THE STRATEGIC MARKETING OF ISLAMIC BANKING INDONESIA IN ATTRACTING INDONESIA CONSUMER

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By:

Muhammad Agung Anggoro

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ABSTRACT

The main objective of this study is to examine the influenced component of marketing strategic in Islamic banking in attracting Indonesian consumer. In order to measure that, four types of component in Islamic banking marketing strategic which were about marketing mix influences (Product, Promotion, Place, and Price) to consumer's decision in choosing Islamic Banking in Indonesia. Based on the problem statement in this research, researcher found that Islamic Banking in Indonesia got less intention from Indonesian peoples. Distribution variable has the most important role to influenced the customer in choosing Islamic Banking in Indonesia. To achieve the goal, the researcher implements F-Test (whole analysis), T-Test (partial analysis) and partial determination coefficient. Through F-Test, it can be identified the influenced of each marketing mix variables to consumer's decision in choosing Islamic Banking in Indonesia. Then, partial determination coefficient used to identify marketing mix variables which minimally influence to consumer's decision in choosing Islamic Banking in Indonesia. Based on data analysis gathered from the respondent who use Islamic Banking products, it can be identified that all marketing mix variables positively and significantly influenced to consumer's decision altogether. Partially, product and place variable does not significantly influenced to consumer's decision. While, marketing mix variables which give significant influence to consumer's decision in choosing Islamic Banking in Indonesia are price, and promotion.

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Muhammad Agung Anggoro, S.E

Anugerah Mataram Street No. 30/22

20228, Medan

Indonesia

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CHAPTER ONE

INTRODUCTION

1.1   Introduction

This chapter presents the background of the study, limitation of study, research objective, scope of study, and problem statement of study.

1.2   Background of Study

Nowadays, certain people still have a perception that Islam has nothing to do a business with bank and money markets, because many people look at the norms and systems of Islam as a threat of development. Liberalist and pragmatist say that economic and financial activities will increase if Islam perceptions do not influenced. Unbalanced of global economic and economic crisis in Asia, especially in Indonesia, are some evidences to show that the assumption above is totally not true and even having some errors with our system until today. In fact, many banks closed, took over by government, and recapitulate with the high cost around IDR 635 trillion (Antonio Syafi'i, 2001).

Islamic banking is a worldwide phenomenon involving a variety of institutions and Instruments, not one "project" or institution. In the past few decades, Islamic institutions and instruments have developed in many countries, including the United States. In certain countries Iran, Sudan, and Pakistan all or most financial intermediation conforms to Islamic shariah (religious law) as defined by local authorities. All three of these countries also have banking authorities that govern the general level of charges and returns in the system and

these are not usually market-governed systems. In most other countries, including Indonesia, Islamic transactions and institutions make up a small part of the total and must compete with conventional financial institutions. There is even considerable Islamic banking in the United States (Financial Times, March 25th, 2003).

Islamic instruments are simply a narrow group of familiar financing instruments. Any transaction, with any distribution of proceeds, can be conducted as a lease, a sale, a partnership, a fee-generating transaction, or a loan. Islamic instruments generally avoid loans. Though the scheduled distribution of proceeds may be the same as for a conventional loan, the legal risk in case of default is often different in the different forms of financing. Those who promote Islamic finance often prefer partnership arrangements in which profits or turnover is shared because this conforms more fully to the goals of Islamic banking ("Islamic Financial Systems," Finance and Development, June 1997).

Islamic bank will be able to develop properly when referring to public demand for such products and services of Islamic bank. With the regulations and moral values, Islamic banking should be able to prove that its existence can serve community needs both in terms of units and deficit pending surplus spending units. Despite the intensive development of sharia banks are relatively new (two years commencing from the passage of Act No. 10 of 1998), should be remembered that the progress is not based on infant industries argument, which is based on protection and privileges. Islamic banking arrangements so that the distinction was not caused by conventional Islamic banking is still infant, but because by its nature is indeed Islamic banking operates by different systems with conventional banking.

Now is the time for us to show that Islamic systems with their main philosophy, partnership and togetherness, should be persuade a transparent and fair system in economics and also to mention that by which, we can eliminate the negative spread. We can see the difference between Islamic Banking and Conventional Banking about the difference between profit sharing system and interest system.

Table 1.1: Difference between Interest System and Profit Sharing

No	Interest System	Profit Sharing System
1	The determination of the interest is made when contract, must with the guide be always fortunate for the Bank's side.	The determination of the risk size of the profit-sharing is made when the contract based on the possibility of the profit and the loss.
2	The percentage is based on the equity that offered.	Based on the profit.
3	Do not depend on the achievement of business. The amount of interest payment do not increase although the number of profits is double when the economic situation is good.	Depends on business performance. The amount of profit sharing increases compatibly as well as increased the profit.
4	Existence of interest is doubted about "halal" by all regions.	Nothing doubt about profit sharing.
5	Payment of interest id fixed as it was promised without consideration about consumer profit or loss.	Profit sharing is depended on profit of project that was undertaken. If the project lost, so the loss will be accepted by two parties/side.

(Source: Wikipedia and Ensiklopedia, May 2009).

Figure 1.1. The Amount and Growth Islamic Banking Fund in Indonesia

Jumlah dan Pertumbuhan Dana Masyarakat pada Perbankan Syariah di Indonesia

Total Amount of Sharia Banking's Deposit, Financing, & Assets (In Rp. Billion)

7.000
6.000
5.000
4.500
4.000
3.500
3.000
2.500
2.000
1.500
1.000
50

Growth 2000
2003= 70%

Growth 1999-2001
= 54%

Growth 1992-1999 =
35%

1992   1993   1994   1995   1996   1997   1998   1999   2000   2001   2002   2003

Introduction of profit-sharing
based banking (UU no. 7/1992)

Deregulation and
entrance of new players

Asse
Depos
Financin

Syariah
Loyalis

11%

67%   22%

Konvensio
nal Loyalis

Floating
Customer

(Source: Bank Indonesia Survey Analysis, December 2003).

Based on Figure 1.1 we can see that Bank Indonesia survey also showed variations perception to both banks of the perceptions of sharia principles, products and services.

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage (Wikipedia, May 2009). A marketing strategy should be centred around the key concept that customer satisfaction is the main goal. The strict prohibition of interest in Islam is a result of its deep concern for the moral, social, and economic welfare of mankind. The prohibition of interest is followed by the encouragement of various trading and equity-based investment activities. (Usmani, 2005).

According to conventional economics, saving is the excess of income over consumption expenditure (Keynes, 1936). Saving is intended to meet future consumption as well as to provide means for investment. As people save and forgo their current consumption, the 'sacrifice' must be rewarded by positive additional amount to their saving. The positive time value of money implies that the desire to get the additional amount, or simply profit seeking motive, is recognized as the main reason for saving in the conventional banking institutions. Consequently, saving is primarily determined by the rate of return on the saving. These institutions are preserved by the practice of rewarding interest on deposits.

Islamic economic practices that exist in various Muslim countries-including Indonesia-not more just part of identity politics (Kuran, 1997). But there is another but there were comments from other Indonesian economic observer states that Islamic economic practices is

really part of the economic development efforts and increasing prosperity that is based on the paradigm of Islam (Chapra, 1992).

The essential of Islamic marketing is integrity and honesty. In marketing world, we must to be winner in three main points. First is strategy. Here, segmentation aspect, targeting, and positioning we must be have better from competitor's, to be a winner in mind war, and how to win the mind share. New product and the last products of targeting and positioning become the strategic plans guide entirely of marketing part. Second is tactic. In business, we must know and see a different aspect of our product. Third, marketing mix or 4P's (product, price, place, promotion) and selling (SABILI magazine, 22nd edition, 18th May 2006).

Based on the above history, researcher wants to know deeply about strategic marketing of Islamic Banking which can influence a customer to choose Islamic Banking. The topic of this research is "The Strategic Marketing of Islamic Banking Indonesia in Attracting Indonesian consumer".

1.3 Problem Statement

Based on the previous explanation, especially about economic development in Indonesia in national finance, we can formulate the problem then, they are:

I. How marketing strategy affects consumer decisions in choosing Islamic Banking in Indonesia?

II. Which is the most influenced component of marketing strategy in attracting the interest Indonesian people?

1.4 Research Objective

I. To determine the effects of marketing strategy to consumer's decision in choosing Islamic Banking in Indonesia.

II. To determine the most influenced component of marketing strategy which affects to attracting Indonesia consumer.

1.5 Scope of Study

Based on the information above, the scope of this study is Islamic Banking in Indonesia.

1.6   Limitation of Study

The research's objects addressed to consumers who use products of Islamic Banking in Indonesia. Variable used in this research are:

I. Strategy of product, product of service which offers to fulfill consumer's need and want.

II. Strategy of price, the amount of money must be paid by consumer to get product and services of Islamic Banking in Indonesia.

III. Strategies of promotion, persuasive activity of Islamic Banking to introduce, persuade, and recommend their products to market. Promotion also has a function for flashback to customer.

IV. Indonesian people perception to the Islamic Banking and their interest in using products in Islamic banking.

1.7   Conclusion

The growth of Islamic banking in Indonesia is an interesting phenomenon. Maybe this is not only lucrative business potential in terms of profitability but also highly conducive of sharia background. The high potential of Islamic banking business profitability is reflected in the number of players who opened the world of banking with syariah unit profit, which is not small. For example, Citibank, ABN Amro, and HSBC is an example of a successful banking business expanded Islamic bank in the Middle East and Malaysia. From his background,

business requirements of Islamic bank with a moral mission to create a more equitable economic life.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter present preliminary research, the foundation of theory, conceptual framework, and hypothesis.

2.2 Preliminary Research

Aurora (1985) discovered that evaluation criteria used by customers in choosing a bank or its products and services are generally similar. Previous results showed that dependability, convenience, variety of services and sizes of organization, accessibility. the availability of loan and competitive interest rates influencing customer's selection in choosing a bank or / and its products and services.

According to Philip Brouke (1990), for marketing purposes, banks should concentrate on their location and distribution of networks as well as new products and brand names. Banks also need further development in personal skills aspect, particularly in commercial, accounting, legal and technological skills.

Rifaat Ahmed Abdel Karim (1996) with his research: "The Impact of The Basle Capital Adequacy Ratio Regulation on The Financial and Marketing Strategies of Islamic Banks". The summary of the impacts on the financial and marketing strategies of Islamic Bank are:

Added profit sharing investment account (PSIA) to core capital; Islamic banks pursuing a financial strategy of high PSIA financing and low equity capital would benefit from this scenarios as follows, first, they would be able to meet CAR requirements without having to change their financing strategy. The second, their shareholders would be able to continue reaping the fruits of high PSIA financing. The high strategic choice provided by this scenario would also mean that these banks are likely to pursue a marketing strategy of expanding their market share of these accounts in order to fulfil their financial strategy. Indeed, competition would force the Islamic banks to pursue a marketing strategy that would enable them to increase their market share of PSIA's in order to fulfil their financial strategy. They would also tend to revise their marketing strategy to fit their financial strategy of attracting more PSIA's.

