

# Analysis Of Factors That Influence the Interest in Saving in Islamic Banks in Muhammadiyah University Students Yogyakarta

<sup>1</sup>Arya Dwi Danuarta<sup>2</sup> Dimas Bagus Wiranatakusuma<sup>3\*</sup> Muhammad Farras Haykar Nurulhuda

<sup>1</sup> Bachelor Student in Economics, Universitas Muhammadiyah Yogyakarta, Indonesia

<sup>2</sup> Lecturer at Department of Economics, Universitas Muhammadiyah Yogyakarta, Indonesia

email: [dimas\\_kusuma@umy.ac.id](mailto:dimas_kusuma@umy.ac.id)\*

## ABSTRACT

Islamic banks are currently preferably chosen by public in storing assets or in banking activities over conventional banks. This study aims to reveal students' interest in saving and the factors influence students' interest in saving in Islamic banks. This research uses a qualitative method that involves interviews with students of Universitas Muhammadiyah Yogyakarta who store assets and carry out banking activities at Islamic banks. The findings can be interpreted that students choose banking activities at Islamic banks because of good services the banks provide, namely the easiness to access, available mobile banking, and in accordance with Islamic principles that avoid usury, gharar, maysir, haram and unjust. The factors that influence students to save in Islamic banks are service factors, Islamic factors, and needs factors.

**Keywords:** *Student interest, saving, Islamic banking, Islamic bank services*

## INTRODUCTION

Bank is a financial institution that has an important role in the economy of a country, as a business entity. which collects funds from the public in the form of savings and distributes them to the public in the form of credit or other forms in the context of improving people's welfare. By acting as an intermediary between parties who have excess funds and those who lack funds, so that these funds are expected to provide great benefits to the community, as well as being given the freedom to choose between Islamic banks and conventional banks. For those who are concerned about bank interest (usury), Islamic banks can be a more innovative alternative as a means of borrowing capital or investing funds (Muhammad, 2017). Islamic banks are banks that carry out their activities based on Islamic sharia principles in providing services (UU No. 10 of 1998). The presence of Islamic banks in the midst of conventional banking is to provide an alternative banking system for Muslims who need banking services without having to violate the prohibition of usury. Not only among workers or entrepreneurs, now many students are using Islamic banks to carry out activities in the banking sector. Students who use Islamic banking services to save, receive transfers from parents, finance college activities, or to fulfil other interests. From here, Islamic banks are fully utilized optimally for students at the University of Muhammadiyah Yogyakarta in everyday life.

Customers' saving decisions can be influenced by the behavior of the customers themselves. According to [Saraswaty \(2015\)](#) consumer behavior is a study of individuals, groups, or organizations and the processes they use to select, obtain, use and dispose of products, services, experiences, or ideas to meet needs and the impact of that

process on consumers and society. According to [Setiadi \(2020\)](#) there is a core understanding of consumer behavior is (1) Consumer behavior involves a variety of activities, both physical and mental, emotional, and physical. Thinking is a mental activity, for example, information processing that involves the brain's memory when a person receives a marketing stimulus. Emotional activity involves the evaluation of a product or service so that cause feelings of pleasure or displeasure with the product or those services. Physical activity, for example, choosing or deciding one product to buy among several products available in market, (2) Consumer behavior occurs because it is based on certain motives. All consumer actions are carried out to achieve goals, namely satisfying need or desire, (3) Consumer behaviour shows a continuous process, since the consumer has not made a purchase, at the time of purchase, and after the purchase, (4) Consumers are the main center of attention. Consumer terms used to describe two types of consumption entities, namely consumers individual and organizational consumers. Purchases can be made by individual or organization. That's why consumers are often called as units of purchase.

In this study, it is still very rare to examine student interest in choosing Islamic banks to carry out banking activities. This study also examines the effect of Islamic banking services on student interest in saving in Islamic banks.

This study was conducted to describe: (a) the reasons students choose Islamic banks in banking activities, and (b) The effect of saving interest in Islamic banks. In particular, we are interested in the following two questions that guide our research:

1. what Islamic bank services that influence students' interest in saving in Islamic banks?
2. what factors do influence students' interest saving in Islamic banks?

## **LITERATUR REVIEW**

### Theoretical framework

Impact of bank services on student interest, To increase customer satisfaction, companies must add value that can make them get what they pay for or more than they expect, so that they can survive and lead to repeat purchases, recommendations, and an increase in the proportion of purchases (Umardani, 2022). The service provided by a bank is very important for customer satisfaction, because if the service is good, it will create satisfaction. Students' views on Islamic banking services based on interviews conducted, they stated that the services provided were good, facilitated banking activities, and in banking activities referred to Islam, namely without usury, such as saving, sending money, giving charity, etc.

