



# Analysis of the Influence Islamic Branding on the Intention of the Community in Gowa District to Become Customers of Bank Syariah Indonesia (BSI)

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**Abstract:** The research is aimed at: (1) knowing the influence of Islamic branding on public interest in becoming a customer at BSI Branch Gowa; (2) finding out the impact of Shariah financial literature on the interest of the public being a customer at BSI Gowa Branch; (3) knowing about the effect of service quality on the public's interest in becoming a customer; and (4) learning about the influences of Muslim branding, shariah finance literature, and service quality on public interest in becoming a client at BSI Branch Gowa. This type of research is quantitative and descriptive. The data used is primary data. Primary data is collected using questionnaires, observations, and documentation. double-linear regression test analysis method. Sampling is a simple, random sampling technique. The sample used as many as 80 respondents, and data analysis was done using IBM SPSS 28. The results of this study show that: (1) Islamic branding has no positive and non-significant influence on public interest in BSI Gowa Branch; (2) Shariah financial literacy has a positive and significant

influence upon public interest to become a customer of BSI Gowa Branch; (3) Service quality has a negative and significant impact on the interest of the public in becoming a customer; and (4) Islamic branding, Shari'ah literature, and Service quality have a positive and significant effect on the public's interest in being a customer at BSI Gowa Branch. Implications in this study are that Islamic branding has become an early reflection of BSI Gowa branch operating in accordance with the principle of shariah, even though the public is not fully aware of this. A high level of understanding of the shari'ah financial literature can give a boost to the public, especially about BSI Gwang Gowa branch, and good service quality is able to have a positive impact on the development of BSI Gowa branches.

**Keywords:** Islamic Branding; Shariah Financial Literacy; Service Quality; Public Interest; Bank Syariah Indonesia (BSI) Gowa Branch

## INTRODUCTION

The banking sector has become the primary driver of economic growth, with banks serving as the global financial hubs in both developed and developing nations. Indonesia has recently embarked on the development of industrial growth in the field of Shariah finance, particularly in Shari'ah banking, which is not an uncommon occurrence. The upward trajectory of Sharia banking has been consistent since its establishment to the present time. This growth is substantiated by ongoing advancements in science and technology (Asmar, 2021). The market share of sharia banking climbed from 6.18% in December 2020 to 6.59% in July 2021, according to OJK (2021).

Sharia Bank Indonesia (BSI) consolidates three state-owned banks in order to centralize public attention towards a single sharia bank and ensure sufficient availability of sharia-compliant banking institutions (Asmar, 2021). The abbreviation "OJK" stands for the Otoritas Jasa Keuangan, which is the Financial Services Authority in Indonesia. The annual increase in the number of customers of sharia banks is accompanied by the public's inclination to select a reliable financial organization.

The increase in the number of customers in Sharia banking suggests that these customers possess specialized knowledge in finance, namely in the field of Sharia finance. However, the level of financial literacy in Sharia finance is significantly lower compared to the national financial literacy index. According to Ruwaidah Research (2020), the level of financial literacy in Islamic finance is a mere 8.11%, but the public's understanding of money in general is at 29.66%.

The public's interest in Shariah financial institutions may grow as awareness of them rises, however, it is necessary to develop measures to engage with the community. The citation provided is from Rachmawati in the year 2020. One tactic that might be employed in this approach is the utilization of Islamic branding. The magnitude of a corporation is also contingent upon the branding strategies it employs. It can be inferred that the Islamic branding strategy in Indonesia is not yet fully optimized, as evidenced by the ranking of the top 10 largest and most reputable sharia banks globally. Indonesia has not achieved an ideal ranking among the world's sharia banks. Furthermore, alongside sharia financial literacy and Islamic branding, service quality characteristics can also exert an influence on individuals' inclination to select sharia banks. Service quality is a determinant of customer satisfaction. When the service is of high quality, it can enhance the appeal of becoming a customer. Continuous improvement of the service is crucial due to the fundamental reliance on trust in banking operations, making value highly significant. Higher value offerings have the potential to enhance consumer satisfaction and foster customer loyalty (Syahputra & Susianto, 2020). More precisely, the district of Gowa in South Sulawesi has a population of 785,836 individuals (Central Statistics Agency, 2020). Given these figures, the district has a promising opportunity for the growth of the sharia financial sector, particularly in the field of sharia banking. This is primarily due to the creation of a branch of the Sharia Bank of Indonesia in the city center of Sungguminasa.