Ratna Nur Kartika (2002) with her research about analytic factors that influence a customer's decision in buying computer at Kaledia Yogyakarta. Variable in her research are product, promotion, place and service. Result of her research: first, price and promotion followed by gender have a significant effect in deciding to purchase of buying computer in Kaledia. Second, promotion and place followed by age have a significant effect in purchase decision to buy the computer at Kaledia. Third, price followed by level of education has a significant effect in purchase decision to buy computer at Kaledia. Fourt, product followed by level of income has a significant effect in purchase decision to buy the computer at Kaledia. This research uses 5 variables. They are product, price, place, promotion and service. We can see the product, promotion, and distribution channel are the most important variables influencing the purchase decision of consumers. And four of five variables is part of marketing mix. Here, researcher want to do more specific research about marketing that affect consumer to choose Islamic bank.

The characteristic of Islamic banking operation is based on partnership and mutual benefits principle provides an alternative banking system with mutual benefits both for the public and the bank. This system will give priorities to aspects related to fairness in transaction and ethical investment by underlining the values of togetherness and partnership in production, and by avoiding any speculative activity in financial transaction. By providing various products and banking services supported by variative financial scheme. Islamic banking will be a credible alternative that can be benefited by all of Indonesian people without exception.

In the context of macro economic management, an extensive use of various Islamic financial products and instrument will help attaching financial sector and real sector and create harmonization between the two sectors. In addition to support financial and business the widely use of islamic product and instrument will also reduce speculative transactions in thus the economy supports the stability of overall financial system. At the end, the Islamic banking will significantly contribute to the achievement of mid-long term price stability.

Islamic banking is based on two main financial principles. Firstly, investment is to be made in the private sector through interest-free financing. Secondly, the development of financial instruments is to be done on the basis of profit and loss sharing as well as sharing risks. Further, Islamic banking is built around Shariah, mainly prohibiting the charging of interest. Because Islam considers interest an unjustified increase of capital, with no effort made to earn it, it is considered of false value, and therefore is prohibited. However, there are many arguments about the prohibition of interest in Islam. The first argument is that interest rates

have no moral foundation. The second is that abstinence from consumption is not a justification of rewards. Lastly, some argue that there are risks to justify the supplement of payment for capital lending if the loan is guaranteed. In addition to the prohibition of interest payments, Islamic law treats money strictly as a medium of exchange. In other words, money, in itself, does not have any inherent value, and therefore it should not lead to the production of more money (India Finance, April/May 2004).

2.3   The Foundation of Theory

The enactment of Act no. 21 of 2008 issued on July 16, 2008 has provided a more adequate legal base to the development of Islamic banking in Indonesia, and consequently will accelerate the growth of the industry. With an impressive development progress reaching an annual average asset growth of more than 65% in the last five years, it is expected that Islamic banking industry will have a more significant role in supporting national economy.

Kamal Naser and Luiz Moutinho (1997) in their research entitled: "Strategic Marketing Management: the case of Islamic banks" use some variables. They are size, strength and soundness, and profitability and performance of Islamic banks. First, the study examined the number of Islamic banks which appear on the list of top 100 Arab banks (by capital) over the last ten years. The outcome of the analysis may emphasize the need for an affective marketing strategy to attract more users of the Islamic Banking facilities as awell as investors and depositors. The finding imply that the Islamic banks may still need to go a long way before reaching the average size of the industry, which may require an affective marketing strategy. The analysis revealed that the Islamic banks are still in the development stage. The limited number of Islamic banks appear on the 100 Arab banks and unsteady growth in the

bank assets nad capital may imply that the demand for the Islamic banks products is still limited. The Islamic banks are advised to adopt an effective marketing strategy taking into account competition coming from similar Islamic banks and conventional banks. On the other hand, the Islamic banks seem to have no problem in observing soundness in their investment and operation and this has been reflected through the steady reported profit.

2.3.1. History of Islamic Banking

Islamic banking is now a widely-known term in both the Muslim world and the west. It denotes a form of banking and finance which attempts to provide service to clients free from interest. The proponents of Islamics banking argue that interest is *riba* and, as such, is prohibited under Islamic law. This attitude towards interest has led several Muslims (Wikipedia, May 2009).

In the late seventies and early eighties, Muslim communities were awoken by the emergence of Islamic banks which provided interest free banking facilities. Pioneered by Mit Ghamr Local Saving bank, which was established in 1963 in a provincial rural centre in the Nile Delta of Egypt, there are currently more than 150 interest-free institutions all over the world. Islamic banks nowadays not only operate in almost all Muslim countries but have also extended their wings to the Western world to serve both Muslim and non-Muslim customers (Wikipedia, May 2009).

The majority of the existing financial institutions and financial instruments that form the entire financial system available today have development gradually. Although there is inconsistency on the exact starting period of conventional banking, scholars believe that it began in the middle of 12th century. The moneychangers and interest charges, however, have

been around a lot longer. The *Sumerian* people (3,000 BC – 1,800 BC) for example, used interest rate as the price for loans in their lending activities. Sumerian documents reveal a systematic use of credit based on loans of grain by volume and loans of metal by weight and often these loans carried interest charges (Homer, 1977).

In the case of Islamic banking, the establishment of the Mit Ghamr Local Saving Bank is said to be a milestone for modern Islamic banking. The history of Islamic banking activities can nevertheless be traced back to the birth of Islam. The second section of this chapter, will provide information about the existence of Islamic banking activities during the early years of Islam. The third section elaborates the development of Islamic banking system in selected Muslim countries is highlighted in section four (Wikipedia and Ensiklopedia, 2008).

In 1974, Islamic Development Bank (IDB) was established and sponsored by countries which of member Organization of Islam Conference. Although, at the first time, the bank is a government bank that provides a budget for development projects for their member countries. IDB provides a budget fot development project for their member countries. IDB provides financial services that based on fee and profit sharing to the countries and explicitly declares that they are based on Islamic rules. In 1974's, banks based on Islam is appeared almost at the same time, for instance, in middle east such as Dubai Islamic Bank (1975), Faisal Islamic Bank of Sudan (1977). In Asia Pacific, Philippine, Amanah Bank established in 1973 based on resolution of president, and in Malaysia, 1963, has a Muslim Pilgrims Savings Corporation that aim to help the people who want to save their money for Hajj (Wikipedia and Ensiklopedia, 10 May 2010).

In Indonesia, pioneer of Islamic Banking is Bank Muamalat, established on 1991. This bank sponsored by Majelis Ulama Indonesia (MUI) and government, and also supported by Ikatan Cendikiawan Muslim Indonesia (ICMI) and some of Moslem businessman. Now Islamic Bank in Indonesia has been controlled in Banking Act, likes act 10/1998 as a subtitle for the acr 7/1992. Until 2007, Indonesia already has 3 institution of Islamic Bank, they are Bank of Muamalat Indonesia, Bank of Syariah Mandiri and Bank of Mega Syariah. At that time, general bank that which have Islamic business units are 19 banks, for instance, Bank of Negara Indonesia and Bank of Rakyat Indonesia (Persero). Islamic system was also used by Bank of Perkreditan Rakyat, and now has grown as BPR Syariah (Bisnis Indonesia, 2008)

2.3.2. Policy of Islamic Banking in Indonesia

The Blueprint of Islamic Banking Development in Indonesia prepared by Bank Indonesia in 2002 provides guidance to stakeholders of Islamic banking and to set the position and vision of Bank Indonesia in developing Islamic bank in Indonesia. In the process of preparing this Blueprint, various aspects have been taken comprehensively into consideration such as the actual condition of national Islamic banking industry including related tools, development trend of Islamic banking industry within international scale as well as system development of national Islamic finance that has started to be materialized and inseparable from wider architectural landscape such as Indonesian Banking Architecture (API) and Indonesian Financial System Architecture (ASKI) including international best practices formulated by international Islamic financial institutions such as IFSB (Islamic Financial Services Board), AAOIFI and IIFM (Bank Indonesia, 2000).

The development of Islamic banking was directed to provide the highest benefits to the public and to give optimal contribution to national economy. Consequently its development path is always referred to other strategic plans, such as API, ASKI as well as Medium Term National Development Plan (RPJMN) and Long-Term National Development Plan (RPJPN). Therefore, the policy in developing Islamic banking is a part and an activity supporting the achievement of a larger scale strategic planning in developmnet at national level.

The Blueprint of of Islamic Banking in Indonesia defines the vision, mission and target of Islamic banking development as well as strategic initiatives with clear priorities in response to the main challenge and in reaching the target for the next ten years by achieving significant market share of Islamic banking through the advancement of the role of Islamic banking in the national, regional and international financial activities with other Islamic financial sectors.

In the condition of its integration, in the short term, the phase of Islamic banking development is more directed toward servicing the huge potential of domestic market. In other words, Indonesian Islamic banking must be able to become domestic player with an internatioal quality in services and performance (Arif, M. 1998).

Subsequently, the Islamic banking system envisioned by Bank Indonesia is a modern Islamic banking with open and universal characteristics and inclusive to all Indonesian people with no exception. It refers to banking system presenting applicative forms of Islamic economic

concept that is wisely formulated in the current context of problems faced by Indonesia within the consciousness of the historical socio-cultural condition of this country. Only by doing that, the aspiration development of Islamic banking will always be recognized and accepted by all Indonesian people as a part of the solutions to the various problems encountered by this country.

2.3.3. Definition of Marketing

Marketing is the business activity of presenting products or services to potential customers in such a way as to make them eager to buy. Marketing includes such matters as the pricing and packaging of the product and the creation of demand by advertising and sales campaigns (MSN Encarta Dictionary).

Marketing is the process by which companies determine what products or services may be of interest to customers, and the strategy is to use in sale, communication and business development (Wikipedia and Ensiklopedia). Marketing is the performance of business activities that directs the flow of goods and services from producer to consumer or user (American Marketing Association, 1960). Marketing is human activity direct at satisfying needs and wants through exchange process (Philip Kotler, 1980).

There is a crucial difference between selling and marketing. Selling concept produced from inside to outside or push system and product driven. This concept is started from production, give intention to exist product, and do selling with a good production to achieve maximum profit. While, marketing concept is more pull system and customer driven (outside to inside).