#### A. interest in saving

The existence of Islamic banks among conventional banks is to provide an alternative banking system for Muslims who wish to obtain banking services without having to violate the prohibition of usury and in accordance with Islamic law. Saving in Islamic banks certainly has its own advantages for students, especially those who are Muslim, as Islamic rules related to the prohibition of riba. So that awareness of this becomes one of the influential factors for saving in Islamic banks. Because Islamic banks have a differentiation compared to conventional banks, namely the operational principles that are carried out according to sharia. However, Islamic banks are actually not only intended for Muslims but for the whole community because the Islamic banking system is universal.

#### B. Factors influencing student interest

Definition of interest is a wish provide attention and action to someone, in a situation or activity on the accompanying object excited and very interested. Measuring the level of customer interest in the field of Islamic finance with a view someone consumes the product services and take action within consume. The customer has a wish interest in using the service financial or financial product you want used and perform activities dealing with customers do transactions at banks (Fajriana, 2021).

Sharia Banks have existed in Indonesia since 1992 and based on OJK data to date there are 14 Sharia Commercial Banks, 20 Sharia Business Units, 162 Sharia People's Financing Banks whose network is 2,958 branch offices and 2,935 ATM networks spread throughout Indonesia. The

choice of Islamic banks for the community is also increasingly diverse. There are several factors that generally affect the interest in saving in Islamic banks, including:

#### a. Accessibility Factor

The availability of branch offices, ATM networks, online banking services and Phone banking services will be a consideration for the public in choosing Islamic banks as a place to save because the easier access to banks will make it easier for customers to be able to perform banking transactions.

#### b. Service Factor

Convenience and security in banking services, both physical services will be an important factor in choosing a bank. Staff who can provide services with good product knowledge will provide comfort for their customers so that every banking service need can be obtained. In addition, banking services through the online banking feature are also a consideration because to be able to provide convenience for customers who want to carry out various kinds of transactions without having to go to the bank or ATM such as buying credit and paying electricity bills and others.

#### c. Diverse Products

The more products that are owned, it will make it easier for customers if they need banking services other than savings such as home financing, providing working capital, investment and other products. So that customers no longer need to come to other banks to get products that can support their needs. Or the concept that we often hear with one stop service.

#### d. Bank services

Banking services and products support fundraising and distribution activities. This activity provides many benefits for banks and customers, even more profit for banks, because the full range of services and services that they have encourage many potential customers to use the services of this bank. all banking activities, both directly and indirectly related to the duties and functions of banks as intermediary institutions, namely institutions that facilitate trade operations, accelerate the circulation of money, provide guarantees to their customers. The followings are examples of services commonly provided by Islamic banks.

#### 1. Funding

##### a. demand deposit

Giro is a deposit at a bank that can be withdrawn by check or bank check. Current accounts are widely used because they are cheap funds because the interest paid to customers is also relatively low compared to other deposits.

b. savings deposits

Savings are deposits at a bank whose withdrawals are in accordance with the bank's needs. This can be done with automated teller machines (ATMs), passbooks, receipts and withdrawal slips. The amount of interest on savings depends on the policy of each bank but is usually higher than that of current accounts.

2. Bank services and products

a. *transfer of money*

Money transfer is a money transfer service that can be done at a bank or other bank. Delivery can be made domestically and abroad, to send money abroad using foreign currency.

b. *Bank card (Credit card)*

A bank card is an ATM card - this is a card that is used as a transaction tool by bank customers at an ATM or EDC machine.

c. *Payment services*

Similar to accepting deposits, banks also serve payments ordered by their customers, such as:

1. Payment of salary/pension/fee
2. Dividend payment
3. Coupon payments
4. Payment of bonuses/gifts

Empirical review

The Influence of Service Quality and Financing Products on Interests and Decisions to Become Customers in Islamic Banks. This study aims to determine the effect of service quality on interest in becoming a customer, the effect of service quality on the decision to become a customer, the effect of financing products on interest in becoming a customer and the influence of financing products on the decision to become a customer (Tripuspi torini,F,A.2019).

With the choice of a sharia bank where the bank is a bank that is run based on sharia principles, students feel interested in being able to carry out some of their behavioural actions based on religious values.