The research employs Icek Ajzen's (1975) theory of planned behavior, sometimes known as the theory of reasoned action. The abbreviation "TPB" stands for "Trade Paperback". Based on this, rational thinking has an impact on an individual's decision-making process about the actions they choose to do. Before deciding whether or not to engage in an action, one must carefully analyze both the potential consequences and outcomes. Behavioral intentions are impacted by two factors: self-determination, which refers to attitude, and social influence, which is determined by subjective norm (Ayu, 2021).

The connection between the aforementioned theory and the variable in this study pertains to the impact of Islamic branding, Shariah financial literacy, and service quality on the public's inclination to become a customer. This inclination is influenced by two factors: an individual's attitude towards their own behavior and their perception of social

motivation, which in turn affects their decision-making process. Therefore, it can be argued that these two determinants have an impact on one's interests, and the independent variable in this study also encompasses the element of interest.

According to Thai and Chew (2012), as cited in Robbi (2021), brands developed by producers have the ability to impact consumer preferences, both on an individual level and within a group context. Sharia Banking is anticipated to advance its brand inside the financial market. In a predominantly Muslim country, individuals are obliged to opt for and engage in Sharia banking. An effective approach is to establish a distinct brand and adhere to sharia principles, while also ensuring accountability for the operational integrity of the products. Shelina Zahra, the vice president of Ogilvy Noor, an Islamic branding agency, stated that Islamic branding was initially perceived as a brand strategy that aligns with Sharia values. The objective is to implement the Shariah concept in order to cater to the requirements of Muslims, with the intention of captivating the attention of purchasers through the utilization of marketing communication tactics (Mustakim, 2021). Yunus et al. (2013) argued (as cited in Sukron, 2019) that the metrics employed to assess the variable of Islamic branding include brand significance, brand recognition, customer trust, and halal certification.

Financial literacy was originally proposed by John Adams in 1787 in the United States, who acknowledged the need for financial literacy to solve the widespread confusion in America that had emerged from a lack of understanding of financial management, as he later stated in a letter addressed to his friend Thomas Jefferson. Remund also revealed that the standard ability to understand financial concepts, to be able and confident to manage his own finances, and to see economic events and conditions is called financial literac (Harpa dan Kholida, 2019).

Regulations of the Financial Services Authority (POJK) No. 76/POJK.07/2016 explain financial literacy. This regulation deals with increased financial literacy and the financial services industry, as well as financial management for improved well-being. (Asmar, 2021). According to Ruwaidah (2020), activities that can add insight, skills, consumer confidence, and the entire society to be able to regulate finances in accordance with the teachings of Islam, better called Shariah financial literature, As for the indicators of Shariah financial literacy, there are four (four), namely knowledge, ability, attitude, and belief (Salim dkk, 2020).

Lovelock (2004) (cited in Susilo, 2018) defines the quality of service as the extent to which the desires and needs of the consumer are met. Service quality refers to the extent to which the service received by the customer matches their expectations of service quality. When provided in accordance with the customer's preferences, it can be stated that the service quality is satisfactory. The products and services offered by the sharia bank are designed to provide consumers with high-quality offerings. The Prophet (salla Allahu alihi wa sallam) stated that Allah is pleased when an individual performs a virtuous act with excellence. The objective is to optimize performance and ensure the execution of tasks with high quality (Setiawati, 2019). The factors identified by Othman & Owen (2001) (cited in

Robbi, 2021) include reliability, responsiveness, assurance, empathy, tangibles, and compliance (compliance).