The company starts their jobs from a good market. The company tries to know what a market needs and tastes. The company focuses on customer's needs and satisfactions, and compiles all of the event in order to influence the customers. After that, the company automatically gets profit without ignoring customer satisfaction. Customer satisfaction as an entry point should be maximized to be profit. Marketing has the main responsibility for achieving profitable revenue growth for the company. Marketing must identify, evaluate, and select market opportunities and lay down strategies for achieving eminence if not dominance in target markets (Philip Kotler, 2000).

Planning is the main point of marketing. Planning must be completed with supported analysis such as SWOT (Strength, Weakness, Opportunity, and threat). Before marketing their products, for the first time, they have to analyze what the strengths of their product and what the unique of their product compare to competitors. The lack that they have also must be identified and know well. This lack could become the weaknesses by which competitor will take advantages of in seizing the market. By knowing the competitors from the beginning, then anticipation could be immediately carried out. Opportunity is the one that possibly could be used to maximize the marketing. The company was prosecuted to be able to comprehend each available opportunity. The capacity comprehended each available opportunity to one of the key points to the success in marketing a product. The last threat is that each of it is from the outsider and possibility could disrupt our activity. By recognizing it properly, everything was anticipated well that it will facilitate in carrying out the activity and carrying out the breakthrough in the future (David W. Cravens, 1994).

2.4. Marketing Mix

Through market segmentation the company can provide higher value to customers by developing a market mix that addresses the specific needs and concerns of the selected segment. Stated in economic terms, the firm creates monopolistic or oligopolistic market conditions through the utilization of various curves of demand for a specific product category (Ferstman, C., & Muller, E., 1993). This is an expanded application of the microeconomic theory of price discrimination, where the firm seeks to realize the highest price that each segment is willing to pay.

Marketing Mix is a key concept of marketing theory. Michael Porter's 4P's are Product, Price, Place and Promotion. The first is a "Product" or service or good that most closely meets the requirements of a particular market or segment and yield enough profit to justify its continued existence. The second is "Price", Market value, or agreed exchange value, that will purchase adefinite quantity, weight, or other measure of a good or service. As the consideration given in exchange for transfer of ownership, price forms the essential basis of commercial transactions. It may be fixed by a contract (such as sale of goods contract), left to be determined by an agreed upon formula at a future date, or discovered or negotiated during the course of dealings between the parties involved. The third is "Place", to determine this term really refers to any way that the customer can obtain a product. The last is "Promotion", that's mean how to communicated our products to the public in an attempt to influence them toward buying our products and/or services with suitable price by using tools can be sold in market. Those four marketing mix in the marketing always become the key success of the individual and the company. Deeply, the researcher will explain more about components mix, they are:

2.4.1. Product

The most basic method of the marketing mix is the product. The product was known as everything that could satisfy the requirement and the wish in the form of thing service and idea. Thos method aims as the real bargaining for the company to its market, production, and presentation. Marketers have traditionally classified products into different types on the basis of different product characteristics. Each product type has a distinctive marketing mix strategy.

Products come in several forms. Consumer products can be categorized as *convenience* goods, for which consumers are willing to invest very limited shopping efforts. Thus, it is essential to have these products readily available and have the brand name well known. *Shopping* goods, in contrast, are goods in which the consumer is willing to invest a great deal of time and effort. For example, consumers will spend a great deal of time looking for a new car or a medical procedure. *Specialty* goods are those that are of interest only to a narrow segment of the population, example; drilling machines. Industrial goods can also be broken down into subgroups, depending on their uses. It should also be noted that, within the context of marketing decisions, the term product refers to more than tangible goods a service can be a product, too.

Three aspects of product are:

First, aim to benefit: benefit of usage, benefit of physiology, and benefit in solving the problems. Second, product visualization: attribute and specialty of product, quality of product, label, package, and pattern of product. Third, add the value of product: guarantee

and availability in market. The product decision interacts intimately with other marketing mix decisions. For example, the price charge for the product is a function of how much people are willing to pay for it, and that depends on how closely the product meets consumers' preferences.

2.4.2. Price

The second method of the marketing mixture is price. Pricing is one of the most important elements of the marketing mix, as it is the only mix, which generates a turnover for the organisation. The remaining 3p's are the variable cost for the organisation. It costs to produce and design a product, it costs to distribute a product and costs to promote it. Price must support these elements of the mix. Pricing is difficult and must reflect *supply* and *demand* relationship. Pricing a product too high or too low could mean a loss of sales for the organisation.

According to monroe (1990), the price is the economical sacrifice carried out by the customer to receive the product or the service. Moreover, the price is one of the important factors for the consumer to take the decision to carry out the transaction or not (Engel *et al.*, 1995).

2.4.3. Distribution

The distribution or the place is one of the marketing mixtures which have the same importance as others. Distribution is often a much underestimated factor in marketing. Many marketers fall for the trap that if you make a better product, consumers will buy it. The problem is that retailers may not be willing to devote shelf-space to new products. Retailers

would often rather use that shelf-space for existing products have that proven records of selling. Although many companies advertise that they save the consumer money by selling "direct" and "eliminating the middleman," this is a dubious claim in most instances. The truth is that intermediaries, such as retailers and wholesalers, tend to *add efficiency* because they can do specialized tasks better than the consumer or the manufacturer. Because wholesalers and retailers exist, the consumer can buy one pen at a time in a store located conveniently rather than having to order it from a distant factory. The distributor works actively trying to get the move not only in physically, but also in a sense so that the products could be bought by carrying out the consideration of this channelling (Collins, Dictionary of business, Second edition, 1999).

2.4.4. Promotion

The promotion is the persuasive activity carried out by the company to introduce, persuade, and recommend its product to the target market or variety of the company's activities to communicate and promote their product to the target market. The company must prepare the communication program and the promotion consisted of the advertisement, the direct marketing, the selling promotion, and the relationship with the community. The promotion is, "the method to grasp the attention of the consumer to a product and persuade them to buy the product" (Collins, dictionary of business, Second edition, 1999).

The company mixture (promotional mix) is a method used by a company to give information to the prospective buyer concerning with the characteristics and the attribution of its product and persuade them to buy the products extensively. This activity consist of : advertising, sales promotion, merchandising, packaging, direct selling, public relations, selling price difference,

distribution of the gift to the candidate customers, sample distribution of the gift to the candidate customers, sample distribution, the method "buy one get one", talk show in radio, advertisement, interview by the report about an agency or the certain product, having a "quiz" about the product over radio, the promotion with banner, advertising through the internet (Collins, Dictionary of business, Second edition, 1999).

Generally, a sequence of events is needed before a consumer will buy a product. This is known as a "hierarchy of effects." The consumer must first be aware that the product exists. He or she must then be motivated to give some attention to the product and what it may provide. In the next stage, the need is for the consumer to evaluate the merits of the product, hopefully giving the product a try. A good experience may lead to continued use. Note that the consumer must go through the earlier phases before the later ones can be accomplished.

Moral is a value system or social consensus about which one is good and which one is bad. A human action in doing business promotion whether it is good, bad, proper or unproper, is measured through principles like beneficence, nonmaleficence, to honour the human, and fair or unfair. The guide lead the promotion that it is called promotion that it is called promotion ethics. It is important to know that there are four indicators determined the view of sellers about marketing efforts available to influence the consumer.

Table 2.1: Correlation between Marketing Mix and Customer

Marketing Mix	Customer
Product	Customer Needs and Wants
Promotion	Communication
Place	Convinience
Price	Cost to the Customer

(Source: Wikipedia and Ensiklopedia, May 2009)

So, the best company is a company which can fulfil customer needs and wants economically, easily, and communicate effectively, which supported by professional marketing people.

2.4.5. Consumer Decision Making

The consumer's decision making basically is the process to solve of the problem. Process by which (1) consumers identify their needs, (2) collect information, (3) evaluate alternatives, and (4) make the purchase decision. These actions are determined by psychological and economical factors, and are influenced by environmental factors such as cultural, group, and social values (Business Dictionary, 2006). More generally, decision making is the cognitive process of selecting a course of action from among multiple alternatives. Common examples include shopping and deciding what to eat. Decision making is said to be a psychological construct. This means that although we can never "see" a decision, we can infer from observable behaviour that a decision has been made. Therefore we conclude that a psychological event that we call "decision making" has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to effect the action (Simon, H., 1947). However

two factors are around the intention to the purchase and the decision of the purchase (Kotler, 2000):

I. Point of view of the other person. The point of view of the other person who reduces the laternative whether they like something or not will depend on the intensity of the other person's point of view when they find the negative side towards the alternative of things the consumer wanted to buy and the consumer's motivation to follow others point of view. Preference of a buyer to a brand would increase another person to love the same brand. The influences of the other person become complicated to several people who are closed to the buyer who have the contradictory opinion and the buyers want to please all of them.

II. Situation factor that is not anticipated. This factor could emerge and change the intention to the purchase. The decision of the consumer to modify, postpone, or avoid a decision to purchase is really affected by the risk felt by the consumer. The risk size felt to be different according to the money size are entrusted, the attribute size, and confidence of consumer. The consumer developed certain routine to reduce the risk, such as the evasion of the decision, the information collection from friends, and preference on the domestic production and the guarantee. The marketer must understand about factors which cause the risk to consumer-self and give information and support to reduce the risk felt by consumer. In undertaking the intention to the purchase, they are the decision of the supplier, the decision of the payment method. The purchase of daily things involves fewer decisions and less consideration.

2.4.6. Indonesian People Perception to the Islamic Banking

The development Islamic banking in Indonesia are still less to show strong growth, both network and business volume, compared with growth in conventional banks. This is indicated by the number of Islamic banks are still small. In general, per July 2000, there are 161 commercial banks with as many as 6624 pieces of office in Indonesia and there are 2427 rural banks, with total assets of Rp. 970 trillion, outstanding loans amounted to Rp. 279.2 trillion and public funds collected Rp. 682.5 trillion.

From all the national banks are up to now there are two Islamic banks (ex; Bank of Muamalat Indonesia and Bank of Syariah Mandiri), three commercial banks to open Islamic bank branches (ex; the Bank of IFI with one office Islamic branches, Bank of BNI Syariah with five branches, and Bank of Jabar Syariah with one branch) and 79 BPRS.

Many challenges and problems faced in development of Islamic banking, especially in Indonesia. The problems that arise, among others, is public knowledge of Islamic banking very low especially that caused by the dominance of conventional banking. Here are some of the obstacles that arise in connection with the development of Islamic banking (Subardjo Antonio, 1999):

First, people understanding are not yet appropriate to the operations of Islamic banks. Second, applicable banking regulations are not fully operational to accommodate the Islamic bank. Third, Islamic bank office network that has not been widespread. Fourth, human resources with expertise in Islamic banking is still small.