Previous research conducted by Tripuspi torini, F, A. (2019). Financial Product Decision Schiffman and Kanuk (1994) in Wahyudin (2004) define a decision as an action of two or more alternative choices. A consumer who wants to make a choice then he must have an alternative choice. The decision to use financial products is a decision as a decision to decide to utilize or use certain financial service products (both funding and financing) where there are often more than two parties involved in the process. on student interest

in saving in Islamic banks. Suhartanto et al. (2018) suggests that the religiosity factor is the dominant factor for customers to continue to use Islamic bank products. As for prospective customers, the dominant factor of religiosity is as a driver of interest in saving in Islamic banks. In addition, there were also indirect factors for religiosity to influence saving loyalty in Islamic banks through trust and image variables. Conclusion that commitment and personality are proxies of religiosity significantly affect student interest in saving in Islamic banks.

In further research that has been carried out by Maharani,R. Supriyanto,T. Rahmi,N (2021). Interest can be defined as asomeone's encouragement to do something desired; every interest will decide a need (Hasibuan & Wahyuni, 2020). Definition of interest simple is a wish give attention and action to someone, in a situation or activity on the object that is accompanied feeling happy and very interested. Measuring the level of customer interest in the field of Islamic finance by looking at someone in consuming the product services and take action in consume. The customer has a wish interest in using services financial or financial product that you want used and perform activities that dealing with customers doing transactions in banks (Fajriana, 2021). Fill in the assets you have for prepare in a future expense. Save is part of a self-control towards fulfilment desire for a need future that is more important so as not too carried away by lust (Aminah, 2019). The emergence of attraction to the object makes customers feel happy with a sense of desire, or manifest interest in being willing to save. (Joseph Sukman, 2017). Product knowledge various kinds and shapes a combination of information on a product that we can get this is called product knowledge. The customer's decision to buy or using the banking product seen from the level of product knowledge. Incoming scopes into product knowledge including are product attributes or characteristics, terminology product, as well as product category beliefs, and product brands and knowledge products are divided into three categories, namely product as a characteristic device, product as a set of benefits, and products as value satisfaction. Islamic bank products using Islamic principles, in between is the principle of profit sharing, avoided of the elements of usury, uncertainty (gharar),gambling (maysir). Quality products and in accordance with Islamic principles eat customers will not feel harmed and help improve the image of the bank the sharia. Product selection carried out by customers in order to avoid risks that will be faced, then the banking must explain each product and service clear and transparent (Romdhoni,Sari, 2018). Administrative Costs Overall an expense which takes place and relates as function of an administration, namely includes costs in the form of determination a policy, planning, directing,and activities controlled by the company as a whole, including used for directors and employees which is the meaning of

cost administration. Administrative costs is a fee charged customer as a savings account holder at a bank ([Rianto](#), 2019). Administration fees related to interest customers choose products or services. Bank will get satisfaction if the service given is proportional to the cost charged. In managing costs Of course, banks must be smart, so that customers interested in the appropriate cost the benefits obtained and customers feel comfortable and loyal in products and services provided according to customer wishes known by the bank.

## **METHODOLOGY**

This research was conducted by Universitas Muhammadiyah Yogyakarta. The sample of this research is intended for students of Universitas Muhammadiyah Yogyakarta. The response is that all current students at the Universitas Muhammadiyah Yogyakarta are using Islamic banks. Because they carry out banking activities by choosing Islamic banks, it is assumed that they have relevant information about Islamic banking. This is the basis for selecting the sample of respondents. This research is qualitative research with the population is the students of Universitas Muhammadiyah Yogyakarta. The sample in this study were students of Universitas Muhammadiyah Yogyakarta who used Indonesian Islamic Banks, amounting to 3 people. The research sample was determined based on the following criteria: (1) students at the Universitas Muhammadiyah Yogyakarta, (2) using Islamic banks in banking activities. The technique of collecting data is by means of face-to-face interviews, which have been previously scheduled and have been determined to conduct interviews. At the time of the interview, evidence of the interview was also included by recording and writing down the answers from the interviewers.

## **FINDINGS**

### **A. The influence of Islamic bank services on student interest saving in Islamic banks**

Bank services are important in a banking activity to attract customer interest, the services provided by a bank are very important for customer satisfaction, because if the service is good then satisfaction will be created. This is supported by our hypothesis that the influence of Islamic bank services greatly influences students' interest in saving in Islamic banks. This finding is consistent with the findings of other studies such as ([Umardani](#), 2022). , [Fajriana](#), (2021)

Respondents of course already know the services of Islamic banks that are obtained before they save at Islamic banks. The majority of respondents choose Islamic banks because the services provided are good and in accordance with Islamic contracts. Not only because of the service factor but also because of the need for payment of tuition fees, because to make payments at the Universitas Muhammadiyah Yogyakarta it is recommended to use an

Indonesian Islamic bank, although it is not mandatory to use an Indonesian Islamic bank but if you use an Indonesian Islamic bank it will definitely be easier, safer and avoid banking activities that are not in accordance with Islamic law.

