

MARKETING MIX AND SHARIA COMPLIANCE ON CUSTOMER TRUST OF BANK SYARIAH INDONESIA (BSI) PALEMBANG

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ABSTRACT

The purpose of this study was to find out and analyze how much influence the marketing mix and sharia compliance have on the trust of BSI bank customers in Palembang City. A total of 170 respondents were selected by purposive technique. The primary data collection technique is in the form of distributing questionnaires using a Likert scale. Data analysis techniques using quantitative analysis with path analysis. The analysis tool uses the SmartPLS 4 application. The results show that: 1) Marketing mix has a positive and significant effect on trust as indicated by the path coefficient value of 0.475 with a t statistic value of $6.022 > t_{table} (1.65408)$, and a P value of $0.000 < 0.05$. 2) Sharia compliance has a positive and significant effect on trust as indicated by the path coefficient value of 0.300 with a t statistic value of $3.765 > t_{table} (1.65408)$, and a P value of $0.000 < 0.05$.

Keywords : Marketing Mix, Sharia Compliance, Trust

INTRODUCTION

Because marketing functions as a stage in selling a company's products to customers and achieving the company's main goals, marketing has a fairly large role in economic activity, especially for the business world. Not only are there buying and selling transactions in marketing, but there is also consumer and producer interaction which might lead to a buying and selling agreement. Marketing plays an important role in building a loyal customer base in addition to being directly linked to the business tactics used to achieve company goals, such as maximizing profits. so that customers are not affected by competing products when there is commercial competition.

Consumers are not swayed by competitors' branded goods. Organizations need the right consumer outreach plan to successfully reach customers and increase revenue. Creating a marketing mix is one of the strategic uses in marketing science. Companies often use this marketing mix technique in an effort to maximize revenue. The use of the marketing mix by these companies is closely related to the development of society in a constantly changing society. The development of internet technology and globalization are to blame for this. (Kotler, Kartajaya, & Setiawan, 2010). Because tastes are always evolving and because the information era has replaced the technology age, marketing applications must take into account a variety of factors.

Sharia marketing is a strategic commercial discipline that controls how values are imagined, offered, and changed from an initiator to its stakeholders. This entire process is in conformity with Islamic contracts and muamalah principles. Any type of transaction in marketing is acceptable as long as this can be ensured and deviations from Islamic muamalah principles do not take place during a transaction or over the course of a business.

Sharia compliance is one of the most crucial elements that clients take into account when choosing a bank, second only to the marketing mix. Regarding what is meant by compliance, it is the attitudes, behaviors, and deeds that support adherence to Bank Indonesia rules, laws, and regulations,

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such as the application of sharia principles to Islamic financial institutions. The foundation for this is Bank Indonesia Regulation Number 12/2/PBI/2010, which governs the implementation of the compliance role of Commercial Banks.

In their research, Iin Emy P (2018) and Zamroni and Rokman (2016) both claim that sharia compliance has a major impact on customers' decisions to utilize Islamic banking services. This, however, goes against Herning and Adi's (2018) research, which indicated that sharia compliance had little to no impact on clients' decisions to utilize Islamic banking services and products.

Sharia banks think that implementing sharia compliance or upholding sharia ideals can boost client faith in their ability to utilize sharia banking goods and services (Setyowati, 2017). Sharia compliance also plays a role in terms of the self-identity of Islamic banking, in addition to boosting consumer trust, which can ultimately affect customers' decisions to utilize Islamic bank services and products. To underline that Islamic banking has functioned in accordance with Islamic law, it is important to effectively execute compliance with Islamic principles in order to refute the narrative that there is no difference between conventional banks and Islamic banks. Customer trust in the bank, in addition to the marketing mix and sharia compliance, is another factor that affects whether a product is used or not. According to earlier studies, trust has a favorable and considerable impact on customers' decisions to use financial products (Tajudin & Mulazid, 2017). It is difficult for Islamic banks to gain consumer confidence; they must focus on a variety of factors, including product quality, service accessibility and location, rates charged, promotions run, and bank adherence to sharia ideals. Customers that are hesitant to use a product do so because they have concerns about its quality (Solihin, 2020 : 40).

THEORY, LITERATURE REVIEW, AND HYPOTHESIS

1. Consumer Behavior

When attempting to forecast consumer behavior, the theory of TPB (Theory of Planned Behavior) or attitudes towards behavior, subjective norms, and perceived behavioral control—which is a derivation of TRA (Theory of Reasoned Action) or attitudes towards behavior models—is frequently utilized. and individual norms (Ajzen, 1991:179).