Policy of development in Islamic banking, among others, is supporting the development of Islamic banking network, particularly in areas considered potential. In order to support the development of Islamic banking network and the data required complete and accurate information that describes the potential development of sharia banks both in terms of storage as well as the financing side. Potentials referred to can be viewed from the resources and economic activities as well as an area of the pattern of attitudes / preferences of economic actors to the Islamic bank products and services.

In order to develop Islamic banking network needed efforts to raise public awareness about the products, mechanisms, systems and subtleties of Islamic banking due to the development of Islamic banking network will depend on the extent of public demand for this banking system. Therefore, in order to socialization activities to increase public awareness of Islamic banking effectively needed information about the characteristics and behaviour of customers / potential customers towards Islamic banking.

2.4.7. Decision Making Process

Buying the good product or service, the consumer, through the process of the solution stage towards problem, involved 5 stages in bouncing (Larrenche *et al.*, 2000).

Figure 2.1: Consumer Decision Making

```
┌─────────────────────────────────┐
│      Identify the problem        │
│                                  │
└─────────────────────────────────┘
                 │
                 ▼
┌─────────────────────────────────┐
│       Search information         │
│                                  │
└─────────────────────────────────┘
                 │
                 ▼
┌─────────────────────────────────┐
│      Alternative evaluation      │
│                                  │
└─────────────────────────────────┘
                 │
                 ▼
┌─────────────────────────────────┐
│          Purchasing              │
│                                  │
└─────────────────────────────────┘
                 │
                 ▼
┌─────────────────────────────────┐
│   Post Purchasing Evaluation     │
│                                  │
└─────────────────────────────────┘
```
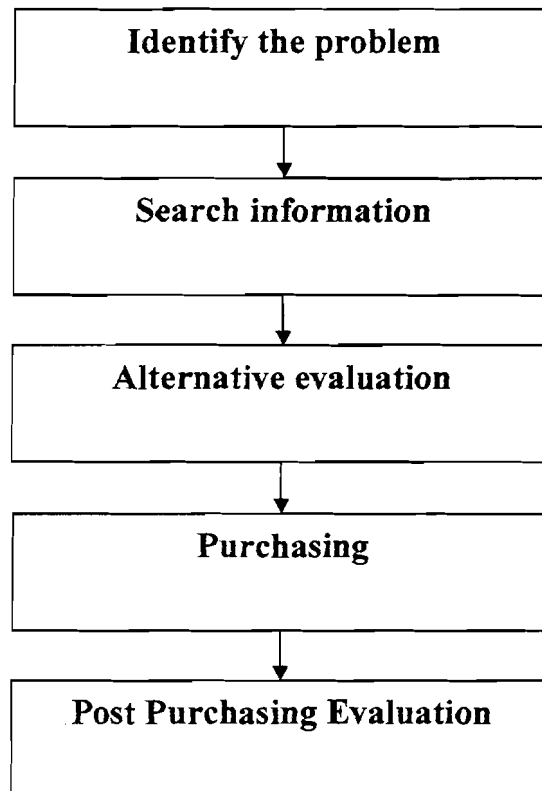
(Source: Larrenche *et al.*, 2000)

Decision making process can be regarded as the mental processes (cognitive process) resulting in the selection of a course of action among several alternatives. Every decision making process produces a final choice and the output can be an action or an opinion of choice (James Reason, 1990).

Searching the information. In this stage, the consumer will gather various information from various sources about product and service that could meet and satisfy their needs and wants (Larrenche *et al,*. 2000)

Alternative evaluation. After being point in various alternatives to the product, the consumer simplified the work of their evaluation with various methods, those are: rarely consumer consider the entire make, but still focus on the collection recognized-totalling certainly that is recognized by them that possibly could satisfy their requirement; the consumer evaluates each make in the collection known according to the dimension or the attribute of the product; the consumer carriers out the combination of the evaluation between the attribute from each make by considering the relatives interests of these attributes (Larrenche *et al.,* 2000).

Purchasing. In this stage, the consumer must decide where to buy the product. Choosing the source to buy the product basically involve the process in launching as same as in the case of the decision to purchase the product. The source is usually the retail shop but also can be the catalogue mail-order or the service of the long-distance shopping (Larrenche *et al.,* 2000).

Post Purchasing Evaluation. Whether the certain consumer feel that there are certain consumer appreciated as it should be after carrying out the purchase depends on two matters they are the level hope-how. How far the product could fill hope, and the evaluation of the consumer is about the achievement of a product influenced by several factors which includes the strength and the urgency from the one's requirement and information gathered for the

process of decision making. Based on 5 stages, we will know a place of the process of the consumer's decision who could be depicted as followed:

Human performance in decision-making terms has been the subject of active research from several perspectives. From a psychological perspective, it is necessary to examine individual decisions in the context of a set of needs, preferences an individual has and values they seek. From a cognitive perspective, the decision making process must be regarded as a continuous process integrated in the interaction with the environment. From a normative perspective, the analysis of individual decisions is concerned with the logic of decision making and rationality and the invariant choice it leads too (Daniel Kahneman, Amos Tversky, 2000).

2.5. Conceptual Framework

Figure 2.2: Conceptual Framework

Independent Variable **Dependent Variable**
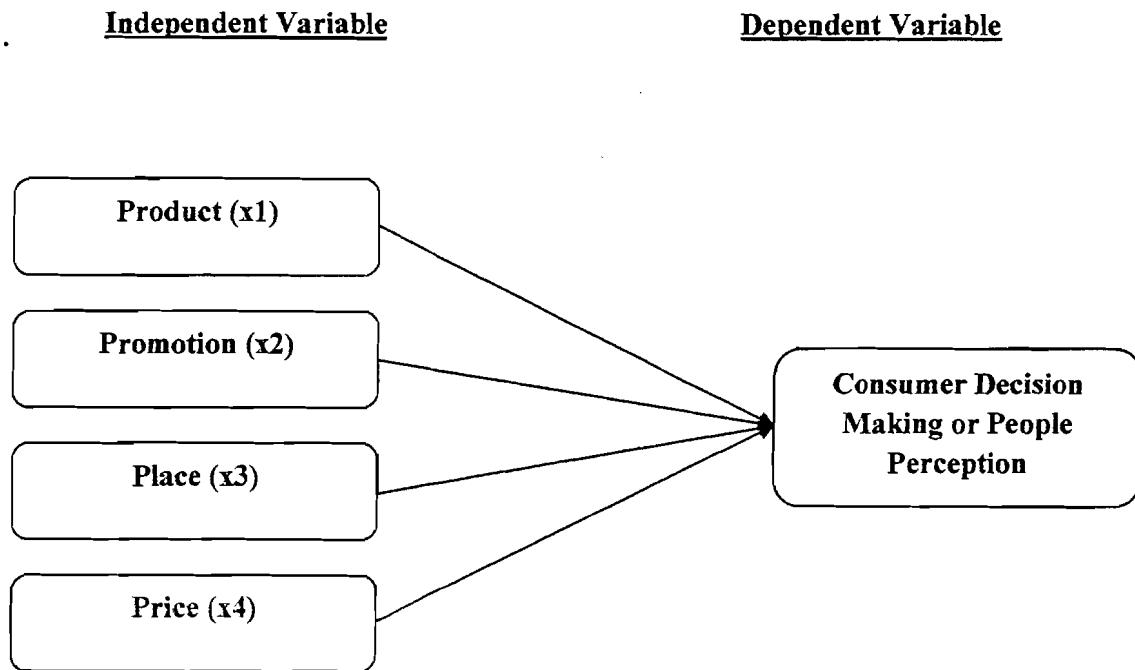
Figure 2.2 showing schematic diagram of the relationship between bank and banking selection decision and independent variables.

2.6. Hypothesis

The following hypotheses are null hypothesis:

H1: Banking selection decision is not significantly depend on products.

H2: Banking selection decision is not significantly depend on promotion.

H3: Banking selection decision is not significantly depend on place (distribution).

H4: Banking selection decision is not significantly depend on price.

2.7. Conclusion

Islamic banking started in earnest in the 1970s with personal initiative of the concerned Muslims to address the problem for riba. The pioneers included committed and resourceful individuals, professional bankers, Islamic economists and religious scholars. There was no initial working model to act upon, except the thought that interest-based banking might be replaced by banking on the basis of profit-and-loss sharing. This effort took place when the financial system at large, as also the regulatory environment, was riba-based.

The development of Islamic banking still dominates the Islamic financial institutions in Indonesia. While other Islamic financial institutions, such as sharia mutual funds, mortgage sharia, Islamic insurance, Islamic venture capital, the security of sharia are still running the place. However, after such a miniature Islamic banking to community responsiveness. Community response and positive image of Islamic banking will eventually provide a multiplier effect on other Islamic financial institutions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Based on the research framework that has been explained in the literature review, this chapter presents the research design. The hypotheses were developed based on the research questions. The method used in the study will also be discussed. This chapter gives an overview of the research study, a discussion of the population, description of the instrument selected and the procedures used in the study.

3.2. Design Study

Based on the reseacrh framework, this study is designed to identify the influence of the product, promotion, place and price as the independent variable, on consumer decision making as dependent variable. The justification for selecting these variables had been discussed in the previous chapter and hence is not repeated here. The variables selected for investigation are reflected in the hypotheses. In order to gather the data to examine the influence of independent variables on dependent variable in this study a quantitative method was employed. Hence, a set of questionnaire was used as an instrument in this study.

3.3. Research Hypothesis

This study involves inductive technique where hypotheses are developed and tested based on the research questions and there are three main hypotheses as follows:

I. Hypothesis are relates to the product as a predictor of consumer decision making.

H0: Product is not significantly related to consumer decision making.

H1: Product is significantly related to consumer decision making.

II. Hypothesis two relates to the promotion as a predictor of consumer decision making.

H0: Promotion is not significantly related to consumer decision making.

H1: Promotion is significantly related to consumer decision making.

III. Hypothesis three relates to the place as a prediction of consumer decision making.

H0: Place is not significantly related to consumer decision making.

H1: Place is significantly related to consumer decision making.

IV. Hypothesis four relates to the price as a prediction of consumer decision making

H0: Price is not significantly related to consumer decision making.

H1: Price is significantly related to consumer decision making.

3.4. Population and Sample

Population or universe is generalized area which can defined as including all people or items with the characteristic one wishes to understand. Because there is very rarely enough time or money to gather information from everyone or everything in a population, the goal becomes finding a representative sample (or subset) of that population attracted by the conclusion (Adèr, Mellenbergh, & Hand, 2008). Those who, become the population in this research are

all customers who use the product of the Islamic Banking in Indonesia. Whereas, the whole population that will analyzed here can not be identified definitely in size, then, the researcher maintains the sample from the whole population that will be explained further in this chapter.

