Why Non-Muslims Become Customers of Islamic Banking?

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ABSTRACT

The growth of Islamic bank assets in North Sulawesi in December 2020 reached 23.44%, even though the non-Muslim population reached 61.53%. One Islamic Bank, Manado branch, has more non-Muslim customers than Muslim customers, so it is interesting to research. This research aims to reveal the factors that influence their decision to become customers of Islamic banks. The data collection methods used in this study were observation, interviews, and documentation to fourteen people consisting of non-Muslim customers of Bank Muamalat Indonesia and Bank Syariah Indonesia Manado Branch. The analysis technique is through reduction and presentation of data to determine conclusions. The results of the study found. They become customers of Islamic banks because of the service, price/cost, product, facilities, references, and benefits. This research can be used as evaluation material and input for the Islamic banking industry.

Keywords: Non-Muslim Customer; Islamic Banking; Factor Affecting; Decision.

JEL Classification: E50, E59, G20

Received: June 22, 2021

Accepted: September 20, 2021

¿Por qué los no Musulmanes se Convierten en Clientes de la Banca islámica?

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RESUMEN

El crecimiento de los activos de los bancos islámicos en Sulawesi del Norte en diciembre de 2020 alcanzó el 23,44%, a pesar de que la población no musulmana alcanzó el 61,53%. Un banco islámico, la sucursal de Manado, tiene más clientes no musulmanes que clientes musulmanes, por lo que es interesante investigarlo. Esta investigación pretende revelar los factores que influyen en su decisión de convertirse en clientes de los bancos islámicos. Los métodos de recogida de datos utilizados en este estudio fueron la observación, las entrevistas y la documentación a catorce personas, que son clientes no musulmanes del Banco Muamalat Indonesia y del Banco Syariah Indonesia sucursal Manado. La técnica de análisis es la reducción y presentación de los datos para determinar las conclusiones. Los resultados del estudio fueron los siguientes Se convierten en clientes de los bancos islámicos por el servicio, el precio/coste, el producto, las instalaciones, las referencias y los beneficios. Esta investigación puede ser utilizada como material de evaluación e insumo para la industria bancaria islámica.

Palabras clave: Cliente no musulmán; Banca islámica; Factor que afecta; Decisión.

Clasificación JEL: E50, E59, G20

Recibido: 22 de Junio de 2021

Aceptado: 20 de Septiembre de 2021

1. Introduction

The city of Manado, located in Manado Bay and surrounded by mountainous areas, has a predominantly Protestant population. Based on data from the Central Statistics Agency (BPS, 2020), the number of Muslims is 38.47%, Protestants 55.57%, Catholics 4.94%, Hindus 0.22%, Buddhists 0.12%, and Confucians 0.04%. Even though the people of Manado are very heterogeneous, they appreciate the attitude of living tolerant, harmonious, open, and dynamic by upholding the motto "*Torang samua basudara*" which means "We are all brothers." This is reflected in the Sharia Banking Statistics data (OJK, 2021), which shows that although the area has a majority Christian population, the growth of Islamic bank assets in North Sulawesi in December 2020 reached 23.44%. Growth of 24.81% for disbursed financing and 13.18% growth in third-party funds. Dusuki & Abdullah (2007) has illustrated how selection of Islamic banks appears to be mostly based on the bank's Islamic and financial reputes, as well as the level of service it provides. Other major elements considered are good social responsibility practises, convenience, and product price. Nurhayati et al. (2021), in their research, stated that non-Muslim customers dominated the number of BSI Manado Branch customers as of September 2020 by 57%. The development of Islamic banks in Manado in the last three years can be seen in the following table:

Table 1 Development of Islamic Banks in Manado

Year	Bank Muamalat Indonesia			Bank Syariah Indonesia		
	Funding	Lending	NoA	Funding	Lending	NoA
2020	107.920.304.629	69.773.052.102	45.753	86.136.000.000	219.761.000.000	21.356
2019	85.654.259.465	63.377.568.665	44.799	59.215.000.000	128.907.000.000	17.208
2018	76.230.324.391	70.281.944.228	43.774	52.175.000.000	73.378.000.000	10.373

Source: processed data (2020)

The existence of Islamic banks in the community of Manado City, which has a majority non-Muslim population, also contributes to its people's economy and social life. Table 1. shows the development of third-party funds at BMI and BSI Manado Branch, which has increased almost every year. Based on these data, it can be seen that not a few non-Muslims are interested in choosing Islamic banks as a place to make transactions.