## METHOD

This type of research is quantitative and descriptive. The research was conducted in August 2022, located at Sharia Bank Indonesia (BSI) KCP Gowa Sungguminasa. The population in this study is the community that became the customer of Shariah Bank Indonesia (BSI) Gowa Branch, a random sampling technique with a sample of 80 respondents. Technical data analysis in this study is a double linear analysis that is operated using data analysis using IBM SPSS 28, before performing hypothesis testing using double lineary analysis first perform a classical assumption test to test the normality of a data as well as to find out if there is multicoliarity and heterocedasity in the research. To test the hypothesis, use the determinant coefficient ( $R^2$ ), the t test (partial) and the f test. (simultan).

## RESULT AND DISCUSSION

### Classical Assumption Test

#### a. Normality Test

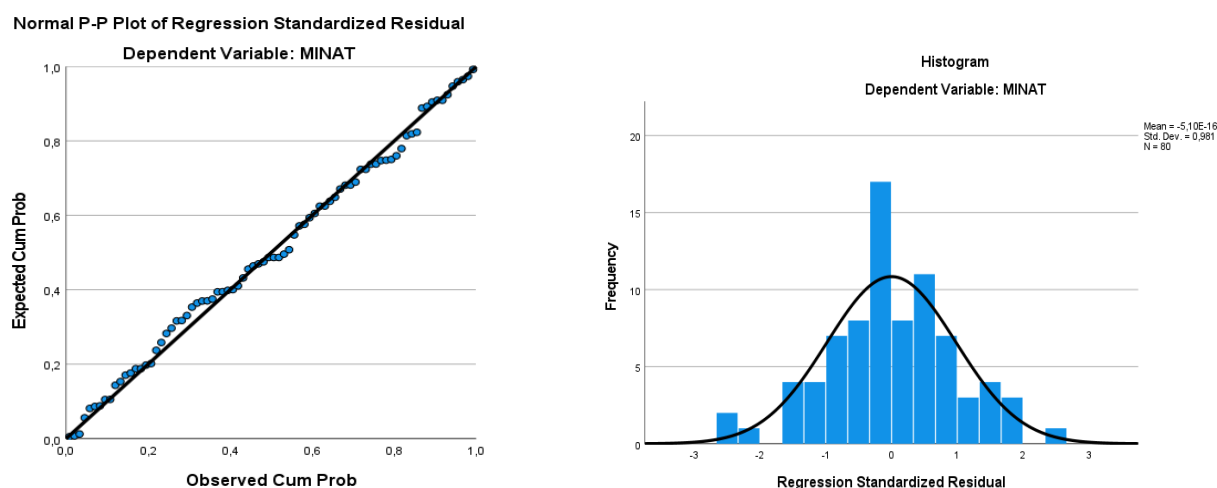


Figure 1 Normality Test

The histogram displays a reverse bell shape, while the P-P Plot of Regression Standardized Residuals shows a tendency to align with the line. These observations suggest that the residual data for the variable being tested conforms to the previously assumed and stated normal distribution.

## b. Multicollinearity Test

Table 1 Multicollinearity Test

Coefficients <sup>a</sup>		Collinearity Statistics	
Model		Tolerance	VIF
1	Islamic Branding (X1)	0.387	2.585
	Literasi Keuangan Syariah (X2)	0.431	2.323
	Service Quality (X3)	0.411	2.431
a. dependent variable: Customer Value Survey (Y)			

The Table 1 indicates that the Islamic branding, Sharia financial literacy, and service quality variables exhibit tolerance values greater than 0.1 and VIF values less than 10. Given these numbers, it can be concluded that the two independent variables exhibit neither correlation nor multicollinearity.