Sample is part of statistical practice concerned with the selection of a subset of individual observations within a population of individuals intended to yield some knowledge about the population of concern, especially for the purposes of making predictions based on statistical inference (Wikipedia, October 2009). Technically, the sample collection used in this reserach is non probability sampling. In non probability sampling the identity of the respondent is not know, so as the prosedure which uses convenience sampling. The sample is chosen based on the availability of the elements and the ease to get them. As it is mentioned before, since the numbered population of consumers who use the product of Islamic bank can not be definitely identified in Indonesia, then, the collecting of the number of samples could be determined with the formula as follows (Algifaro, 1997).

3.5. Reliability of Instrument

This analysis used to determine how the measurement the level of concistency. The realibility test is done by Cronbach Alpha Technique.

3.5.1. Reliability Test

In compiling the instrument to obtained the good instrument, there are several condition must be filled. So, before the poll research used in gathering the data, it is carried out by the poll

test before the number of respondents who will used as the subject of the research as a sample 30 respondents.

Table 3.1 Reliability Test of Strategic Marketing Islamic Banking from the previous study

Variable	Scale Reliability (Cronbach's Alpha)
Product (x1)	0.569
Promotion (x2)	0.652
Place (x3)	0.579
Price (x4)	0.508

Variable	Scale Reliability (Cronbach's Alpha)
Consumer decision making (Y)	0.698

3.6. Data and Technique of Collecting the Data

Data is an information which is acknowledge by its truth and will become the foundation to be analyzed in this research. The data used in this research are: (1) *Primary data.* Information - this is relevant, gathered, and received directly from the object of the research that they are reserved. Here. The primary data will be collected from several respondents who are appointed by the numbered as well as the location of the receipt, a long with the some

questionnaire method. Moreover, researcher also carriers out the direct interview to some related parties. (2) *Secondary data.* The secondary data is the data that is collected by looking for information from the readings likes material book or literature, information that is connected with the problem theoritically. For example: previous research and appropriate book included in bibliography.

The techniques and the instruments of the data collection are carried out through two methods, those are: (1) *Questionnaire.* By making the questionnaire, the respondents will fill it out give the data in the form of answer and will be used as the main data and analysed by the researcher. The contents of this (the product, the price, the distribution, the promotion) as well as the dependent variable (the decision of the purchase/the decision of choosing).

To measure the behaviour of the respondent towards an answer, is used the scale of grading the internal named scale likert. Each question in this research is provided with 4 (four) alternatives to answer with the score as follows:

SD (Strongly Disagree)   score 1

D (Disagree)   score 2

A (Agree)   score 3

SA (Strongly Agree)   score 4

Researcher has a reason to give the alternatives of the answer out of four alternatives. The reason is to receive the valid data. Because, if there are five alternatives to the answer and

one choose the middle, the form of the alternative is the hesitant answer/neutral. In general Indonesian respondent will choose this answer. Whereas, the hesitant answer/neutral tends to make the result of the answer used in this research. (2) *Interview*. It is done by direct interview with respondent to know various information needed and not received from questionnaire. The function of interview in this research is a kind of accessories as well as the support to be received by the questionnaire result.

3.7. Questionnaire Design

In this research the quantitative method were used, whereby questionnaires were distributed to the sample which supports the study to determine if strategic marketing Islamic Banking influences consumer decision making and attracting the interest of Indonesian people also. Nine pages close-ended questionnaire were used to gather information about strategic marketing Islamic Banking and consumer decision making/attracting the interest of Indonesian people.

However, the questionnaires were posed in English and Bahasa Indonesia in order to ease understanding the questionnaire.

The questionnaire consists of seven sections. All the sections require the respondents to tick the box which the most appropriate answer to them. In order to enrich this study with sufficient information, the full set of questionnaire is provided in Appendix (1). Table 3.2 shows the arrangement of questionnaire's section:

Tabel 3.2. The description of questionnaire's section

Questionnaire Section	Description
Section A	This section consists of respondent's demographic profile such as gender, age, occupation, religion, age, maritial status, source of income, income per month and expenses per month.
Section B	This section contains 4 questions measuring the product of Islamic Banking.
Section C	This section contains 4 question measuring the promotion of Islamic Banking.
Section D	This section contains 4 question measuring the place of Islamic banking.
Section E	This section contains 4 question measuring the price of Islamic Banking.
Section F	This section contains 5 question measuring the consumer decision making.

3.8. Pilot Study

In this research, a pilot study was conducted with the intention to make certain in regards of the reliability and validity of the insignificant number of the distributed questionnaires. Respondents are people who know and used the product of Islamic Banking. A total of 21 questionnaires were used in the pilot test.

Tabel 3.3. The rules of Thumb for Cronbach's Alpha Coefficient Size

Alpha Coefficient Range	Internal Consistency Reliability
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very good
≥ 0.9	Exellent

3.9. Data Collection

The data collection processes were carried out from 13 February – 17 March 2009 at Medan, Indonesia. Majority people in Medan prefer banks conventional because it is more profitable and faster to get a profit with distributing questionnaires to the consumer, whether Islamic banks can attract the attention of Indonesian society, especially in Medan. Based on the percentage of total employees, the questionnaires were distributed to 150 respondents. Self-administrative techniques were used by researcher in distributing the questionnaires.

3.10. Data Analysis

Various statistical methods were used to analyze the data collected from the respondents. The data for the entire study was inputted into the Statistical Package for Social Science (SPSS) 14.0 program for Windows to interpret results. All the items and variable coded before entered to the computer. Additionally, the Cronbach Alpha coefficients were computed to determine the reliability of the instrument to ensure the items are reliable. In this study, the responses and information collected from the survey were tested using statistical techniques such as frequencies, correlation and regression.

Furthermore, the researcher carried out the frequency analysis for the respondent's demographic factors of gender, age, education background, and length of service. Subsequently, correlation analyses were used to examine the relationship between strategic marketing Islamic banking and attracting Indonesian consumer. In addition to that, multiple regressions analysis were carried out to determine the relationship between product,

promotion, place, price, and attracting Indonesian consumer, the direction of the relationship, the degree of the relationship and the strength of the relationship.

The strength of the association is reviewed based on the scale suggested by Hair *et al* (2007) in order to quantitatively describe the relationship between independent variables and dependent variable.

Tabel 3.4 rules of thumbs for Correlation Coefficient Size

Coefficient Range	Strength of Association
± 0.9 - ± 1.00	Very Strong
± 0.71 - ± 0.90	High
± 0.41 - ± 0.70	Moderate
± 0.21 - ± 0. 40	Small but definite relationship
± 0.00 - ± 0.20	Slight, almost nigligible

3.11. Reliability Analysis

The reliability analysis was conducted to test the internal consistency of the measuring instrument. In the Appendix 2 (A, B, C and D) the SPSS output is attached. The reliability result for all variables of this study is exhibited in Table 3.5.

Table 3.5 Reliability Coefficient of Variables

Reliability

Scale: PRODUCT

Reliability Statistics

Cronbach's Alpha	N of Items
.700	4

Reliability

Scale: PROMOTION

Reliability Statistics

Cronbach's Alpha	N of Items
.889	4

Reliability

Scale: PLACE

Reliability Statistics

Cronbach's Alpha	N of Items
.765	4

Reliability

Scale: PRICE

Reliability Statistics

Cronbach's Alpha	N of Items
.889	4

Reliability

Scale: Consumer Decision Making

Reliability Statistics

Cronbach's Alpha	N of Items
.643	5

3.12. Conclusion

This chapter has been discussed about the method of this research, which comprised the design of study, research hypotheses, measurement, questionnaire design, pilot study, sampling design, data collection, data analysis, and reliability test. The following chapter will discuss the findings of the study.

CHAPTER FOUR

FINDINGS

4.1. Introduction

This chapter presents the findings of the study. The data were analyzed using the SPSS software for reliability test, correlation analysis and regression analysis. The study objectives were clarify and recapped in the following section. Frequency analysis were used to examine the respondents' demographic characteristics such as gender, age, educational background, length of service, and division of work, while Pearson correlation and multiple regression analysis were used to analyze the influence of perceived task conflict, relationship conflict, and process conflict as independent variables on employee job satisfaction as dependent variable.

4.2. Analysis of Respondent's Profiles

To get a clue about of the characteristic of the people will be reseracher (respondents) doing preparation towards crued data through descriptive statictics. By explain the score from one change or the variable, get a promotion about the problem will be propose in this research. The data were got next will be analyzed with helping program SPSS 14.0 with the data analysis technique. Next there are some result statictic descriptive analysis were got based on the answer which is given by responden based on the question in questionnaire.

Table 4.2: Distribution Frequency of Occupation

Occupation	Frequency	Percent
Public Sector	21	26.3
Private Sector	23	28.8
Entrepreneur	17	21.3
Student	15	18.8
Unemployment	4	5.0
Total	80	100

(Source: Questionnaire Section A No.2)

Based on the table 4.2 show that the respondent which be sample in this research majority are work in private sector are 23 person or 28.8%, in public sector 21 person or 26.3%, entrepreneur 17 person or 21.3%, student 15 person or 18.8%, and unemployment 4 person or 5%. It means that Islamic Banking depositor majority work in private sector company.

4.2.3. Religion

Based on the religion factors such as Moslems, Chirstian, Hindu, and Buddha, so result of the analysis of the data could be seen the table below:

Table 4.3: Distribution Frequency of Religion

Religion	Frequency	Percent
Islam	70	87.5%
Christian	4	5%
Hindu	1	1.3%
Buddha	5	6.3%
Total	80	100%

(Source: Questionnaire Section A No.3)

Based on the table 4.3 show that most of the respondent which Islamic Banking depositor in Indonesia majority are Moslems such as 70 person or 87.5% and the others Christian 4 person or 5%, Buddha 5 person or 6.3%, and Hindu 1 person or 1.3%. it means that the people conscious that Islamic Banking system was better and it is true majority Moslems.

4.2.4. Age

Based on the age consist of four of groups are depositor age 30 years, 30-40 years old, 41-50 years old and depositor age above 50 years old, so the result of the analysis of the data could be seen the table below:

Table 4.4: Distribution Frequency of Age

Age	Frequency	Percent
Below 30 years old	42	52.5%
30-40 years old	17	21.3%
41-50 years old	15	18.8%
Above 50 years	6	7.5%
Total	80	100%

(Source: Questionnaire Section A No.4)

Based on the table 4.4 show that the most of the respondent which islamic Banking depositor in Indonesia majority are age below 30 years old are 42 person or 52.5%, age between 30-40 years old are 17 person or 21.3%, age betweem 41-50 years old are 15 person or 18.8%, and the minority are age above 50 years with 6 person or 7.5%.