2. Trust

Since consumer beliefs are founded on information, they are closely related to the action they inspire. Customer knowledge, also known as customer trust, is the conviction that a product possesses a variety of traits and characteristics. When one of two parties feels the other party is capable and responsible, trust is a phenomena. One's comprehension and opinion about something are expressed through a succession of verbal and mental inquiries that form beliefs (Taan, 2017: 12).

Walter et al. in Bennet and Gabriel support the company's trust initiatives by demonstrating how customer choice and satisfaction affect consumer trust in commercial interactions (Siskamto & Yulihardi, 2017: 20). This demonstrates how the level of trust between business partners has a big impact on how each party feels. The level of trust a business has with its customers affects both their decision to buy a product and vice versa; if that level of trust is lacking, the consumer may opt to end the business relationship or not utilize the product.

3. Marketing Mix

Kotler describes marketing as the practice of engaging in interpersonal and group interactions with the aim of achieving pleasure by forging business connections through the sale and production of goods and services to meet customer wants. Marketing is therefore crucial to a company's success (Kotler & Keller, 2008:5). According to Kertajaya and Sula (2006), sharia marketing is the process of developing, transferring, and transforming value from the initiator to its stakeholders in accordance with the terms of the contract and sharia principles. Sharia-compliant Muslimah marketing is seen as a legitimate practice. Delivering on customer expectations and increasing business profitability are

crucial functions of marketing. Muslim marketers must be able to vouch for the application of sharia principles, particularly those based on the Qur'an and hadith, in all marketing endeavors in order to accomplish this. It should be the responsibility of Muslim marketers to assure that this is done. Through his participation in promotions, advertisements, and other activities meant to make products and services known to the general public, Rasulullah SAW has employed marketing strategies and serves as an example of them. The marketing mix, a marketing strategy, greatly influences how consumers decide which products and services to buy. The marketing mix is made up of several important marketing initiatives that have been organized to get the intended results. Mix of advertising The seven essential components of the marketing mix in marketing strategy are product (product), pricing (pricing), place (place), promotion (promotion), participants (people), method (method), and physical evidence (physical proof) (Wijaya & Ariyanti, 1018: 286).

Muhammad Fajar Fahrudin, Emma Yulianti (2015), Abdul Halik (2016), Dian Wahyu Pratama, Suryono Budi Santoso (2018), Aep Nurbani, dkk (2019), Yuni Riantika, dkk (2022), bahwa marketing mix berpengaruh positif dan signifikan terhadap kepercayaan nasabah

4. Sharia Compliance

According to Othman and Owen, adherence to Sharia law (Islamic law) is a gauge for gauging the caliber of a service. This worries the banking industry greatly, especially the banking identified as sharia. A very important aspect in the emergence of client happiness, which breeds loyalty, is service quality (Othman & Owen, 2001 : 33). Sharia compliance serves as evidence of a bank's adherence to the law of Islam. Naturally, an Islamic bank must do business in line with Islamic sharia norms and adhere to all regulations as a financial organization (Antonio, 1999 : 12).

Muhammad Kholifatul I. Ardiansyah, Yunizar, and Budi Harsanto's (2016) earlier study indicates that sharia compliance has a positive and significant effect on customer confidence.

RESEARCH METHODS

1. Types and Data Collection Techniques

In this topic, the inquiry and generation of collections of numbers using mathematical techniques is known as quantitative research, sometimes known as data analysis (Siregar, 2014: 19). Customers of Bank Syariah Indonesia (BSI) in Palembang City were interviewed for this study by answering research-related questionnaires. Located at Jl. Jenderal Sudirman KM.3, Ilir Timur II District, Palembang City, South Sumatra, the Indonesian Sharia Bank conducts research. A questionnaire was utilized as the method for gathering data in this study. When a questionnaire, a method of collecting data from respondents, is used, the respondent is given a list of questions or written questions to answer (Sugiyono, 2015:199).