The results of an interview with the Branch Manager of BRI Syariah Manado Tendeau stated that the total BRI Syariah customers as of September 2020 amounted to 20,750 customers, each consisting of 11,827 (57%) Muslim customers and 8,923 (43%) non-Muslim customers. According to him, the level of trust of non-Muslim customers in Islamic banks is greater than that of Muslim customers themselves. Based on his experience for more than ten years as a banker, the most critical factor in attracting people to become customers is the relationship factor of how a banker establishes a good relationship with customers through a personal approach. When the relationship has been established, customers already trust and feel comfortable with the services provided. Usually, customers will be loyal to both bank officers and their institutions (banks). Sometimes customers don't have a problem with their benefits because the most important thing is a very satisfying service even though the interest/cost is higher. Thanks to the relationship he has built, the number of developers who are customers of the Manado Tendeau Branch of BRIS, which was initially only two and even then inactive, has increased to fourteen within a year, and all of them are active. This will automatically increase the financing portfolio to 300% for one year.

Previous research that supports customer relationship marketing affects customer loyalty in Manado, proposed by Kandou et al. (2017). According to him, one of the steps that can be applied to achieve customer satisfaction and loyalty is to maintain a sustainable relationship between the bank and the customer, where this strategy is known as relationship marketing. Shani and Chalasani in Tjiptono (2006, p. 413) define "Relationship marketing as an effort to develop sustainable relationships with customers about a series of related products and services. Relationship marketing business strategy has a close relationship with customer satisfaction and loyalty. Relationship marketing is long-

lasting relationships and bonds and continuous exchanges. So in the concept of relationship marketing, marketers emphasize the importance of good long-term relationships with consumers, and marketing infrastructure, which can create awareness in the form of a comprehensive relationship and commitment. If relationship marketing increases, loyalty will also increase, and vice versa if customer satisfaction decreases, customer loyalty will also decrease.

BSM Manado Kairagi Branch Manager, based on his experience as a banker, expressed his opinion to the researchers as follows:

"Why do customers choose BSM? Because the product is cheap, the process is easy, and the service is a pick-up, customers do not need to come to the branch office; the bank serves their respective offices. Customers feel at home with sharia banking because of the ease of transactions. Namely with mobile banking facilities so that customers do not have to go to the bank, with sharia digital banking it makes it easier for customers to transaction needs on the spot, both purchases, payments, and transfer services".

According to him, customers choose Islamic banks due to the primary service factor and the mobile banking facility factor, making it easier for customers to transact online, so they don't have to come to the branch office. According to Kotler, "in creating customer satisfaction, companies must be able to increase customer value and product excellence. Customer value can be created through the quality of service the company provides to its customers. The higher the service quality, the higher the customer value for the company. Retaining customers is generally more profitable than recruiting new customers because the retaining existing customers has minimal costs compared to attracting new customers, it can cost up to five times the cost" (Kotler & Keller, 2016).

From the interviews with the two leaders of sharia bank branches in Manado, their opinion stated that service is the main factor influencing customer decisions to choose Islamic banks in Manado City. The results of previous studies that support this statement, among others, were found by Mawey et al. (2018). Namely, customer satisfaction in Manado is influenced by service quality and trust.

"In evaluating it, consumers will use their expectations as a standard or reference. Thus, consumer expectations are why two organizations in the same business can be judged differently by their consumers. SERVQUAL (Service Quality), developed by Parasuraman et al., is built on comparing two main factors: the customer's perception of the service they receive with the expected service. If the reality is more than expected, then service can be defined as how far the difference between reality and customer expectations for the service they receive (Lupiyoadi, 2013).

