

CHAPTER I

INTRODUCTION

1.1. Background

In early 2021, an event caught the public's attention in connection with the development of Indonesia's Islamic banking system, which combines three state-owned Islamic banks. The investment banks are Bank Negara Indonesia Syariah (BNI Syariah), Bank Rakyat Indonesia Syariah (BRI Syariah), and Bank Syariah Mandiri (BSM). The three Islamic banks became Bank Syariah Indonesia (BSI). In development, many evaluations arose at the merger of the 3 banks and the status quo of the bank. Most trust the merger will harm Indonesia's Islamic banking system. In this case, a merger may be deciphered as a valid practice for the merger of an organization (normally a much less easy organization) right into a less complicated organization, so that the merging organization is dissolved. As a legitimate preparation, the merger with Bank Syariah Indonesia (BSI) will take place in stages or forms based on some laws and instructions which will be specific instructions regarding limited liability companies, custody of money, collection of taxes, and collection of capital (Handyanto, 2021).

With the merger of three banks that apply sharia principles, there is a big challenge for them to be able provide the excellent service to their customers. So that consumers can decide which bank is chosen to be trusted to manage finances, therefore consumers are the main thing and the center of attention of a company's marketing. Success will come to a company that always puts its customers first. The oriented to consumers means that every decision and action of the company must be directed at creating customer satisfaction.

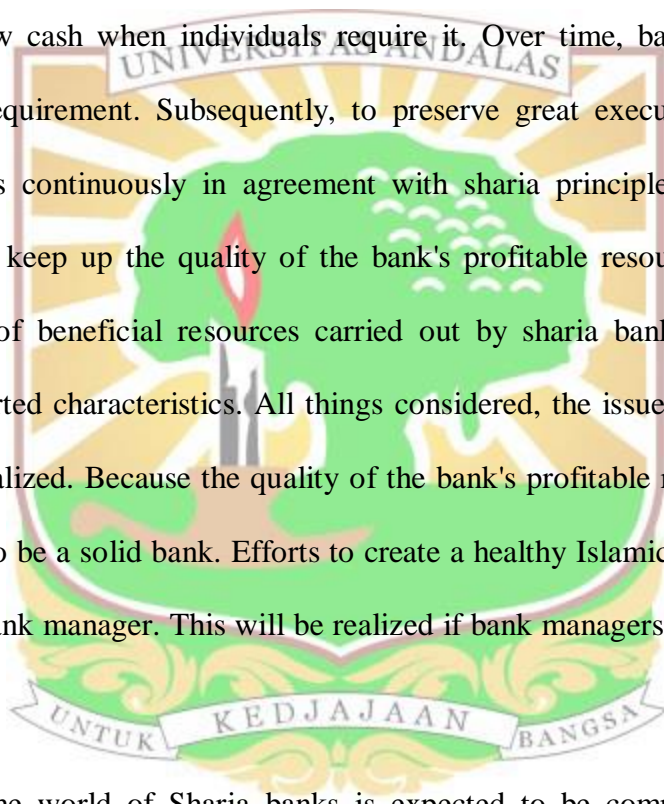
Bank mergers are regulated in Government Regulation Number 28 of 1999, Company Law Number 40 of 2007, and Sharia Banking Law Number 21 of 2008. Mergers or other corporate actions aim to increase shareholder value. The merger of BSM, BNIS, and BRIS must also be able to increase value for other stakeholders such as the Islamic banking industry, the business world (MSMEs), education, Hajj fund management, and the development of the sharia economic ecosystem in a broad sense (Ulfa, 2021).

Islamic banks are middleman establishments and economic carrier companies that paintings primarily based totally on Islamic ethics and systems, Islamic banks in practice issue usury issues. Thus, the avoidance of practices that are considered usury is one of the challenges facing the Islamic world today. In the future, Muslim finance experts have been very careful to find ways to replace attractive frameworks for managing accounts and money-related exchanges that are more ethically Islamic, away from speculative activities and gambling (maysir), free of distractions. Something that is not clear (gharar), has the precept of justice, and the simplest price range halal commercial enterprise, all of which might be Islamic banking concepts (Ghلامallah, 2021). Islamic banks are frequently equated with interest-loose banks. Interest-loose banking is a narrower idea than Islamic banking, in which a few contraptions and sports are interest-loose (Sari, 2021).

As intermediaries, banks play a role in and mobilize public funds that are used to finance investment activities and provide convenience in payment traffic. As stated in Article 1 paragraph (13) of the UUUP, restricting the belief of sharia concepts more often than not of settlement primarily based totally on Islamic regulation among a financial institution and different events to shop budget and finance commercial enterprise or

different with the enactment of Sharia Banking Law Number 21 of 2008. Something approximately Islamic Banks and Sharia Units, which might be associated with establishments, commercial enterprise, in addition to strategies and strategies in wearing out their commercial enterprise (Utama, 2018).