### **M Banking**

M banking is one of the services provided by Islamic banks in Indonesia, where customers can carry out banking activities only through mobile media without the need to come to the bank office. This is one of the service factors from Islamic banks that make students' interest in saving at Islamic banks.

"Especially now that there is an E-banking feature that makes all banking activities easier. For example, money transfers can be done online via a mobile phone, without the need to come to the bank in person." respondent 1.

"Free monthly administration fees, free cash withdrawal fees in all Islamic bank ATMs, free transaction fees in all EDC Islamic banks, all EDC banks in Indonesia and EDC with PRIMA networks, and easy transactions with mobile banking & net banking." respondent 2.

"Because the existence of mobile banking in Islamic banks makes it very easy for us in banking activities, it also makes it easier to pay for college, because we don't come directly to the campus, but we can make tuition payments through m banking." respondent 3.

### **Saving**

In saving Islamic banks, of course, it is guaranteed to be safe and for banking activities in accordance with Islamic law which is taught so as to avoid usury and haram. This is what makes students from Yogyakarta Muhammadiyah University prefer to trust Indonesian Islamic banks for banking activities.

"I choose to save money at an Islamic bank because I believe in the services provided to customers to save their assets" Respondent 1.

"Because an Islamic bank is a bank that prioritizes Islamic principles so as to make customers trust and be more confident if they trust this Islamic bank to save, it will be safer and more protected from usury or things that are not in accordance with Islamic law in banking activities" Respondent 2.

"Saving at Islamic banks for security and Islamic reasons in accordance with Islamic contracts" Respondent 3.

### **B. Factors that influence student interest saving in Islamic banks**

Student interest is the tendency of students to choose which bank to save according to the student's own interests. Islamic banks are banks consisting of financial institutions that avoid usury, gharar, maysir and haram. This finding is also similar to [Abdallah M., Lubis I. \(2020\)](#) which states that people prefer Islamic banking because of a sense of obedience to their god so they want to avoid from things that are not in accordance with religious law.

The majority of respondents are very concerned with religious factors because respondents choose Islamic banks which in their services are in accordance with Shari'a or contracts in banking.

#### Religion

"Of course, I chose this Islamic bank because it does not contain elements of usury" Respondent 1

"I chose this Islamic bank because it is in accordance with religious teachings in banking activities, namely without usury, and a bank based on Islamic teachings in its services" Respondent 2.

"The main reason is because this Islamic bank prioritizes its services in accordance with Islamic law" Respondent 3.

#### satisfaction

"Satisfied with the services provided by this Indonesian Islamic bank because all services are easy to access. The convenience provided by the Islamic bank makes me satisfied with the service, because the service from the Islamic bank is very good and I rarely encounter problems when using this bank." Respondents 1

"Satisfied because the service provided is very satisfying and already relies on modern technology and is readily available anywhere, so it's easier to make cash withdrawals or other activities" Respondent 2

"Very satisfied with the services provided to Islamic banks because while using them there were no mistakes or difficult obstacles" Respondent 3.

#### Needs

"In making college payments I use Islamic banks because the payment process is easy" Respondent 1

"Choosing Islamic banks because universities are advised to use Islamic banks and they are certainly easy to access" Respondent 2

"because of the need to receive or send money and also to pay for college" Respondent 3

#### Trust

"I choose an Islamic bank because I believe and believe" Respondent 1

"Believe in saving assets because it is guaranteed" Respondent 2

"Very confident because in terms of good service, satisfying and convincing." Respondent 3."

#### **DISCUSSION**

From the results of the research above, the researcher knows that respondents have an interest in saving at the same Islamic bank. The similarity of motives for interest in saving at Islamic banks is that respondents want to use Islamic banking services without usury and reasons for paying for college activities.

The role of Islamic bank services in serving customers greatly influences students' interest in saving at Islamic banks. Good and easy-to-use service is one of the reasons students choose Indonesian Islamic banks in banking activities. Based on this research, it is the same as the findings by Asmar K H (2019) Namely the role of bank services greatly influences interest in saving in a banking company.