The research conducted by Purnomo (2017) shows that social factors and personal factors simultaneously influence customer decisions in taking bank loans in Manado. According to Kotler & Keller (2016: 179-184):

"Social class is a division of society that is relatively homogeneous, enduring, hierarchically structured and with members who have various values, interests, and behaviors. Almost all humans show this social stratification."

Islamic banks offer more products and services; more customers have many choices. Thus the bargaining power of customers will increase. Therefore, banks should know what customers need and want to fulfill these needs and desires. The marketing results can be used as a tool to determine the progress and decline of a company.

Chong & Liu (2009) suggest that the rapid growth in Islamic banking is largely driven by the Islamic resurgence worldwide rather than by the advantages of the profit-and-loss sharing paradigm and that Islamic banks should be subject to regulations similar to those of their western counterparts. This justifies the reason to look at Islamic banks from a different aspect.

Understanding consumers and their consumption processes provide various advantages, including knowing what consumers need, their tastes, and how consumers make decisions to purchase goods and services. Consumer analysis is the basis of planning, and marketing strategies are prepared based on an understanding of consumers who are the target market for the company.

Marketers need to study the behavior of consumers by placing consumers as the central point of marketing attention so that that understanding consumers will lead marketers to appropriate and efficient marketing policies. In other words, studying consumer behavior aims to know and understand various aspects in consumers that will be used in formulating successful marketing policies.

2. Literature Review

The leading theory of consumer behavior is based on economic theory, with the opinion that individuals act rationally to maximize their profits (satisfaction) in buying goods and services. The microeconomic theory developed by Adam Smith is "a doctrine of economic growth based on the principle that their interests drive human beings in all their actions. Jeremy Bentham argues that humans are creatures who consider profit and loss in all their actions (Wibowo, L. A., & Priansa, 2017, p. 276). Meanwhile, according to Hoyer, consumer behavior reflects "totality in making decisions from time to time in terms of buying, consuming, and stopping the consumption of certain goods, services, activities or experiences" (Tjiptono, F. 2015, p. 51). From the experts' expressions above, it can be concluded that consumer behavior is an act or effort made in the decision-making process to obtain or use an item or service. Each stage in the consumer decision-making process is influenced by external factors (culture, sub-culture, social class, and reference groups) and internal factors/psychological processes or individual differences, namely: motivation, attitude, personality, self-concept, lifestyle, and knowledge.

Consumers are influenced by family, friends, advertisements, advertising models, moods, circumstances, and emotions. Everything is combined to form a comprehensive consumer behavior and reflect aspects of understanding and knowledge in purchasing decisions. Consumer decision-making can be viewed as three distinct but related stages: the input, process, and output.

In making decisions, Islamic bank customers go through several stages: problem recognition, where prospective customers must know the problem before using products in Islamic banks. The problems that arise will lead to the desire of prospective customers to seek product information in Islamic banks. In seeking information, prospective customers will come to Islamic banks to inquire about products available in Islamic banks, which then cause reactions to seek alternative evaluations by finding out other Islamic banks and comparing their advantages and disadvantages. After the prospective customer looks for an alternative, a decision will be made rationally and consciously whether the prospective customer will use the sharia bank product. If a prospective customer decides to become a customer and uses Islamic bank products, the customer will experience a post-purchase stage, namely feeling satisfied or dissatisfied.

3. Empirical Study

Uddin et al. (2016) "Non-Muslim Customers' Attitude and Perceptions toward the Products and Services of Islamic Banks: An Exhaustive Study on Islamic Bank Bangladesh Limited". *The results show that the main reason Non-Muslim customers use Islamic banking services is because of cheaper transaction administration fees and better service.*

Bin et al.,(2017), "Factors That Affect Non-Muslim Customers' Preference Against Islamic Deposit Products In Malaysia." The results found that all independent variables (Sharia compliance, knowledge of non-Muslim customers, trust and confidence, flexibility of withdrawal) had a significant positive effect on the preferences of non-Muslim customers.