4.2.5. Marital Status

Based on marital status consist of three of groups such as depositor which still single, depositor has marriage, and depositor has divorce, so the result of the analysis of the data could be seen the table below:

Table 4.5: Distribution Frequency of Marital Status

Status	Frequency	Percent
Single	48	60%
Marriage	31	38.8%
Divorce	1	1.3%
Total	80	100%

(Source: Questionnaire Section A No.5)

Based on the table 4.5 show that the most of the respondent which Islamic Banking depositor in Indonesia are had single are 48 person or 60%.

4.2.6. Source of Income

Based on source of income consist of two groups such as source from parent and source from work salary so the result of the analysis of the data could be seen the table below:

Table 4.6: Distribution Frequency of Source of Income

Source	Frequency	Percent
Parent	25	31.3%
Work Salary	55	68.8%
Total	80	100%

(Source: Questionnaire Section A No.6)

Based on the table 4.6 show that the most of the respondent which Islamic Banking Depositor in Indonesia majority they were had worked and have being payment income. It is means that

the people had been worked and have being payment income more potential to do the transaction with system of Islamic Banking.

4.2.7. Income per Month

Based on the income per month consist of four of groups such as depositor which get income per month below 3 Million Rupiah, depositor get income per month between 3 until 5 Million Rupiah, and depositor with income per month above 5 Million Rupiah, so the result of the analysis of the data could be seen the table below:

Table 4.7: Distribution Frequency of Income per Month

Income	Frequency	Percent
Below 3 Million Rupiah	28	35%
3 Million – 4 Million Rupiah	22	27.5%
Above 5 Million Rupiah	30	37.5%
Total	80	100%

(Source: Questionnaire Section A No.7)

Based on table 4.7 show that the most of the respondent which Islamic Banking depositor in Indonesia majority they are with have income per month above 5 Million Rupiah, Secondly depositor which income per month below 3 Million Rupiah and the last was depositor with income per month below 3 Million Rupiah.

4.2.8. Expenses per Month

Based on expenses per month consist of four of groups. Such as depositor which expenses per month ¼ of the income or less, depositor which expense per month ½ of the income or less, depositor which expense per month more than tha income, so the result of the analysis of the data could be seen the table below:

Table 4.8: Distribution Frequency of Expense per Month

Expense per Month	Frequency	Percent
¼ of the income or less	21	26.3%
½ of the income or less	31	38.8%
Equivalent of the income	25	31.3%
More than the income	3	3.8%
Total	80	100%

(Source: Questionnaire Section A No.8)

Based on the table 4.8 show that the most of respondent which Islamic Banking depositor in Indonesia majority they were have expense per month ½ of the income or less.

4.3. Correlation Results of the Variables

This section shows the correlation analysis of the relationship between bank and banking selection. The strength of the association is reviewed based on the scale suggested by Hair *et al* (2007) in order to quantitatively describe the relationship between independent variables and dependent variable. Correlations results were shown in Tables 4.9 to 5.2 respectively.

Table 4.9. Correlation of Product and Consumer Decision Making

		Product	Consumer Decision Making
Product	Pearson Correlation	1	.110(**)
	Sig. (2-tailed)		.333
	N	80	80
ConsumerDecisionMaking	Pearson Correlation	.110(**)	1
	Sig. (2-tailed)	.333	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed)

Based on the objective of this study, hypothesis 1 was developed and tested using the Pearson Correlation and the results in Table 4.9 shows that there is significant correlation between product and consumer decision making. The correlation value was positive 0.110 and is significant at the 0.01 level. The value of the correlation shows the strength of association between the two variables which is moderate. This result provides a support for hypothesis 1 which stated that product is significantly related with consumer decision making and the hypothesis is hereby accepted.

Table 4.10: Correlation of Promotion and Consumer Decision Making

		Promotion	Consumer Decision Making
Promotion	Pearson Correlation	1	.310(**)
	Sig. (2-tailed)		.005
	N	80	80
ConsumerDecisionMaking	Pearson Correlation	.310(**)	1
	Sig. (2-tailed)	.005	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed).

The correlation between promotion and consumer decision making were also tested using the Pearson Correlation. Table 5.0 shows the result for the correlations of promotion and consumer decision making. As can be seen the correlation is statistically significant positive (0.310) at the 0.01 level. The result indicates that the increased presence of promotion positively affects consumer decision making. The value of the correlation provides support for hypothesis 2 which stated that promotion is significantly related with consumer decision making and therefore the hypothesis is accepted.

Table 4.11: Correlation of Place and Consumer Decision Making

		Place	Consumer Decision Making
Place	Pearson Correlation	1	.186(**)
	Sig. (2-tailed)		.099
	N	80	80
ConsumerDecisionMaking	Pearson Correlation	.186(**)	1
	Sig. (2-tailed)	.099	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed).

The correlation between place and consumer decision making were also tested using the Pearson Correlation. Table 5.1 shows the result for the correlations of place and consumer decision making. As can be seen the correlation is statistically significant positive (0.186) at the 0.01 level. The result indicates that the increased presence of place positively affects consumer decision making. The value of the correlation provides support for hypothesis 3 which stated that place is significantly related with consumer decision making and therefore the hypothesis is accepted.

Table 4.12: Correlation of Price and Consumer Decision Making

		Price	Consumer Decision Making
Price	Pearson Correlation	1	.382(**)
	Sig. (2-tailed)		.000
	N	80	80
ConsumerDecisionMaking	Pearson Correlation	.382(**)	1
	Sig. (2-tailed)	.000	
	N	80	80

** Correlation is significant at the 0.01 level (2-tailed).

The correlation between place and consumer decision making were also tested using the Pearson Correlation. Table 5.2 shows the result for the correlations of price and consumer decision making. As can be seen the correlation is statistically significant positive (0.382) at the 0.01 level. The result indicates that the increased presence of price positively affects consumer decision making. The value of the correlation provides support for hypothesis 4 which stated that price is significantly related with consumer decision making and therefore the hypothesis is accepted.

4.4. Regression

Table 4.13: Result of Regression Linear Test

Model	R	R Square
1	.473(a)	.224

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.989	4	.497	5.398	.001(a)
	Residual	6.910	75	.092		
	Total	8.900	79			

a Predictors: (Constant), Price_M, Place_M, Product_M, Promotion_M

Model		t	Sig.
1	(Constant)	4.924	.000
	Product	1.934	.057
	Promotion	2.539	.013
	Place	.100	.920
	Price	3.292	.002

Dependent Variable: ConsumerDecisionMaking

(Source: Result of Primary Data Test, 2010)

4.4.1 Hypothesis Test with F-Test

F test used for knowing the influence of variable X to variable Y at that moment.

Based on regression get F obtained are 5.398 with significant level from F obtained 0.000. It is means that probability F obtained <0.05, because probability F obtained <0.05, so Ha accepted and Ho rejected. It is means that marketing mix consist of variable of product (x1),

promotion (x2), distribution (x3), and price (x4) altogether has influenced of significant toward consumer decision in choosing the product of Islamic Banking in Indonesia.

4.4.2. Hypothesis Test with T-Test

T-Test used to test of parameter significant to variable of product (x1), promotion (x2), distribution (x3), and price (x4) influenced partial towards consumer decision in using product Islamic Banking in Indonesia (Y).

The Tested Towards Regression Coefficient of The variable of Product (x1)

The calculation result of the double regression got T obtained with value are 1.934 with probability 0.057, it is means probability of t > 0.05 so that Ho accepted or Ha rejected, it is means that on the variable of product partially didn't have significant influenced towards consumer decision in using product Islamic Banking.

The tested toward regression coefficient of the variable of promotion (x2)

The calculation result of the double linear regression got T obtained with value are 2.539 with probability 0.013. It is means that the probability t < 0.05 so that Ho rejected or Ha accepted, it is means that in variable of promotion partially has significant influenced towards consumer decision in using the product of Islamic Banking.

The tested towards regression coefficient of the variable of distribution/place (x3)

The calculation result of the double linear regression got T obtained with value are 0.100 with probability 0.920. It is means that the probability T > 0.05 so that Ho accepted or Ha rejected, it is means that in variable of distribution partially didn't have significant influenced towards consumer decision in using the product of Islamic Banking.

The tested toward regression coefficient of the variable of price (x4).

The calculation result of the double linear regression got T obtained with value are 3.292 with probability 0.002. It is means that the probability T < 0.05 so that Ho rejected and Ha accepted. It is means that the variable of price partially has significant influenced toward consumer decision in using product Islamic Banking.

Based on table 5.3 could be known that double correlation coefficient (R) are 0.473. With coefficient value are 0.473, so it is means that correlation positive and strong between marketing mix consist of variable of product (x1), promotion (x2), place/distribution (x3), and price (x4), with consumer decision in using the product Islamic Banking, most of the correlation marketing mix with consumer decision in choosing Islamic Banking are 0.473 are 47.3%, it is almost strongly correlation.

Based on the table 5.3 could be known that determination coefficient (R^2) are 0.224 with coefficient value are 0.224, it is means that 22.4% decision in choosing Islamic Banking could be explain by four variables such as variable of product (x1), promotion (x2),

distribution (x3), and price (x4), and the other are 77.6% influenced by other variable that didn't included in the research model.

4.4.3. The Influenced of Marketing mix towards Consumer Decision

The result of regression analysis called that simultaneously marketing mix that consist of variable of promotion, and price has influenced of significant toward consumer decision. This is caused by the suitable of price, and promotion that easier to get the product and place nad also interesting advertisement and suitable with rules of islam, will be made consumer satisfied and influenced to choose the product from Islamic Banking. Eventhough to variable product and place didn't have influenced that significant towerd consumer decision in choosing Islamic Banking.

The Influenced of Product Toward Consumer Decision, based on regression analysis product didn't have significant influenced toward consumer decision in choosing Islamic Banking. Product are everything that could be offered in the market to got utilization, request, and attention or the consumer who get fulfill or requirement that consist of idea, organization, place, people, service, and physic. Product are the combination of service and goods that offered by the Islamic Banking for the market.

The Influenced of Promotion Toward Consumer Decision, promotion are the component that used to inform and influenced the market to product Islamic Banking. Based on regression analysis the promotion has influenced significant toward consumer decision. Promotion is one of in the marketing mix was very important to do by the company in using it's product.

The Influenced of Place/Distribution Toward Consumer Decision, the distribution show several activity that does by Islamic Banking to be product available and be able to get for the

consumer. Based on regression ana;ysis, distribution didn't have significant influenced significant consumer decision.

