or action performed brings the *maslahah* to all and brings inner peace of mind to oneself.

Based on the results of statistical tests, the spiritual market variables have a positive effect on customers' interest in choosing micro financing. This can be seen from the direction of the coefficient of positive emotional market value (0.721) then the third hypothesis is accepted. Spiritual market variables also significantly influence the interest of customers in choosing micro financing seen from the value of t arithmetic greater than t table ($5.389 > 1.96$). This means that the spiritual market has an influence on the interests of customers. The spiritual market has ranked second as a market that affects customers' interests. That is because, the assessment of customer perceptions that are less high on the spiritual factors in choosing financing in BRI Sharia.

The results of statistical tests based on sub-variables of spiritual marketing, the first factor that has a major influence for the spiritual market is, the value of *maslahah* (theistic) of 0.821. That's because that the more customers feel the *maslahah* obtained in the form of *maslahah* world and the hereafter the customer increasingly use financing products in BRI Sharia. Secondly, there are 0.763 employees who are *beriyar* (realistic) where, the more employees provide information or motivation with regard to combine business with religious value where more customers feel confident to use the financing products in BRI Syariah.

Third of the existence of employees BRI Sharia morals (ethical) with the amount of value of 0.646. This is because with the high moral morale of employees will add a good view of the customer to the sharia bank, so customers feel happy to transact with employees and make customers choose to use financing products in BRI Sharia. Fourth of the existence of the factor can lift the human level through its economy with the amount of 0.631. This is because the more BRI Syariah can develop a customer business that impacts up the human level, it can grow customer confidence in the performance of BRI Syariah. The fifth of the factors of inner calmness, which has an effect of 0.627. This is because the higher the customer feels the inner calmness then the more customers choose to use the financing in BRI Sharia.

The results of this study is supported by previous research conducted by Khafiatul Hasanah (2016) that

theistic (masalah and tranquility are born inner), ethical (moral character), realistic (flexible in beryiar) and humanistis (raising the human level) have a significant effect on customer decision Islamic Bank.

5 CONCLUSION

Based on research that has been done by researchers, can be drawn conclusion as follows: Customer interest in BRI Syariah is categorized high on the rational market, then the emotional market is categorized less and the spiritual market is categorized less. Customer perception on rational market such as profit factor, service quality, bank characteristic, knowledge and physical object tends to be high, and customer interest tends to be high. Thus there is a positive influence between the perception on the rational market with customer interest.

Customer perceptions on the emotional market such as, the value of religiosity and attributes of sharia tend to be less, and customer interest tend to be less. Thus there is a positive influence between the perception on the emotional market with the interest of the customer. Customer perceptions on spiritual markets such as, spiritual marketing (theistic, ethical, realistic and humanitarian) tend to be less and customer interest tends to be less. Thus there is a positive influence between the perception on the spiritual market with the interest of the customer.

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