Indriastuti & Anwar (2018), "Effect of Sharia Product Attributes and Insaniyyah Promotion that is Conducted By Sharia Bank Toward Non-Muslims' Decision to Become a Customer." *From the results of the analysis it can be concluded that the decision of non-Muslims to become customers does not affect the attributes of sharia products, but the promotion of insaniyyah has a significant effect on the decisions of non-Muslims to become customers.*

Su'un et al. (2018) "Determinants of Islamic banking adoption across different religious groups in Ghana: A panoptic perspective." The results show that perception, knowledge, usefulness, innovation,

religion, promotion, attitude, and customer readiness to comply with sharia are significant determinants of Islamic bank adoption for Muslim, Christian, and African Traditional Religion Sub-groups.

Saiti et al. (2019), "Why non-Muslims subscribe to Islamic banking?". Based on regression analysis, the subjective norm factor was found to significantly influence the choice of non-Muslim customers in Abuja, Nigeria, towards Islamic banking.

Saptasari & Aji (2020), "Factors Affecting Muslim Non-Customers to Use Islamic Bank: Religiosity, Knowledge, And Perceived Quality." The findings of this study illustrate that religiosity, knowledge, and perceived quality have a positive and significant effect on customer intentions to use Islamic banks in Indonesia.

Based on empirical facts or research gaps between the people of Manado. Which has a majority non-Muslim population and the growth of Islamic banks in Manado City, which is growing quite rapidly, has given rise to a research problem: why non-Muslims become customers of Islamic banks? This study wants to reveal what factors influence non-Muslim communities to become customers of Islamic banks in Manado City.

4. Methodology

The research approach used in this research is phenomenology. Phenomenological research is essentially related to the interpretation of reality. Phenomenology is to suspend all judgments about a person's genuine "natural attitude" (Creswell, 2013). Phenomenology means direct attention to experience because this experience is "live" or "felt" or "experienced," according to Sherman and Webb (Blaxter et al., 2006). Phenomenology seeks to understand the meaning of events and their relation to ordinary people in certain situations (Moleong, 2014).

The phenomenological approach explains the general meaning of a person's life experience from a concept or occurs because of a phenomenon. The phenomenological approach emphasizes the phenomenon be explored, expressed in concepts and ideas, involving a philosophical discussion about the basic ideas that put forward the theory involved. In some forms of phenomenology, researchers limit research from discussing personal experience to the phenomenon being revealed. Phenomenological research ends with a descriptive section that discusses the essence of a person's experience by combining "what" they have experienced and "how" they experienced it, according to Moustakas & Van Manen in (Creswell, 2013). Then the choice of researchers to understand the decision of non-Muslim communities to become customers of Islamic banks.

The site in this study is where researchers capture the actual phenomenon of the object under study to obtain the necessary data or information. By the research objectives to be achieved, the determination of this research site is in Manado City, North Sulawesi Province, which is only concentrated in two Islamic banks, namely Bank Muamalat Indonesia and Bank Syariah Indonesia Manado Branch. Then the time of the research was carried out from November 2020 to January 2021, and the key informants in this study were fourteen non-Muslim customers of Islamic banks in Manado City. This research is value-bound, so the researcher is actively involved with the subject to obtain the truth.

The data collection methods used in this study were observation, interviews, and documentation. Interviews conducted by researchers are intended to understand the decisions of non-Muslim customers to choose Islamic banks in Manado City. Therefore, interviews were conducted structured, using an interview guide, and were formal in various occasions and situations. Then document the results of the interviews in the form of recordings or videos, then collect the data that has been observed and packaged into information.

According to Miles and Huberman in Wandi et al. (2013), data analysis consists of three streams of activities that co-occur (interactively). Namely, reducing data means the researcher summarizes the findings from the field, then sorts out things that need to be used in research, and discards data that cannot be answered in research. Thus the data that has been reduced will provide a clear picture and

make it easier for researchers to collect data. The presentation of data describes a structured set of information that allows concluding and taking action—presentation of data as a form of short description found through interviews, observations, and documentation. Thus, the data is arranged in a pattern of relationships, organized, so that it will be easier to understand. The three conclusions put forward in qualitative research must be supported by valid and consistent evidence so that the conclusions put forward are new findings that are credible and can answer the formulated problem formulation.