The Influenced of Price Toward Consumer Decision, based on regression analysis the price have influenced significant toward decision consumer in choosing Islamic Banking. The price was amount of money that take and expand in using the product and service of Islamic Banking, with suitable like price and the facility transaction like the function and other advantages, so will be influenced to used Islamic Banking.

4.5. Conclusion

This chapter has focused on three main ideas. The first one is on the demographic characteristics of the respondents. Frequency test has been used to describe the profile of respondents' gender, occupation, religion, age, maritial status, source of income, income per month and expenses per month. The second main part of this chapter has reported on the correlations of each type banking selection decision such as product, promotion, place/distribution, price, with consumer decision making. Based on the findings, of the four hypotheses tested, all of them are accepted. The third main part of this chapter has described the regression results that show among types of banking selection decision, promotion has the highest influence on consumer decision making.

CHAPTER FIVE

CONCLUSION AND SUGGESTION

5.1. Introduction

This chapter which happened to be the last chapter of this study is aimed at the areas that include discussion of the findings, recommendation, and conclusion. The discussion were based on the objective of the study presented in chapter 1, as listed below:

I. To determine if strategic marketing in Islamic Banking influence the consumer decision in choosing Islamic Banking in Indonesia.

II. To determine if component of marketing strategy which affects in attracting Indonesia consumer.

5.2. Discussion of Findings

Based on the result of research like had explained on the last chapter could be concluded these are:

Based on F-Test, altogether marketing mix which consist of variable of product (x1), promotion (x2), distribution (x3), and price (x4) has influenced consumer decision. It show that from the result of F-Test where F probability more less that 0.05, eventhough the most of influenced toward four independent variable toward consumer decision are 22.4% and other 77.6% influenced by others variable which didn't included in this research model.

Based on T-Test marketing mix consist of variable of promotion, distribution, price, partially or individually influenced of significant toward consumer decision, it is show that with

probability of t from it is variable < 0.05. Eventhough to variable of product and place didn't has influenced of significant toward consumer decision which has probability > 0.05.

Each variables are the most variable that influenced toward consumer decision in decision to using Islamic Banking, the consumer felt that they money suitable with that money they take from using the product from Islamic Banking.

Variable of promotion are the second considered in consumer decision, the consumer have influenced with promotion. Indonesian banks are currently being aggressively promoted to the society-wide uprising; this is because the majority Indonesia population is Moslem.

Variable of product has the third level in influenced toward consumer decision in choosing Islamic Banking. People though the product from Islamic Banking because used loss and profit sharing system that profile and safe.

Variable of distribution are the smallest variable that given influenced in consumer decision. The consumer didn't influenced with the distribution does it. The consumer satisfied with price, promotion and product that offered by Islamic Banking with marketing mix influenced toward consumer decision in choosing Islamic Banking.

5.3. Limitation of Study

Furthermore, the data of this study were gathered through translated questions. The questions have been translated from English to Bahasa Indonesia as a mean to help respondents to better understand the questionnaire. There may have some dissimilarity connotation compared to the original questions. Hence, the consistency and accuracy of the data might be affected.

5.4. Suggestion

All of the suggestion from the writer are need to increase and pay attention variable of distribution because based on the research, this variable was the smallest influenced toward consumer decision, so increasing link of distribution need serously by Islamic Banking in increasing the distribution could through social program. Through the application of sociology, psychology and demographics, marketers can begin to understand why consumers form attitudes and make decisions to purchase. Consumer perception studies inform marketers, advertisers and public agencies how product and service selection is influenced by personality, perception, values and beliefs. For marketing, these influences are studied in the context of demographics, which includes ethnicity, age, marital status, size of family, income, education and   employment.

Variable of product, on the variable product the lowest answer are the question, "I selected Islamic Banking because products of Islamic Banking are safe and profitable" so Islamic Banking to be able to give more accurate data of products, because people want to make sure their money is safe, growing, and profit from products of Islamic Banking.

Variable of promotion, in this variable the respondent give the lowest answer on the statement "I knew Islamic Banking from mass media advertising", it is means that the product of promotion Islamic Banking was less, so in the promotion ought to be prepare will be better, the effectively of promotion were new product that offered could be made consumer to used it, so that the promotion of Islamic Banking ought to increase seriously.

Variable of distribution or place, the lowest answer in this variable are the statement about "I selected Islamic Banking because Islamic Banking office is near from my house and my office". Islamic Banking might be has branch office at all of the area, so that the consumer easy to do the transaction and could bring other consumer interested to do the transaction with Islamic Banking.

Variable of price, on this variable on the item "I selected Islamic Banking because Islamic Banking has innovative products that it worth with total of money that I gave", on this variable still include the problem of innovative products. This is support that the consumer truly want the most innovative of product from Islamic Banking, Islamic Banking must be thought what are the product could be satisfied the consumer to use service and product from Islamic Banking.

Future Research

Researcher believe that three other variables should be addressed in future research, they are: Service quality of Islamic Banking, Brand name, and financing transparancy system of Islamic Banking.

One issue that will continue to be relevant in the foreseeable future is prospect of Islamic banks working in the prevalent interest-based framework. It is obvious that Islamic financial instruments and their documentation and accounting requirement would be different. Therefore, the room for putting Islamic financial norms into practice in the existing framework would be limited. This, in turn, implies that Muslim countries should consider providing separate legal cover for Islamic financing.

In line with the concrete efforts in developing Islamic banking specially in Indonesia, Islamic Banking must has formulated a Grand Strategy of Islamic Banking Market Development, as a comprehensive strategy of market development covering strategic aspects, such as: determining the vision of 2010 as the leading Islamic banking industry in ASEAN, creating the new image of inclusive and universal Islamic banking, mapping a more accurate market segment, developing more various products, improving services as well as adopting new communication strategy of Islamic banking by positioning it as a beyond banking position. (Islamic banking is more than just a bank).

Hence, different concrete programs have and will be performed as the implementation stage of the Grand Strategy of Islamic Banking Market Development including but not limited to the following measures:

I. New image program of Islamic banking that includes positioning, differentiation and branding aspects. The new positioning of Islamic bank as banking that provides mutual benefits to both parties, differentiation aspect with competitive advantages with various products and schemes, transparency, competent and ethical finance, updated and user friendly information technology as well as qualified investment

expert of Islamic finance. Branding aspect will be represented by "Islamic bank, more than just a bank "(beyond banking).

II. New mapping program which is more accurate on Islamic banking market potential that generally directs Islamic bank services as universal service or bank accessible for all kinds of people and all segments in accordance with the strategy of each Islamic bank.

III. Product development program directed to various products variations supported by the unique value offered (mutual benefits) and strengthened by a wide office network and the use of easily comprehended standards of product name.

IV. Program of service quality enhancement supported by competent human resources and the supply of information technology to meet customer's requirement and satisfaction. This competency is also expected to be able to communicate products and services of Islamic banking to customer correctly and clearly get always complying with sharia principles.

V. Wider and more efficient socialization and educational program for public interest through various direct or indirect (printing and electronic media, online/website) communication channels with the objective of contributing comprehension on the advantages of Islamic banking products and services that can be benefited by the public.

5.5.   Conclusion

Based on mentioned above, Islamic Banking in Indonesia now got a more intention and could be compete with Conventional Banking in Indonesia because consumer felt that the System of Islamic Banking is more fair and profitable for them.

Islamic banking in Indonesia has some unusual characteristics. Like most microfinance institutions in Indonesia, Islamic institutions, micro or otherwise, are generally private, for profit institutions based on the intermediation of depositor funds secured on a competitive market. In this they are different from microfinance institutions in almost every other country in the world. They typically have no explicit social goal other than profit maximization and conformity with Islam, though in some cases a social element is present, as we will see. Social impacts are thus the result of the market impacts of the Islamic institutions. The consumer are already aware about Islamic system of Islamic Banking in Indonesia.

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APPENDIX

QUESTIONNAIRE

UNIVERSITI UTARA MALAYSIA

06010 SINTOK

KEDAH DARUL AMAN, MALAYSIA

Dear Respondent,

This study is about How Strategic Marketing Management of Islamic Banking in Indonesia Attracting the Interest of Indonesian People. Please answer honestly to all items in the questionnaire. I guarantee confidentially as all information much will be solely for the purpose of research. Your assistance and participation in this study are very much appreciated. Thank you veru much for your time and kind support.

Penelitian ini adalah tentang bagaimana stratejik pemasaran yang digunakan di Perbankan Islam di Indonesia menarik perhatian masyarakat Indonesia. Anda dimohon untuk menjawab secara jujur dari semua pertanyaan dalam kuesioner ini. Saya menjamin bahwa segala informasi yang anda berikan dalam kuesioner ini ada hanya untuk kepentingan penelitian saja. Bantuan dan partisipasi anda akan sangat dihargai. Terima kasih atas waktu dan dukungannya.

Sincerely,

Muhammad Agung Anggoro, SE.

Msc Candidate

College of Business

Universiti Utara Malaysia

SECTION A

PERSONAL DATA. *(DATA PRIBADI)*

Please mark (√) at the relevant spaces. *(Silahkan beri tanda (√) pada kotak yang disediakan)*

1. Gender: ☐ Male   ☐ Female
   (Jenis kelamin)   *(pria)*   *(wanita)*

2. Occupation: ☐ Public Sector   ☐ Private Sector
   (Pekerjaan)   *(Pemerintahan)*   *(Swasta)*

   ☐ Entrepreneur   ☐ Student
   (pengusaha)   *(pelajar)*

   ☐ Unemployment
   (pengangguran)

   Others, please state *(Lain-lain, nyatakan)*:..

3. Religion:
   (Agama)

   ☐ Islam   ☐ Christian

   ☐ Hindu   ☐ Buddha

   Others, please state *(Lain-lain, nyatakan)*:..

4. Age:
   (Umur)

   ☐ Below 30 years   ☐ 30-40 years
   (<30 tahun)   *(31-40 tahun)*

   ☐ 41-50 years   ☐ above 50 years
   (41-50 tahun)   *(Diatas 50 tahun)*

5. Maritial Status:
   (Status Pernikahan)

   [ ] Single *(Belum kawin)* [ ] Married *(Kawin)* [ ] Divorce *(Cerai)*

6. Source of Income:
   (Sumber Pendapatan)

   [ ] Parent *(Orang Tua)* [ ] Work Salary *(Penghasilan dari Bekerja)*

   Others, please state *(Lain-lain, nyatakan)*:..