#### **CONCLUSION**

This paper aims to explore and examine what factors influence students in choosing Islamic banks. Based on the discussion of research results, it can be concluded that service has an effect on the intention to save. This shows that the better the service provided to customers, the more confident customers will be in saving at the bank. Service quality has a significant effect on customer loyalty, so according to the results of the analysis it can also be concluded that Islamic bank companies that provide quality services and are in accordance with company procedures and in accordance with Islamic law will lead to an attitude of interest or confidence in these customers to trust Islamic banks.

Based on the results of this study it can be stated that the feelings created by a bank influence the customer's interest in choosing a bank. The motivation is that good service will make customers choose the bank because they get satisfaction and good security guarantees in terms of asset storage.

The results of this study are used as input for Islamic bank companies. Improving services both in terms of attitudes and systems by paying attention to attitudes when serving and implementing Islamic law. It was also written that it was difficult to find students who fully used BSI bank for all banking activities.

## REFERENCE

- Abdallah, Irsyad, M, L. (2014). Analisis Minat Menabung pada Bank Syariah di Kalangan Siswa SMA di Kota Medan. *Jurnal Ekonomi dan keuangan*, Vol. 3, no.7
- Aminah., Soewito., Erina, N., Khairudin., & Damayanti, T. (2019). *Financial performance and market share in indonesia islamic banking: stakeholder theory perspective. Opcion, Año 35, Especial N° 21*
- Fajriana, R. Roni, M., & Syamni, G. (2021). *Determinant factors that affect foreign banks profitability: an evidence from Indonesia*. Proceedings of the 11th Annual International Conference on Industrial Engineering and Operations Management Singapore, March 7-11, 2021
- Hasibuan, U. Faisal., Wahyuni. R. (2020). Pengaruh Pengetahuan Masyarakat dan Minat Penerapan Nilai Islam Terhadap Keputusan Menggunakan Tabungan Perbankan Syariah (Studi Kasus Masyarakat Kota Langsa). *Jurnal Ilmiah Ekonomi Islam*, 6(01)
- Maharani, R. Supriyanto, T. Rahmi, N (2021). Faktor faktor yang mempengaruhi minat menabung di bank syariah. *Jurnal Syarikah P-ISSN 2442-4420 e-ISSN 2528-6935 Vol. 7, No. 2*.
- Muhammad, R., Suluki, A., & Nugraheni, P. (2020). *Internal factors and non-performing financing in Indonesian Islamic rural banks. Cogent Business & Management*, 7(1)
- Rianto. H., Olivia. H., & Siregar. S. (2019). *Islamic family financial managemen. Proceeding International Seminar on Islamic Studie. 1 (1)*
- Romdhoni. H.Abdul., Ratnasari. (2018). Pengaruh pengetahuan, kualitas pelayanan, produk, dan religiusitas terhadap minat nasabah untuk menggunakan produk simpanan pada lembaga keuangan mikro syariah. *Jurnal Ilmiah Ekonomi Islam*, 4(02).
- Setiadi J. Nugroho., Inderadi, R. (2020). *Factors influecing consumers' preference in chossing a petrol station: a case of petronas station at ayer kerih, Malaysaia. PalArch's Journal of Archaelogy of Eryp. 17 (7)*
- Saraswaty, W., Suprapti S. W. N. (2015). Peran sikap dalam memediasi pengaruh kepedulian lingkungan erhadap niat beli produk ramah lingkungan (studi pada produk tupperware). *E-Jurnal Manajemen Unud*, 4. (8)
- Suhartanto, D., Farhani, H. Nuraeni., Muflih, M., & Setiawan. *Loyalty Intention towards Islamic Bank: The Role of Religiosity, Image, and Trus. Int. Journal of Economics and Management 12 (1)*
- Umardani. H. Abdul., Efendi S., & Windari. (2022). *Analysis of accounting treatment of gold pawn loans at Islamic banks in Padangsidimpuan. International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration.*
- Tripuspi torini, F, A. (2019). Pengaruh Religiusitas Terhadap Minat Mahasiswa Politeknik Negeri Bandung Untuk Menabung Di Bank Syariah. *Jurnal Masharif al-Syariah: Jurnal Ekonomi dan Perbankan Syariah*, Vol. 4, No. 2
- Wahyudin., Sumarwan. U., & Hartoyo. (2004) Analisis faktor-faktor yang mempengaruhi perilaku kopi dan analisis pemetaan beberapa merek kopidan implikasinya pada pemasaran kopi. *Jurnal Manajemen & Agribisnis. 1 (1)*