2. Population and Sample

Population refers to a collection of numerous items or individuals with a variety of characteristics and abilities that have been chosen or recognized by researchers for further study and utilized to reach conclusions (Sugiyono, 2012: 10). Othman and Owen assert that adherence to Sharia law (Islamic law) is a yardstick for evaluating the standard of a service. The financial sector is quite concerned about this, especially the sharia-compliant banks. Service quality is a crucial factor in the formation of client delight, which fosters loyalty. Sharia compliance is proof that a bank is following Islamic law. Naturally, an Islamic bank must do business in accordance with Islamic law and follow all rules applicable to financial institutions. A non-probability method is employed when using the purposive sampling strategy. A sample technique known as "purposeful sampling" is based on certain criteria, such as experts. (Muhajirin & Panorama, 2017: 120).

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3. Operational Variables

Table 1 Operational Variables

No	Variabel Penelitian	Definisi Operasional	Indikator
1	Marketing Mix (X1)	Marketing mix refers to a set of activities or techniques used by a company in advertising the services or goods they sell in the market. It is a collection of marketing factors that are combined and managed by a company to achieve the intended reaction from the target market.	Product Price Place Promotion People Process Physical Evidence
2	Sharia Compliance (X2)	Sharia compliance with a bank refers to the adherence to sharia standards by Islamic banks.	a. Bank transactions that adhere to Islamic Sharia. b. Products and services adhere to Islamic law. c. Putting in place a profit-sharing scheme.
3	Trust (Y)	Trust is the customer's faith in all information on the benefits and qualities of a product.	Ability Kindness c. Integrity

RESULTS AND DISCUSSION

The value in the output result for inner weight serves as the foundation for evaluating the hypothesis in this study. The following table shows the predicted output results for testing the structural model:

Tabel 2 Result For Inner Weights

Konstruk	Original sample	Sample mean	Standard deviation	T statistics	P values
Marketing Mix (X1) -> Kepercayaan (Y)	0.475	0.474	0.079	6.022	0.000
Sharia Compliance (X2) -> Kepercayaan (y)	0.300	0.302	0.080	3.765	0.000

Source: Data processing with SmartPLS4, 2023

According to this study's PLS analysis, the testing with bootstrapping findings are as follows:

H1 : Marketing Mix (7P) has a positive and significant effect on customer trust in using Indonesian Sharia Bank Services in Palembang City

The path coefficient value and t statistic for the impact of the marketing mix (7P) on customer trust in Palembang City's Bank Syariah Indonesia Services are 0.475 and 6.022, respectively. This number is higher than the t table value (1.65408). So, hypothesis one is confirmed.

The marketing mix (X1), which consists of (product, price, place, promotion, people, process, and physical proof) to trust (Y), is the subject of this hypothesis test. The marketing mix has a favorable and substantial impact on consumer confidence in Bank Syariah Indonesia's services in Palembang City, according to the research's findings. Based on the findings of the Bank Syariah Indonesia

marketing mix study in Palembang City, which included product quality and variety, price offers, cozy facilities, strategic locations, amiable and efficient customer service, and the application of sharia principles, these factors were successful in influencing clients to trust Bank Syariah Indonesia in Palembang City.

The customer's trust can be determined from effective marketing results based on the responses of the respondents and research findings that demonstrate how the marketing mix influences customer trust. These findings come from Bank Syariah Indonesia in Palembang City, which offers its services and products to its customers with full honesty and fairness and has an impact on the trust of customers who have various characteristics. This study is backed by the theory of consumer behavior, which contends that policies connected to developing client loyalty and trust through marketing activities and comprehending consumer behavior may be established using the marketing mix as a basis.

The H1 hypothesis is accepted because the findings of this study are consistent with earlier studies by Muhammad Fajar Fahrudin, Emma Yulianti (2015), Abdul Halik (2016), Dian Wahyu Pratama, Suryono Budi Santoso (2018), Aep Nurbani, et al (2019), and Yuni Riantika, et al (2022), which found that the marketing mix has a significant and positive impact on customer trust.

H2 : Customer confidence in utilizing Indonesian Sharia Bank Services in Palembang City is positively and significantly impacted by Sharia Compliance.

Customers' trust in Bank Syariah Indonesia services in Palembang City is impacted by Sharia compliance, as evidenced by a path coefficient value of 0.300 and a t-statistic value of 3.765. This number is higher than the t table value (1.65408). Therefore, Hypothesis 2 is supported.

A hypothesis test has been conducted based on the results of the test between sharia compliance (X2) and trust (Y). The results show that the variable sharia compliance has a positive and significant effect on trust, meaning that if Bank Syariah Indonesia in Palembang City adheres to a high level of sharia compliance, customer trust will also increase.