Sharia banking is one of the financial institutions that have a major influence on the community's economy. The bank is an institution for individuals to spare cash and can too be a put to borrow cash when individuals require it. Over time, banks have become a required human requirement. Subsequently, to preserve great execution and commerce improvement that's continuously in agreement with sharia principles, bank supervisors must continuously keep up the quality of the bank's profitable resources. Venture items within the frame of beneficial resources carried out by sharia banks have special and exceptionally assorted characteristics. All things considered, the issue of gaining resource quality must be realized. Because the quality of the bank's profitable resources is kept up, the bank will get to be a solid bank. Efforts to create a healthy Islamic bank are the dream of every Islamic bank manager. This will be realized if bank managers can manage Islamic bank funds well.



Therefore, the world of Sharia banks is expected to be competitive in servicing communities according to promised interests and benefits. In its operating system, Islamic banks essentially have a comparative advantage that traditional systems cannot match. It is the use of Islamic ethical standards in business activities. There, the principle of fairness and profit for all is the bank and its customers. Islamic banks need to respond and strive to meet their customers' needs with impeccable services to be competitive. Quality of service is one of the main ways to increase customer satisfaction and bank loyalty. Customer

satisfaction is determined by the customer's perception of performing a product or service to meet their expectations. Customers are satisfied if their expectations are met, and very satisfied if their expectations are too high (Tanra, 2021).

Sharia banks are making a lot of preparations to make choices their customers trust. We serve more and more quality, with the right and right approach. As a result, clients will prefer to trade with banks that offer the securities they expect. Bank Indonesia's synergistic development efforts between Bank Indonesia and the parties involved in the financing and loan campaigns IB will have a good impact on the growth of the financial sector in Islamic banking assets. This is also due to Bank Indonesia's support in the licensing business, including providing superior service by speeding up the licensing process, while maintaining the quality of the current yield-based analysis. Efforts by Bank Indonesia to accelerate banking arrangements, compliance and due diligence, mergers or acquisitions, the opening of office networks, and approval of Sharia Bank products can result in benefits for Sharia's banking sector.

Bank Syariah Indonesia offers a wide range of products. Sharia Savings Product is also one of the products offered by Bank Syariah Indonesia. It applies the principles of Mudharabah. Mudharabah is a financial partnership between a bank and a client, and the owner (bank). In Islam, financial savings merchandise consists of financing merchandise, specifically business performed with the aid of using banks to attain finances from depositors, then channeled to lenders as intermediaries among depositors and lenders. According to Islamic law, deposits are allowed as long as they are consistent with Sharia law (Dahmiri, 2020). The role of Bank Syariah Indonesia in assisting the Indonesian

economic system is more and more strategic with the emergence of projects that serve all tiers of society.

Customers can not be separated from what is called consumer behavior. Consumer behavior is an evolving process that involves the ever-changing behavior of individual consumers, groups, and members of society. Consumers' efforts to attain items and offerings may be commenced with the aid of using trying to find records at the net or with inside the surrounding community. When a product is excessively risk, clients search for greater records to keep away from mistakes. When clients consider the prevalence of a product, they purchase and devour it. Behavior amongst clients of direction relies upon the circumstance of clients, situations, and outside situations that have an impact on it.

There are several interesting factors to discuss. First, the general public as consumers always needs information about changes and updates to the existing Indonesian Sharia Bank system after the merger from BSM, BNIS, BRIS and an explanation of all aspects of financial institutions with sharia principles, especially the products and services available to customers, and the use of banking systems and methods, and sharia products are increasing. Therefore, banks need to improve their service system to their customers.

Second, there is a gap between people's knowledge needs about the types of sharia products, such as the introduction of what savings customers will use such as Easy Wadiah and Mudarabah Savings, Savings, BSI Current Accounts, Pension Savings, and Mabrur Savings. The bank provides advice to prospective customers, ensures that customers with the next step know the features of the selected product, maintains the stability of public demand and ensures that banks do not experience difficulties in marketing sharia products.

Third, banks provide little information about product offerings that vary according to consumer needs. Perhaps the customer is attracted by the brand, gifts, service, ATM, features, style, quality, warranty, price, and other attributes. If the bank can provide products with attributes that match the needs and desires of consumers, it will encourage consumers to make purchasing decisions.

