

THE EFFECT OF RELIGIOSITY ON CUSTOMER DECISIONS IN CHOOSING ISLAMIC BANKS WITH ATTITUDES AND TRUST AS INTERVENING VARIABLES IN LHOKSEUMAWE CITY

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Abstract

The religious phenomenon of the study is fascinating to study and is associated with the concept of community behavior as consumers of a sharia-based product. Research on Studies that include the relationship between religious behavior and consumer behavior in decision-making on a product is microscale, so it attracts the interest of researchers. Religisutias is a state of understanding, obedience, a person believing in a religion embodied in the experience of values, and action under the teachings of faith in taking a favorable decision. The role of religiosity with customer attitudes and trust and its relevance to customer decisions in choosing a sharia bank. This study aims to analyze the relationship of religiosity to customer decisions in selecting a sharia bank, either directly or mediated by the variables of attitudes and trust. The conducted research n Lhokseumawe City. The collected data through a questionnaire distributed to 200 respondents. The data is processed by Path Analysis using the SEM program. The results prove that direct testing is obtained that (a) religiosity has a positive and significant effect on the attitudes of Islamic bank customers, and (b) has a positive effect on the trust of Islamic bank customers. (c) Influencing customers in choosing Islamic banks. (d) Attitudes influence customer decisions (e) trust affects the customer's decision in choosing an Islamic bank. Indirect testing (path) shows (f) religiosity also influences customer decisions in choosing Islamic banks through attitude as an intervening variable. (g) Influence on customer decisions in determining Islamic banks through trust as an intervening variable. The results strengthened Kinsmen's behavioral theory and previous empirical findings that religiosity is an essential predictor of consumer behavior, especially decision-making. A person's attitudes and trusts based on religious values that he trusts are predictors that direct his behavior to purchase a product. The benefits of this study can recommend that Islamic banking needs to provide services and provide superior products. Improving service quality such as contracts under sharia will affect customer attitudes and behavior and are expected to maintain customer consistency to be loyal in using sharia bank services. attitudes and trusts based on religious values that he trusts are predictors that direct his behavior to purchase a product. The benefits of this study can recommend that Islamic banking needs to provide services and provide superior products. Improving service quality such as contracts under sharia will affect customer attitudes and behavior and are expected to maintain customer consistency to be loyal in using sharia bank services. attitudes and trusts based on religious values that he trusts are predictors that direct his behavior to purchase a product. The benefits of this study can recommend that Islamic banking needs to provide services and provide superior products. Improving service quality such as contracts under sharia will affect customer attitudes and behavior and are expected to maintain customer consistency to be loyal in using sharia bank services.

Keywords: *Religiosity, Attitude, Trust, Customer Decision*

1. INTRODUCTION

An Islamic bank is a financial institution that functions as an intermediary for parties who have excess funds with parties who lack funds for business activities and other activities following Islamic law to support the implementation of national development to

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improve justice, togetherness, and equitable distribution of people's justice. Aceh is one of the provinces in Indonesia which is known to be religious and has the highest percentage of Muslims in Indonesia, namely 98.5% of the total population of 5.19 million (Purwanto, 2021).

The development of Islamic banking in Aceh, especially the City of Lhokseumawe, has broad prospects in the future, this is supported by the factor of the Muslim population, which is also supported by regional regulations that apply Islamic sharia rules which also touch the financial aspect. One of the important points that must be considered by Islamic banks, especially in Lhokseumawe City, based on initial data is what factors are the reasons people do not choose Islamic banks. In general, people who have a strong religion will follow his teachings. Khraim in Mokhlis and Spartaks said that religious commitment has variations in each individual or better known as religiosity. Religiosity in people's understanding and knowledge of religion by itself has an impact on changes in public trust in Islamic banking. The problem is how people with different religions influence their decisions to choose Islamic banks,

Theoretically, views on the influence of religiosity on attitudes have been conveyed by experts, including Arnould, Price, and Zikhan (2004) argue that religiosity is an important factor in shaping individual attitudes and behavior in their life activities including their economic affairs. Essoo and Dibb shared a similar opinion (2004), Hirschman (1983), Johnson, Jang, Larson, and Li (2001). In general, it is assumed that very religious people will evaluate the world through religious views and thus will integrate their religion into most aspects of their lives including attitudes in economic transactions.

Not only attitudes, but the element of trust from the community also influences customers in choosing Islamic banks. Customer beliefs (consumer beliefs or trusts) are all knowledge possessed by customers and all conclusions made by customers about objects, attributes, and benefits (Mowen & Minor, 2002). This needs to be built by Islamic banks in providing their view that Islamic banks are worthy of being chosen by the community whether it is through the products offered, the system that is run, attitudes or actions in dealing with consumers, the level of belief and trust is by what is stipulated in the Al-Quran. and Menstruation. An interesting phenomenon to be researched/tested is that the people of Lhokseumawe City are identical in their religiosity, but still have doubts about becoming customers of Islamic banks. Of course, many factors determine whether someone chooses an Islamic bank or stays with a conventional bank. Religiosity does not always guarantee that customers have a sharia bank account, which may not be supported by their beliefs and attitudes towards the bank as mediation in deciding to choose Islamic banking.