## c. Heterokedastisity Test

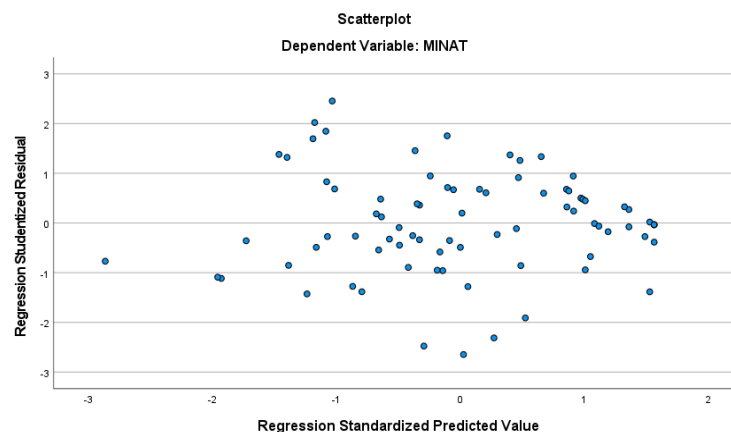


Figure 2 Heterokedastisity Test

The provided illustration demonstrates the dispersion of data points, which exhibits a pattern of heteroscedasticity or absence thereof. The regression model can be utilized for the analysis of Islamic branding, Shariah financial literacy, and service quality in relation to interest.

## Multiple Liner Analysis

### a. Hypothesis Test

Table 2 Hypothesis Test

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	0.931	2.940	
	Islamic Branding	0.153	0.162	0,096
	Literasi Keuangan Syariah	0.721	0.134	0.523
	Service Quality	0.319	0.107	0.294

Based on the Table 2, the third direction of the relationship of the free variable is positive. Here's the regression equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \text{Minat Menjadi Nasabah} = 0,931 + 0,153 + 0,721 + 0,319 + \varepsilon$$

The above equation shows that:

- Obtained a constant of 0.931. That means, when Islamic branding, Shariah financial literacy, and service quality are 0 (zero), interest becomes a customer of 0.931.
- At the Islamic branding variable constant of 0.153, the Islamic branding variable experienced a one-unit rise, and then the public interest in customers increased by 0.153. That is, the better the Islamic branding strategy was carried out, the more public interest also increased. It is also the opposite of assuming that other independent variables have fixed values.
- On the variable Sharia Financial Literacy, a constant of 0.721 If the sharia financial literacy variable has experienced a one-unit increase, then the public interest in customers has increased by 0.721. I mean, the better the understanding of finance, the greater the public's interest in becoming Gowa's BSI. It is also the opposite of assuming that other independent variables have fixed values.
- If the service quality variable has a one-unity rise, then the public interest increases by 0.319. That is, the better the service provided, the more public interest it will generate.

## b. Partial Test

Table 3 Partial Test Result

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
1	B	Std Error	Beta		
(Constant)	0.931	2.940		0.317	0.752
Islamic Branding (X1)	0.153	0.162	0.096	0.941	0.349
Literasi Keuangan Syariah (X2)	0.721	0.134	0.523	5.395	<0.001
Service Quality (X3)	0.319	0.107	0.294	2.965	0.004

## i. The Impact of Islamic Branding

Based on the number of research respondents, the t-table is determined using the formula  $df = n - k - 1$ ;  $df = 80 - 3 - 1 = 76$  with a 2-tailed significance level of 0.05. The value of the t-table is 1.991. The test result yielded a t-value of 0.096, which is less than the critical t-value of 1.991 at a significance level of 0.05. This indicates that the variable of Islamic Branding has a partial and insignificant influence on the interest of the community to become customers of BSI Gowa Branch. Therefore, H1 is rejected and H0 is accepted.