The validity of the data in qualitative research is essential because qualitative research must reveal subjective truth. According to Lexi J. Moleong, (2014) , there are four criteria used, namely (1) the degree of trust (credibility), (2) transferability), (3) dependability, and (4) confirmability. Testing the validity of the data in research applies the technique of triangulation of data sources. Validity proves the researcher is observing it is by the reality that occurs in the real world. For example, to check the truth of the data obtained from one source, the researcher then asks again to other data sources. The case with data obtained at a particular time will be asked again at a different time. In addition to enhancing the validity of the data, it also gives depth to the study results.

5. Results and Discussion

5.1. Bank Syariah

Islamic banks is a bank that uses Sharia principles as the basis for all its business activities, both in the process of saving customer funds and financing other business activities” (Ascarya & Yumanita, 2005, p. 6). Profit sharing is a concept applied by Islamic banks. Bank interest on Islamic banks is not used as a reference to generate income or as an addition to customer loans, because in Sharia principles interest is usury and is haraam. Fees for services obtained by Sharia Banks are carried out based on sharia principles” (Aufiyah & Suwarsi, 2017).

As for the basic principles of Islamic banking, according to Ascarya & Yumanita (2005 p. 4), “in its operations, it follows Islamic rules and norms including the following: Free from interest (*usury*); Free from non-productive speculative activities such as gambling (*maysir*); Free from things that are not clear and doubtful (*gharar*); Free from things that are damaged or invalid (*bathil*); Only finance business activities that are halal. In short, the first four principles are commonly called anti-MAGHRIB (*maysir, gharar, usury, and falsehood*)”.

In carrying out their activities, Islamic banks adhere to justice, equality, and peace. With an operational system based on a profit and loss sharing system, Islamic banks have their strengths in the dimensions of justice and equity. Islamic banks place depositors of funds, customers who use funds, and banks in equal positions. As an economic institution, establishing a sharia bank aims to create a socio-economic balance (material and spiritual) for the community to achieve *Falah* (peace).

Khan (2010) shows that, three decades after Islamic Banking and Finance (IBF) introduction, there remain substantial divergences between IBF's ideals and its practices, and much of IBF remains functionally indistinguishable from conventional banking. This runs counter to claims by IBF advocates that it would rapidly differentiate itself from conventional banking. However, despite not providing an alternative to conventional banking and finance, IBF does strengthen a distinctly Islamic identity by providing the appropriate Islamic terminology for de facto conventional financial transactions.

Indonesian Islamic banking continues to show positive developments amid the Covid-19 pandemic. Based on data published by the Financial Services Authority (OJK), as of December 2020, Islamic banking assets have reached Rp608.9 trillion or grew by 13.11 percent year on year (YoY). In total, PYD and DPK of Islamic banking also increased to Rp. 394.5 trillion and Rp. 475.8 trillion, respectively, with 8.08 percent and 11.88 percent YoY (OJK, 2020).

5.1.1. Bank Syariah Indonesia

On February 1, 2021, which coincided with 19 Jumadil Akhir 1442 H, it marked the history of the merging of Bank Syariah Mandiri, BNI Syariah, and BRI Syariah into one entity, namely Bank Syariah Indonesia. This merger will unite the three Islamic banks' advantages to provide a complete service, wider reach, and better capital capacity. Supported by synergies with parent companies (Mandiri, BNI, BRI) and the Government's commitment through the Ministry of SOEs, Bank Syariah Indonesia is encouraged to compete globally. On April 13, 2021, Forbes named Bank Syariah Indonesia one of the World's Best Banks 2021, with a performance in Q1/2021 earning a net profit of 12.85% Rp. 742 billion, digital transaction volume 43.4% Rp. 40.85 trillion, Funding 14.3% Rp. 205.5 trillion and Lending 14.47% Rp. One hundred fifty-nine trillion (BSI, n.d.). Bank Syariah Indonesia Manado has five branch offices: Manado Megamas Branch Office, Manado Town Square Branch Office, Manado Kairagi Branch Office, Bitung Branch Office, and Kotamobagu Branch Office.