However, these factors could be a consideration for the people of Lhokseumwe City to choose Islamic banks, of course, if followed by knowledge and supported by Human Resources (HR) who scientifically understand the concept of Islamic banking and Islamic economics, and psychologically have a high Islamic spirit (2021). This is important, to eliminate the customer mindset that states that Islamic banks and conventional banks are the same. We often encounter this mindset among students when teaching, among lecturers when discussing, and among the surrounding community who have been questioned. This must be able to be refuted by the HR of Islamic banks to create customer trust in Islamic banks so that they determine their choice of Islamic banks, especially in Lhokseumawe City.



2. Literature Review

2.1. Relation of Religiosity to Attitude

Several studies state that religiosity has a significant effect on a person's attitude (Fam., Waller, and Erdoan. 2002). Youssef., Kortam and Aish, 2015). Zouden and Rani (2015) in their study of the relationship between religious involvement and attitudes towards Islamic banks found a direct effect on purchase intentions, but religiosity had an indirect effect on purchase intentions of Islamic bank services through attitudes. Empirically, several previous studies examine the effect of religiosity on attitudes, for example, the results of the study show that the extent to which Muslims will have a positive attitude towards Sharia products depends on the level of individual religiosity (Soesilowati, 2010). Religion influences the beliefs and attitudes of its adherents towards certain elements through its doctrines (Al-Hyari, Alnsour, Al-Weshah, & Haffar, 2012; Bobokhonov and Brito, 2015). Other studies have examined the importance of religious factors that influence the attitudes of bank customers and their preferences toward Islamic banking (Ltifi, et., al. 2015).

2.2. Relation of Religiosity to Belief

According to Arnould, Price, and Zikhan (2004) that religion may require individuals to follow certain lifestyles and affect their beliefs and values, including their clothing habits, their diet, and their economic affairs as well as in terms of choosing their business transactions. A relatively similar opinion was conveyed by Cateora and Graham (1999); and Terpstra and Sarathy (2000) that religion is one of the most important factors influencing consumer confidence in making decisions to transact in their business and buying and selling. Religiosity has a positive and significant effect on customer trust (Wahyoedi & Winoto, 2017; Sunaryo., Wahyoedi., Sudiro., and Sudjatno, 2020; Sari, 2020; Aji., Setyawati., and Rahab., 2020 & Jasin, Mujiatun, Rambe, and Siregar, 2021).

2.3. Relation of Religiosity to Customer Decision

Several previous studies have examined the influence of religiosity on customer decisions in choosing Islamic banks, for example, in research conducted by Souiden and Rani (2015), the results of the study indicate that religiosity has a significant effect on customer decisions in choosing Islamic banks. Religiosity has a positive and significant effect on customer behavior and decisions to choose Islamic banks (Handayani., Darwini., Agustiani and Imanuella. 2018 & Jasin, Mujiatun, Rambe, and Siregar, 2021). The same thing was obtained by Hadija., Nuriatullah, and Nurfitriani (2019) explained that religiosity had a positive and significant effect on customer decisions to choose Sharia mortgages. Meanwhile, Wahyuningsih's (2020) study states that religiosity has a significant effect on purchasing decisions. A study by Aprilia., Widiastuti., Putri., Juliana and Pratiwi (2020) regarding religious factors on customer decisions to use Islamic bank services. The results also have a positive effect.

2.4. Relationship between Attitude and Customer Decision

Several previous studies found a direct relationship between customer decision attitudes. Attitudes have a strong impact on people's perceptions of objects and therefore have an impact on behavior as stated by Fazio (1986). Attitudes can cause or result in behavior, but these terms are not interchangeable or have the same meaning. Behavior reflects both positive and negative evaluations and actions towards objects. Attitudes have

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motivational factors because they encourage consumers to take certain actions or may hinder certain behaviors. This opinion was conveyed by Schiffman & Kanuk (2000).

consistently shows a significant effect of attitude towards the use of Islamic banking products on the intention to use them. In particular, attitudes and intentions to use Islamic banking products were found to be positively related, implying that efforts to change or influence the behavior of potential users through education and marketing campaigns may result in consumers' willingness to choose Islamic banking products.

3. Methodology

This research was conducted on sharia bank customers in Lhokseumawe City, namely sharia bank customers of Bank Muamalat Indonesia, BNI Syariah Bank, BRI Syariah Bank, Mandiri Syariah Bank, CIMB Syariah and Aceh Syariah Bank. The type of research used is field research with a quantitative approach).

Sampling using non-probability sampling method with the type of simple random sampling with sample characteristics is that they have been customers of Islamic banks for 2 (two) years and domiciled in Lhokseumawe City.