## ii. The Impact of Islamic Financial Literacy

The test result yielded a t-value of 5.395, which is greater than the critical t-value of 1.991 at a significance level of 0.001, indicating a significant difference. This indicates that the variable of Shariah financial literacy has a significant partial influence on the interest of the community to become customers of BSI Gowa Branch. Therefore, H2 is accepted and H0 is rejected.

## iii. The Impact of Service Quality

The test result yielded a t-value of 2.965, which is greater than the critical t-value of 1.991 at a significance level of 0.004, which is less than 0.05. This indicates that the variable of service quality has a significant partial influence on the interest of the public to become customers of BSI Gowa Branch. Therefore, H3 is accepted and H0 is rejected.

## c. Simultaneous Test

Table 4 Simultaneous Test Result

Model		Sum of Squares	Df	Mean Square	F	Sig
1	Regression	1475.197	3	485.732	57.185	<0.001
	Residual	645.553	76	8.494		
	Total	2102.750	79			



Based on the Table 4, we know  $F_{table} = \alpha_{df} (80-3-1)$ . Then  $F_{table} = 0.05; 76$  is 2.72. The results of the study show that  $F_{counts} 57.185 > F_{table} 2.72$  with  $sig 0.001 < 0.05$ . Based on the results, simultaneously variable Islamic branding, Shariah financial literacy, and service quality have a significant influence on public interest in becoming a customer of BSI Gowa. From there,  $H_a$  was accepted and  $H_0$  was rejected.

## 2. Determinant coefficient

Table 5 Determinant Coefficient Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.832	0.693	0.681	2.91447

The revised  $R^2$  value is 0.681, which corresponds to 68.1%. This suggests that interests are impacted by Islamic branding, Shariah financial literacy, and service quality (68.1). The value signifies a significant impact of the independent variable, but 31.9% of the interests can be attributed to other variables.

When evaluated from the perspective of brand familiarity, Islamic branding is not yet successful. This is due to the fact that the marketing of sharia banking is still concentrated on metropolitan areas, but in rural areas, there is almost never any promotion of sharia banks. The lack of this promotion leads to the people still being less aware of the products of the Sharia Bank. If it is advertised in the Porosok more frequently, then the people will not be unfamiliar with the Sharia Bank, and the people of the Gowa area will be more familiar with the brand as a result.

The public's increased interest in becoming a client at the BSI Gowa Branch is directly correlated to the importance that Shariah financial literacy plays in this relationship. The public's high level of understanding, which is further bolstered by the public's confidence in the Islamic principles of financial management, makes the public more interested in utilizing the BSI Gowa branch. The public is encouraged to learn about shariah banking through the reading of shariah-compliant financial literature, beginning with akad, rules, and other ideas.

Every community has to have a desire for the service that is provided in accordance with their norms, whether it be the service that is provided or the product that they wish to utilize. The prescription that is generated is the consequence of the public's evaluation of the services that it has received; in most cases, this prescription is either an excellent prescription, an ordinary prescription, or one that is lower. BSI Gowa is a form of public assessment and understanding of the service given by BSI Gowa to the community. It also increases the desire or needs of the community, so it can be said that the marketing mix that BSI Branch Gowa performs is working well.

The Theory of Reasoned Action (TRA) discusses how the way a person thinks rationally about something might impact their decision-making. Personal perspectives and arbitrary social conventions are also significant factors. (Ayu,2021). The results of the survey



on the statement "I am interested in using BSI because BSI is a bank that implements the Shariah system" showed that 60% of respondents were interested in the use of BSI due to the consideration that BSI was a bank implementing the Shariah system. Additionally, the statement "Many of the media used to carry out promotions make it easier for me to understand BSI Gowa" had a percentage of agreement and strong agreement that totaled 82. The findings suggested that one's conduct was founded not just on one's own reasonable thinking but also on the views of others, which in turn influenced the actions that were performed.