The West Sumatra region has a traditional tradition that prioritizes the values of togetherness in the principle of mutual cooperation on the basis of the same weight being carried lightly and carried. The Minangkabau traditional tradition with the basic philosophy of adat basandi syarak, syarak basandi kitabullah (custom with religion, religion with the book of Allah) is a reflection of life that religious principles are the basic guidelines in people's lives. Based on the philosophy and values possessed by the people of West Sumatra, it is estimated that the Islamic banking system can develop well in West Sumatra, especially in the city of Padang which is the capital city of West Sumatra.

The increase in Bank Syariah Indonesia customers in Padang cannot be separated from the result of the merger of BNIS, BRIS, and BSM to become Bank Syariah Indonesia, where consumers are automatically merged into BSI consumers. Now, the increase in the number of Islamic bank customers from year to year cannot be separated from the influence of external factors and internal factors where the Islamic bank customers are located. External factors are factors that come from outside the consumer or from the environment where the consumer is located, which includes culture, social class, and social group. In this study the external factors are service factors from BSI, product factors from available products, and facility factors from BSI. Internal factors are psychological factors that come from consumers themselves, which include motivation, observation, learning

process, personality, and self-concept. This means that consumers who come from various levels of society or social environment will have different views, assessments, needs, opinions, and factors in their preferences as Islamic bank customers. In this study, the internal factors are social factors from the surrounding environment and sharia factors which are factors of consumer preference (Barna, 2008).

Based on the description above, the authors of this thesis are interested in studying "**Analysis of Factors the Preference Customers of Bank Syariah Indonesia**".

1.2 Research Problem

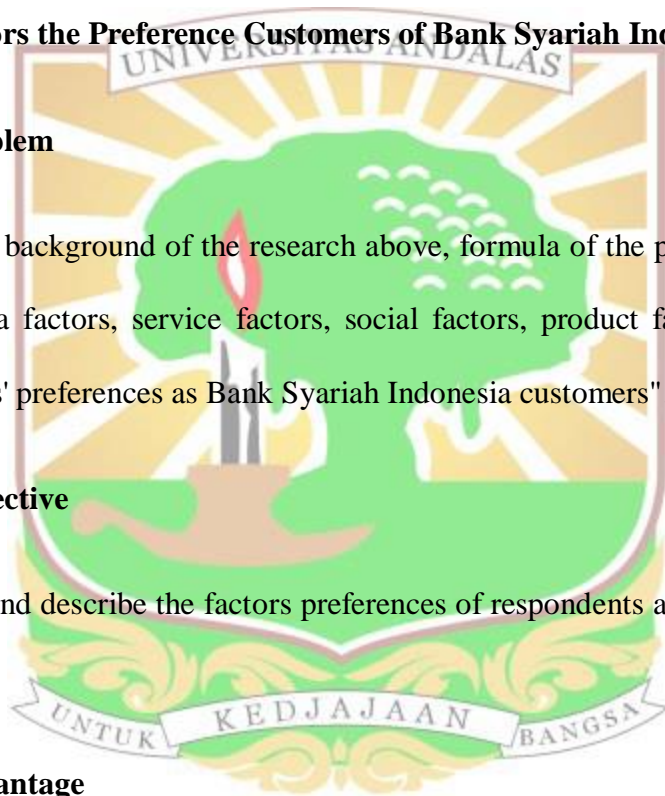
Based on the background of the research above, formula of the problem in this study is: "How do sharia factors, service factors, social factors, product factors, and facilities factors respondents' preferences as Bank Syariah Indonesia customers".

1.3 Research Objective

To analyze and describe the factors preferences of respondents as customers of Bank Syariah Indonesia.

1.4 Research Advantage

1. As contribution of the author's thoughts to development of sharia banking science in relation to factors the preference customers of Bank Syariah Indonesia.
2. This research is expected to provide information for readers and interested parties.
3. Results of this study are expected to use as a reference for research and additional knowledge for the general public other than Universitas Andalas students.



1.5 Systematic Writing

Systematics of writing is made to facilitate the preparation of this thesis, it is necessary to determine a good writing systematically. The writing systematics is as follows:

Chapter 1: Introduction

The chapter contains the research background why this topic was chosen, research problems, research objectives, research advantage, and systematic writing.

Chapter 2: Literature Review

The chapter contains the references and literature reviews relating to sharia bank, sharia banking merger, customer behavior, sharia bank operational principles, saving at sharia banks, preference, deposit at sharia banks, and analytical framework.

Chapter 3: Research Methodology

The chapter contains the type and design, research location and time, data source, data collection technique, and data analysis technique.

Chapter 4: Result

The chapter contains the discussion of an overview of the object research, characteristics of respondents, and result and discussion.

Chapter 5: Conclusion

The chapter contains the conclusions of the analysis carried out and recommendations.