Structural equation models in this study are:

- 1) Sub structural I
 $S = b1 R + z1$ (1)
- 2) Sub structural II
 $K = b1 R + z1$ (2)
- 3) Sub structural III
 $KN = b1 R + b2 S + b3 K + z2$ (3)

Information:

- K = Trust
- S = Attitude
- R = Religiosity
- KN = Customer Decision

4. Results and Discussion

4.1. The Influence of Religiosity on Customer Attitudes in Choosing Islamic Banks

The results of this study mean that religiosity has a positive and significant effect on the attitudes of Islamic bank customers. The results of this study are in line with the opinion expressed by Arnould, Price, and Zikhan (2004) who argue that religion plays an important role in shaping the attitudes and behavior of individuals and society. Religion may require individuals to follow certain lifestyles and influence individual beliefs and values, including dress habits. Johnson, Jang, Larson, and Li (2001) define religiosity as "the degree to which a person is committed to the religion he professes and its teachings, as individual attitudes and behaviors reflect that commitment".

4.2. The Effect of Religiosity on Customer Trust in Choosing a Sharia Bank

The results of this study mean that religiosity has a positive and significant effect on the trust of Islamic bank customers in Lhokseumawe. This means that the higher the level of religiosity of the community towards beliefs, religious practices, and religious knowledge, the higher the customer's trust in choosing a sharia bank where the financial transaction is intended. The high level of customer religiosity will encourage someone to

get good and complete knowledge so that the products or banking institutions they use are not prohibited by the religious law they adhere to. A person's good religiosity will understand and know more about Islamic laws.

4.3. The Effect of Religiosity on Customer Decisions in Choosing a Sharia Bank

The aspect of religiosity is one aspect that must be lived by every individual the heart. Religiosity is a motivator in encouraging the use of Islamic banking services because the higher the level of religiosity of a customer, the higher the customer's desire to use or choose a sharia-compliant bank. This shows that the more often customers carry out their religious orders, the higher their religiosity. This shows that individuals with a certain level of religiosity will determine the level of belief, and trust and can rely on banking with certain brands, to be able to meet customer expectations. As a banking institution that uses the term Syariah brand as an indicator that shows that in their operational activities, Islamic banks carry out their activities under the faith, can be trusted as banking under Islamic law, and do not do things that can cause something unlawful for their customers. such as interest/usury. The more religious a person is in all aspects of his life, the higher their sensitivity to various products (goods and services) that are by religious law.

4.4. The Influence of Attitudes on Customer Decisions in Choosing a Sharia Bank.

Based on the results of the study, it was found that the attitude variable affected customer decisions in choosing Islamic banks. The attitude of the customer is one of the factors that influence customer decisions, where the better the attitude of the customer will make the customer more confident to decide to choose a sharia bank. The attitude of a customer will affect the purchase decision of a product (rossarin, 2012). When customers tend to have attitudes (either positively or negatively) toward a particular product choice, then consumers will tend to commit to a brand. Attitude is a person's tendency to behave pleasantly or unpleasantly towards a certain object. Leon and Kanuk. 2008). A customer who is happy with a sharia bank will have a sharia bank as a place to save, this is done because of his pleasure for the bank to apply the principles of sharia.

5. CLOSING

Conclusion

- a. Religiosity has a significant effect on attitudes, beliefs, and customer decisions in choosing Islamic banks. This shows that the more religious a person is, the better they behave, the more they believe and the more they believe that the Islamic banking system is under religious rules.
- b. Attitudes are influential and significant in customer decisions in choosing Islamic banks. Attitudes can also mediate the influence of religiosity on customer decisions in choosing Islamic banks. A person who has a strong sense of his dominant religion will have a firm attitude in making his choice. This attitude is under the rules or teachings of religion so that it will distance itself from what is prohibited by its religion.
- c. Trust has an effect and is significant on customer decisions in choosing Islamic banks. Trust can also mediate the influence of religiosity on customer decisions in choosing Islamic banks. Someone who has the ability and knowledge of religion believes that if he chooses a sharia bank it will be better for him and follow the religion.

Recommendation

- a. To be able to increase the number of Islamic Bank customers, it is hoped that by optimizing profit-sharing schemes, services, facilities, and also cooperation in terms of worship such as

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Anwar Puteh, Sukiman, Muhammad Yafiz

- joint recitations between bank employees and bank customers, there is an emotional attachment between banks and customers.
- b. It is expected that every Islamic banking issue a new concept or product with collaboration between the MUI DSN by issuing a fatwa following sharia aspects, and sharia accounting aspects. There is regulatory support from the government, input or advice from practitioners/academics as well as legal power from the Supreme Court. This collective ijtihad serves to avoid mistakes that occur in Islamic banks.
 - c. For further researchers, it is possible to increase the number of samples used by expanding the research area, namely by adding several cities/districts in Aceh. With the use of more samples, the results of the research will also be more precise.

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