7. Income per month:
   (Penghasilan per bulan)

   [ ] Below 3 Million Rupiah *(Dibawah Rp 3 Juta)* [ ] 3 Million – 5 Million rupiah *(Rp 3 Juta – Rp 5 Juta)*

   [ ] Above 5 Million Rupiah *(Diatas Rp 5 Juta)*

8. Expenses per month
   (Biaya per bulan)

   [ ] ¼ of the income or less *(Seperempat dari penghasilan atau kurang)*

   [ ] ½ of the income or less *(Setengah dari penghasilan atau kurang)*

   [ ] Equivalent of the income *(Sama dengan penghasilan)*

   [ ] More than the income *(Lebih dari penghasilan)*

<u>SECTION B: Product</u>

Instructions: This section contains a series of statements that relate to the influence product factor that affect consumer decision making. For each statement, please circle ONE of the number that best described your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan pengaruh faktor produk yang mempengaruhi pengambilan keputusan konsumen. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4
Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
(Sangat Tidak Setuju)	*(Tidak Setuju)*	*(Setuju)*	*(Sangat Setuju)*

1.	I selected Islamic Banking because products of Islamic Banking are free from Riba. *(Saya memilih perbankan Syariah karena produk-produk perbankan syariah bebas dari riba)*	1 2 3 4
2.	I selected Islamic Banking because i like profit and loss sharing system that offered by Islamic banking. *(Saya memilih perbankan syariah karena saya suka sistem bagi hasil yang d tawarkan perbankan syariah)*	1 2 3 4
3.	I selected Islamic Banking because products of Islamic Banking are safe and profitable. *(Saya memilih perbankan syariah karena produk-produknya aman dan menguntungkan)*	1 2 3 4
4.	I selected Islamic Banking because Islamic Banking has innovative products. *(Saya memilih perbankan syariah karena produk-produknya inovatif)*	1 2 3 4

SECTION C: Promotion

Instruction: This section contains a series of statements that relate to the influence promotion factor that affect consumer decision making. For each statement, please circle **ONE** of the numbers that best described your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan perngaruh faktor promosi yang mempengaruhi pengambilan keputusan konsumen. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4
Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
(Sangat Tidak Setuju)	*(Tidak Setuju)*	*(Setuju)*	*(Sangat Setuju)*

1.	Islamic Banking is doing promotion that following the Islamic values. *(promosi yang dilakukan oleh perbankan syariah sesuai dengan nilai-nilai islam)*	1 2 3 4
2.	I selected Islamic Banking because Indonesia government supports the promotion for Islamic banking. *(Saya memilih perbankan syariah karena pemerintah Indonesia mendukung promosi dari perbankan syariah)*	1 2 3 4
3.	I knew Islamic Banking from mass media advertising. *(Saya mengetahui perbankan syariah dari iklan media massa)*	1 2 3 4
4.	I selected Islamic Banking because recommended from my friends, and or my family, and or public figures at my place. *(Saya memilih perbankan syariah karena rekomendasi dari teman, dan atau keluarga saya, dan tokoh masyarakat di tempat saya tinggal)*	1 2 3 4

SECTION D: Place / Distribution

Instruction: This section contains a series of statements that relate to the influence distribution factor that affect consumer decision making. For each statement, please circle **ONE** of the number that best describe your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan perngaruh faktor promosi yang mempengaruhi pengambilan keputusan konsumen. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4
Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
(Sangat Tidak Setuju)	*(Tidak Setuju)*	*(Setuju)*	*(Sangat Setuju)*

1.	I selected Islamic Banking because Islamic banking office is near from my house and or my office. *(saya memilih perbankan syariah karena kantor perbankan syariah dekat dengan rumah dan atau tempat kerja saya)*	1 2 3 4
2.	Islamic Banking office has convinience place such parking availability and nice office layout, so i felt happy to do transaction on there. *(Kantor perbankan syariah memiliki tempat yang nyaman seperti ketersediaan tempat parkir dan tata ruang yang bagus, sehingga saya merasa senang melakukan transaksi disana)*	1 2 3 4
3.	I selected Islamic banking because product of Islamic Banking also have network with other banking (such as Maestro, Visa, and so on) that can easier my transaction. *(Saya memilih perbankan syariah karena produk-produknya mempunyai jaringan dengan perbankan lain seperti Maestro, Visa, dan sebagainya yang dapat mempermudah transaksi saya)*	1 2 3 4
4.	I selected Islamic Banking because products of Islamic Banking are easily available. *(Saya memilih perbankian syariah karena produk-produknya mudah ditemukan)*	1 2 3 4

SECTION E: Price

Instruction: This section contains a series of statements that relate to the influence distribution factor that affect consumer decision making. For each statement, please circle ONE of the number that best describe your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan perngaruh faktor promosi yang mempengaruhi pengambilan keputusan konsumen. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4
Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
(Sangat Tidak Setuju)	*(Tidak Setuju)*	*(Setuju)*	*(Sangat Setuju)*

1.	I selected Islamic Banking because lower service, such as cost for administration ATM monthly is cheap. *(Saya memilih perbankan syariah karena biaya perlayanannya rendah, seperti biaya administrasi ATM per bulan yang murah)*	1 2 3 4
2.	Amount of first money to open the account in Islamic Banking is affordable. *(Jumlah setoran uang awal untuk membuka tabungan di perbankan syariah terjangkau)*	1 2 3 4
3.	I selected Islamic Banking because i felt the system is so fair because use loss and profit sharing system. *(saya memilih syariah karena saya merasa sistem perbankan syariah sangat adil karena memakai sistem bagi hasil)*	1 2 3 4
4.	I selected Islamic Banking because Islamic Banking has innovative products that it worth with total of money that i gave. *(Saya memilih perbankan syariah karena perbankan syariah memiliki produk-produk inovatif yang seimbang dengan total uang yang saya keluarkan)*	1 2 3 4

SECTION F: Consumer Decision Making

Instruction: This section contains a series of statements that relate to the influence distribution factor that affect consumer decision making. For each statement, please circle ONE of the number that best describe your feelings according to the scale.

Petunjuk: bagian ini berisikan sederetan pernyataan yang berhubungan dengan perngaruh faktor promosi yang mempengaruhi pengambilan keputusan konsumen. Untuk tiap-tiap pernyataan, tolong lingkari salah satu dari nomor-nomor yang menurut anda benar.

1	2	3	4
Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
(Sangat Tidak Setuju)	*(Tidak Setuju)*	*(Setuju)*	*(Sangat Setuju)*

1.	**Getting good product and service are very important to me.** *(Mendapatkan produk dan pelayanan yang bagus adalah sangat penting bagi saya)*	1 2 3 4
2.	**Good promotion and advertising have influenced me to selected Islamic Banking.** *(Promosi dan iklan bagus telah mempengaruhi saya untuk memilih perbankan syariah)*	1 2 3 4
3.	**Price factors have influenced me to selected Islamic Banking.** *(Faktor-faktor harga / biaya telah mempengaruhi saya untuk memilih perbankan syariah)*	1 2 3 4
4.	**Place factors have attracted me to selected Islamic Banking.** *(Faktor-faktor tempat / distribusi telah mempengaruhi saya untuk memilih perbankan syariah)*	1 2 3 4
5.	**I felt satisfy after I used products and services of Islamic Banking.** *(Saya merasa puas setelah saya menggunakan produk dan jasa dari perbankan syariah)*	1 2 3 4

THANK YOU

APPENDIX

SPSS 14.0

Frequencies

Statistics

		Gender	Occupation	Religion	Age	Marital Status	Source of Income	Income per month	Expenses per Month
N	Valid	80	80	80	80	80	80	80	80
	Missing	0	0	0	0	0	0	0	0

Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	48	60.0	60.0	60.0
	2.00	32	40.0	40.0	100.0
	Total	80	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	26.3	26.3	26.3
	2.00	23	28.8	28.8	55.0
	3.00	17	21.3	21.3	76.3
	4.00	15	18.8	18.8	95.0
	5.00	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

Religion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	70	87.5	87.5	87.5
	2.00	4	5.0	5.0	92.5
	3.00	1	1.3	1.3	93.8
	4.00	5	6.3	6.3	100.0
	Total	80	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	42	52.5	52.5	52.5
	2.00	17	21.3	21.3	73.8
	3.00	15	18.8	18.8	92.5
	4.00	6	7.5	7.5	100.0
	Total	80	100.0	100.0	

Maritial Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	48	60.0	60.0	60.0
	2.00	31	38.8	38.8	98.8
	3.00	1	1.3	1.3	100.0
	Total	80	100.0	100.0	

Source of Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	25	31.3	31.3	31.3
	2.00	55	68.8	68.8	100.0
	Total	80	100.0	100.0	

Income per month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	28	35.0	35.0	35.0
	2.00	22	27.5	27.5	62.5
	3.00	30	37.5	37.5	100.0
	Total	80	100.0	100.0	

Expenses per Month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	26.3	26.3	26.3
	2.00	31	38.8	38.8	65.0
	3.00	25	31.3	31.3	96.3
	4.00	3	3.8	3.8	100.0
	Total	80	100.0	100.0	

Regression

Descriptive Statistics

	Mean	Std. Deviation	N
Consumer_M	3.2475	.33564	80
Product_M	3.1313	.34443	80
Promotion_M	3.0125	.42638	80
Place_M	2.8500	.33893	80
Price_M	3.1688	.34166	80

Correlations

		Consumer_M	Product_M	Promotion_M	Place_M	Price_M
Pearson Correlation	Consumer_M	1.000	.110	.310	.186	.382
	Product_M	.110	1.000	.614	.286	.414
	Promotion_M	.310	.614	1.000	.407	.322
	Place_M	.186	.286	.407	1.000	.290
	Price_M	.382	.414	.322	.290	1.000
Sig. (1-tailed)	Consumer_M	.	.167	.003	.049	.000
	Product_M	.167	.	.000	.005	.000
	Promotion_M	.003	.000	.	.000	.002
	Place_M	.049	.005	.000	.	.005
	Price_M	.000	.000	.002	.005	.
N	Consumer_M	80	80	80	80	80
	Product_M	80	80	80	80	80
	Promotion_M	80	80	80	80	80
	Place_M	80	80	80	80	80
	Price_M	80	80	80	80	80

Model Summary(b)

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.473(a)	.224	.182	.30354	.224	5.398	4	75	.001	1.470

a Predictors: (Constant), Price_M, Place_M, Product_M, Promotion_M
b Dependent Variable: Consumer_M

Collinearity Diagnostics(a)

				Variance Proportions				
Model	Dimension	Eigenvalue	Condition Index	(Constant)	Product_M	Promotion_M	Place_M	Price_M
1	1	4.968	1.000	.00	.00	.00	.00	.00
	2	.012	20.224	.07	.03	.53	.07	.11
	3	.010	22.576	.01	.08	.02	.73	.20
	4	.006	29.569	.37	.22	.12	.01	.68
	5	.004	33.526	.55	.66	.33	.18	.00

a Dependent Variable: Consumer_M