5.1.2. Bank Muamalat Indonesia

On November 1, 1991, or 24 *Rabi'us Tsani* 1412 H Bank Muamalat Indonesia started its business journey as the first Islamic bank in Indonesia. The Indonesian Ulema Council initiated its establishment, the Association of Indonesian Muslim Intellectuals and Muslim entrepreneurs, who later received support from the Indonesian Government. Since officially operating on May 1, 1992, or 27 Shawwal 1412 H, BMI has issued sharia financial products such as Takaful Insurance, Muamalat Financial Institution Pension Fund, and Al-Ijarah Indonesia Finance of which have become breakthroughs in Indonesia. Since 2015, BMI has metamorphosed to become a better entity and achieve long-term growth. With a focused business strategy, BMI will continue to advance to realize the vision of becoming "The Best Islamic Bank and Top 10 Bank in Indonesia with Strong Regional Presence". On April 13, 2021, Forbes named Bank Muamalat one of the World's Best Banks 2021 (BMI, n.d.). Bank Muamalat Indonesia Manado was established on June 1, 2005, and has its address at Jl. Sam Ratulangi No. 11 Wenang Utara Village, Wenang District, Manado.

5.2. Key Informants

They are 14 key informants, consisting of 43% male and 57% female. 79% of key informants have high education, while the rest (21%) only have high school education. 43% of the key informants were 40-50 years old, while some were 30-40 years old (29%) and 50-60 years old (7%). The key informants were private employees (47%), 21% civil servants, 21% entrepreneurs, and the rest (14%) professionals. Christian key informants dominate at 79%, followed by Catholics at 14%, and Buddhists at 7%. Most key informants are BSI customers with 79%.

6. Discussion

All key informants gave positive responses when asked to provide assessments, criticisms, and suggestions. All of them expressed their satisfaction with Islamic banking services. Customer satisfaction is a function of expectations and perceptions of the performance of Islamic bank products after customers get or use these services. Loyalty is a function of customer satisfaction as well as other factors. Satisfied customers are not 100% loyal, but satisfied customers tend to be loyal to the bank. Loyal customers tend to buy more. They also tend to easily make purchases of cross-selling or add-on selling so that their revenue will increase. The customer is the party who maximizes the value; they form the highest expectation of customer value. Applying customer value will result in superior customer value, either lower relative costs or unique benefits. Furthermore, superior customer value will increase customer satisfaction. They were ultimately giving a positive response in the form of more and more customers who use and are loyal to Islamic bank products because the perceived "value" is higher than the "value" offered by conventional bank products. Key informant statement on the question, "Why become a customer of a sharia bank?" along with the analysis is stated in the following table:

Table 2 Customer Statement and Analysis

Subject	Statement	Theme	Conclusion
KI1	<i>"Frankly, once we had a little problem (payment installments) and also dorang understanding. So if there is no e... Christians are excluded. We say nothing, dang, we are nothing from the sharia department—Word friendly. Less than torang kati. We think you have good service. Depe is the name of the word sharia. We are lia Islamic banks o... please do the service for this. It means that people learn kata. Dorang does take care to remind you if you are late in paying. That's when you say you have the right to be angry, and you're yelling."</i>	Good service	Service Factor
KI2	<i>"It was only offered to 'F'; he said the interest was lower than before, so it was taken over."</i>	Friend's Offer	Group Factors / Reference
KI3	<i>"What makes it interesting, of course, is that the interest is lower than the pawnshop, and there are gold savings too."</i>	Low interest and gold savings products	Price and product factors
KI4	<i>"Because the margin is cheap, and the process is easy."</i>	Low margin and easy process	Price and service factor
KI5	<i>"Because it's there for the financing."</i>	Products as needed	Product Factor
KI6	<i>"Because it makes it easy for me to become a debtor for my own needs".</i>	Convenience	Service factor
KI7	<i>"Because the service is easy, fast, and transparent".</i>	Easy, fast and transparent service	Service factor
KI8	<i>"Of course, because of what I experienced, the service was good and fast."</i>	Good and fast service	Service factor
KI9	<i>"Because it has an advantage for me."</i>	Have Advantage	Benefit factor
KI10	<i>"Yes, because the service is good and the product also suits my needs."</i>	Good service, the product according to need	Service and product factors
KI11	<i>"Because at BRI Syariah, there are many benefits, one of which is that there is no monthly administration fee on my savings, and the BRIS Mobile is super cool."</i>	Many Benefits, free admin fees, excellent mobile banking	Benefit factor, Price, and facilities
KI12	<i>"In addition to the savings that I chose, there is no discount, mobile banking in Muamalat is convenient."</i>	Free of charge and practical mobile banking	Price factor and facilities
KI13	<i>"Incidentally, my friend is a Muslim, and he invited me to do Islamic banking. And Muamalat is the choice because, in addition to its good products, its mobile banking features are also straightforward and helpful".</i>	Invited friends, good product, helpful and straightforward mobile banking	Group/reference factors, products, facilities, and benefits
KI14	<i>"Because my co-worker was already in a sharia bank, so I followed in his footsteps."</i>	Follow Friends	Group factor/reference

Source: processed data (2020)

Based on the analysis results above, the following factors influence their decision to become customers of Islamic banks.

6.1. Service

According to (Kotler & Keller, 2009, p. 80), the definition of service is any action or activity that one party can offer to another that is essentially intangible and does not result in any ownership. According to (Fandy Tjiptono & Chandra, 2011, p. 4), service can be viewed as a system consisting of two main components, namely service operations which are often invisible or unknown to customers (back

office or backstage), and service delivery which is usually visible (visible).) or known to the customer (often called the front office or frontstage).

Five non-Muslim customers stated that the factors that influenced them to become customers of Islamic banks were due to satisfactory service. The results of this study support previous findings conducted by Santoso (2017). The factors that influence non-Muslim consumers in choosing Islamic banks are the service system in Islamic banks and the research of Marlina (2020), which found the interest of non-Muslim customers to become customers of Islamic banks-influenced by service factors.

However, the results of this study also contradict the findings of Adhipratama (2018) that the service does not affect non-Muslim customers to use Islamic banks.

6.2. Cost

Prices can be expressed in various terms, such as rent, interest, rates, fees, etc. Price is a monetary unit or another measure (including other goods and services) exchanged to obtain the right to ownership or use of an item or service. Grewal and Levy in Tjiptono F. (2015) formulate Price as the overall sacrifice that consumers are willing to make to get a specific product or service. According to (Wibowo, L. A., & Priansa, 2017), customers always consider the Price according to the quality and benefits of the product. If a product has a good brand image, good quality, and excellent benefits, then customers will not hesitate to pay high costs to get the product.

Four non-Muslim customers stated that the factor that influenced them to become customers of Islamic banks was the low cost. The results of this study support the research of Pradipta et al.(2015), who found a similar thing, namely that the most dominant reason for choosing Islamic bank products was the free administration fee. However, the results of this study also turned out to be contrary to the results of Afiyah & Suwarsi (2017), which found that Price had no significant effect on the decisions of non-Muslim customers in choosing sharia savings.

6.3. Product

Product is everything that consumers receive in the exchange process with producers, in the form of essential benefits, physical products and packaging, and additional elements that accompany it. Products include everything that provides value to satisfy needs or wants, such as goods, services, events, experiences, people or individuals, places, properties, organizations, information, and ideas Tjiptono & Diana (2016, p. 176). Customers in deciding to buy a product will consider the product's advantages, benefits, and choices.