The influence of Islamic branding on the public interest in the Sharia Bank Indonesia (BSI) Branch of Gowa became an interesting phenomenon in the context of Sharia banking. Islamic branding is a bank's attempt to strengthen its Sharia identity through the use of Islamic symbols, messages, and values in marketing and communication. In this context, previous research has shown that strong Islamic branding can affect public perceptions of bank adherence to Sharia principles. Therefore, if BSI Gowa Branch is able to build credible and attractive Islamic branding, it can affect public interest in becoming the bank's customer.

Sharia financial literacy is also an important factor that affects public interest in becoming a customer of the Sharia Bank Indonesia (BSI) branch in Gowa. Sharia finance literacy refers to public understanding and knowledge of sharia financial products and principles. As a sharia bank, BSI Gowa Branch has a responsibility to improve the sharia financial literacy of the community. Previous research has shown that people with a higher level of sharia financial literacy tend to have a greater interest in becoming sharia bank customers. Therefore, if BSI Branch Gowa succeeds in improving the financial literacy of the Shariah community, it can have a positive impact on the public's interest in becoming customers of the bank.

Service quality, or the quality of services provided by the Bank Shariah Indonesia (BSI) Branch of Gowa, is also a factor that affects public interest in being a customer. Quality of service is one of the most important aspects of building customer confidence and satisfaction. Previous research shows that customer satisfaction related to the quality of service plays an important role in affecting public interest in being a customer of the bank. If BSI Gowa Branch is able to provide good service that is responsive and in line with the needs of the customer, it can increase the public's interest in becoming a customer and in their relationship with that bank.

In the context of Sharia banking in Indonesia, Sharia Bank Indonesia (BSI) Branch Gowa needs to understand that Islamic branding, sharia financial literacy, and service quality are not independent factors but interact and influence each other. In building strong Islamic branding, BSI Gowa Branch must ensure consistency between the message and Islamic values embodied in business practices carried out. The public would be more interested in being a client if they believed that the bank really applied the principles of Shariah in its operations. Therefore, BSI Gowa Branch needs to preserve its reputation and integrity in this regard.

Furthermore, BSI Gowa Branch is also important to improve the financial literacy of Shariah through various educational and socialisation programmes that can enhance public understanding of the products and principles of shariah finance. In this case, Gowa BSI Branch can cooperate with educational institutions, religious communities, and community organisations to provide relevant training and workshops. With the rise of Sharia financial literacy, people will be more able to make wise decisions in choosing Sharia banking products and services, including becoming customers of BSI Gowa Branch.

Finally, the service quality or the quality of services provided by BSI Gowa Branch should be the primary focus. This can be achieved by taking into account aspects such as speed of service, ease of access, effective communication, and responsive complaint handling. BSI Gowa Branch can also use technology and innovation to improve the quality of services, for example, by providing user-friendly banking applications or using the latest Shariah financial technologies. By providing a positive experience to customers, BSI Gowa Branch can build loyalty and increase public interest in becoming a loyal customer and recommending this bank to others.

## CONCLUSION

Shariah financial literacy and service quality both have a partially substantial influence on the public interest in becoming a customer at BSI Gowa Branch. On the other hand, Islamic branding has a partially insignificant influence on the public interest in becoming a customer at BSI Gowa Branch. To further develop its network, particularly promotions such as the addition of the number of banks in urban areas as well as in areas far from the city centre, the BSI Gowa Branch has established a Sharia bank branch in the Gowa area. This is so that the people of Gowa can learn more about Sharia banks, and this can improve the quality of the company because Gowa is a fairly large area and has a great opportunity to develop sharia banking as well as provide information. Through the use of the brand "Syariah" on BSI, Gowa makes it a priority to ensure that the Shariah is incorporated into every facet of the business. Additional researchers employ additional elements such as religiousness, word of mouth, products, or akad-akad on the sharia bank in order to realise the sharia bank that is kaffah. This is done in order to achieve the sharia bank that is kaffah.

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