Four non-Muslim customers stated that the factors that influenced them to become customers of Islamic banks were because the products were good and fit their needs. This finding supports previous findings by Razimi & Romle (2017), who found that the product gained popularity among non-Muslim customers. Similarly, what was studied by Syafrina & Manik (2018) found that product factors contributed positively to the decision of non-Muslims to save in Islamic banks. However, the findings of this study do not support the results of the research by Indriastuti & Anwar (2018) that the product does not affect the decision of non-Muslims to become customers of Islamic banks.

6.4. Mobile Banking Facilities

Mobile Banking (also known as M-Banking, SMS banking, etc.) is a terminal used for performing balance checks, financial transactions, payments, etc. By using mobile devices such as mobile phones. Mobile banking is currently mainly shown via SMS or Mobile Internet but can also use a mobile device download program (Pratiwi, 2021). Mobile banking offers various services for customers, ranging from checking account balances, payment history, transfers to accounts—others and others and through mobile phones. Customers do not need to come to the bank to carry out banking activities except when registering and withdrawing cash. By using mobile phones, customers can reach banks and carry out banking activities anywhere and anytime. Mobile banking is relatively easy to use where customers simply select the type of transaction they want to make from the menu. For security issues, all banking

transactions carried out by customers are encrypted/encoded to ensure the security of these transactions.

Three non-Muslim customers stated that the excellent and practical mobile banking facilities influenced them to become Islamic banks customers. The findings of this study support previous findings, including by Herawati & Listyawati (2017), namely the dominant variable determining the decisions of non-Muslim customers in choosing Islamic banking services more considering adequate computer facilities, ATMs, Phone Plus.

However, this is not the case with the results of Syafrina & Manik (2018) research, whose findings are contrary to the results of this study, namely that facilities do not have a significant effect on non-Muslim decisions to save in Islamic banks.

6.5. Reference

According to (Kotler & Keller, 2016) that the factors that influence consumers in making purchases are cultural factors (culture, sub-culture, and social class), social factors (group, family, role, and status), personal factors (age and stage of life cycle). life, work, economic situation, lifestyle, and personality) and psychological factors (motivation, perception, knowledge, belief, and attitude). Three non-Muslim customers stated that the factor that influenced them to become customers of Islamic banks was referrals from friends. The results of this study support the research of (Pradipta et al. (2015), which concludes that the very dominant factor in the preference of non-Muslim customers towards Islamic banks is the reference group. Similar to the research revealed by Santoso, (2017), reference groups are also the reason for non-Muslim consumers choosing Islamic banks.

6.6. Benefit

Istiarni (2014) states that perceived benefits are the degree to which users believe they will feel the benefits derived from using a product offered. Perceived benefit is a monetary value obtained from a collection of economic, functional, and psychological benefits customers expect from a market offer caused by the products, services, personnel, and image involved. Chaabane et al. in Misman et al. (2015) states the hedonic value of benefits, namely experience, emotion, use of media, can increase one's loyalty.

Three non-Muslim customers stated that the factor that influenced them to become customers of Islamic banks was the benefits they received. The findings of this study support the results of previous research conducted by Sukti & Aliansyah (2017). The preference of non-Muslim customers towards Islamic banks is due to the benefits that customers get. Similarly, Su'un et al. (2018) research found that perceived benefits are a significant determinant of Islamic banking adoption for Muslims, Christians, and African Traditional Religion Sub-groups.

7. Conclusion

The research results on fourteen non-Muslim customers of Islamic banks in Manado concluded that the behavior of non-Muslim customers at Islamic banks in Manado City is determined by the factors that influence their decision to become customers of Islamic banks. The factors in question are satisfactory service, cheap price/cost, good products according to needs, excellent and practical mobile banking facilities, friend referrals, and benefits obtained. Service is the most dominant factor stated by 43% of key informants. 29% said it was due to price/cost and product factors. 21% of key informants stated that it was due to reference factors from friends/groups, facilities, and benefits. Furthermore, all key informants (100%) expressed their satisfaction with Islamic bank services.

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