Based on the study's findings, it can be concluded that Indonesian Sharia Banks in Palembang City have successfully implemented sharia compliance, which has a positive impact on customers' decisions to use those banks' services by giving them a high level of trust. both in terms of budgeting, requesting funding, and other transactions. This is pertinent to Othman and Owen's argument, which contends that adherence to Islamic law serves as a gauge of a service's level of excellence. Indonesian Islamic banks in Palembang City, which are Islamic financial institutions and service providers, must pay close attention to this issue because service excellence and adherence to sharia principles are key drivers of customer loyalty, particularly among Muslim customers.

Muhammad Kholifatul I. Ardiansyah, Yunizar, and Budi Harsanto's (2016) earlier study indicates that sharia compliance has a positive and significant effect on customer confidence. The H2 hypothesis is accepted since the outcomes of this investigation support their conclusions.

FINDINGS AND CONCLUSION

According to the study's findings, sharia compliance and the marketing mix have a favorable and substantial impact on customers' faith in Bank Syariah Indonesia's services in Palembang City. This indicates that when Bank Syariah Indonesia's implementation of the marketing mix in Palembang City progresses, client confidence in utilizing these services will grow as well. Sharia compliance also affects customer confidence. The conclusion is that marketing mix and sharia compliance which are implemented and carried out well and optimally, will have a high and good influence on customer trust in using bank services.

In order to provide recommendations that may be helpful for Indonesian Sharia Banks in Palembang City, we have discussed, discussed, and drawn conclusions based on the findings of our study of the data. The promotion and people indicators are the component of the marketing mix that

has the most significant effect in this study. Thus, clients who want to employ Bank Syariah Indonesia's services in Palembang City must take into account promotions and individuals.

In addition to the marketing mix, adherence to sharia law has a very significant influence on consumer choices. Customers of Bank Syariah Indonesia in Palembang City will have more confidence and trust in the bank if they respect sharia ideals and conduct business in line with maqasid sharia. Giving bonuses to customers, not just those who use savings products, for example, aims to attract more customers to use products provided by Islamic banks Indonesia in Palembang City, bearing in mind that the majority of Bank Syariah Indonesia customers in Palembang City are individuals of producer class, as the trust factor directly influences consumer choices. It is believed that as a result of the increased promotion of services, goods, and operational systems that adhere to sharia principles, clients would feel comfortable using Bank Syariah Indonesia services in the City of Palembang in the future. Based on study findings and discussions, it is believed that academics would be able to add independent factors, such as employing extra external and internal aspects, that might affect customer decisions in Islamic banks. Respondents from a larger variety of Islamic bank clients should be able to participate in future surveys.

IMPLICATIONS, LIMITATIONS AND SUGGESTIONS

A. Implications

Following are some consequences of this study based on the research findings:

1. Repercussions for ideas of customer behavior in the field of marketing. This study has demonstrated that the marketing mix and sharia compliance practices used by Bank Syariah Indonesia in Palembang City have a substantial impact on the choices and trust of consumers. The study's findings also indicate that 50% of the respondents are consumers of a productive age who value education and are more conscious of the associated hazards. According to the theory of consumer behavior, which holds that people are logical beings who utilize the knowledge they possess to conduct systematically and will consider all the repercussions of their actions before deciding to do them, this is in accordance with people's behavior.
2. According to the conclusions drawn from the study's findings, the marketing mix and sharia compliance are key elements that affect customers' faith in Bank Syariah Indonesia's services in Palembang City. The study's findings support the theory that was put out. According to the research, Indonesian Sharia Banks in Palembang City can build a marketing strategy and adhere to sharia law in order to gain the trust of their clients, who then make purchasing choices. Bank Syariah Indonesia in Palembang City has to focus more on the metrics with lower percentages and then make changes going forward.

B. Limitations

Based on the researcher's personal experience with the research process, there are some limitations that are encountered and possibly a number of factors that future researchers can pay more attention to in further perfecting their research because the research itself undoubtedly has flaws that need to be continuously improved in research. - upcoming research. Among other things, these are some of the study's limitations:

1. There were only 170 replies, which is obviously not enough to adequately explain the issue. Objek penelitian hanya difokuskan pada 1 bank saja, yang mana satu bank belum dapat dianggap cukup untuk menjawab fenomena perbankan syariah di Indonesia secara keseluruhan
2. During the data collection process, the responses that respondents provided through questionnaires occasionally did not reflect their true opinions. This occurred because there were occasionally discrepancies in the information, ideas, assumptions, and understandings that each respondent had, in

addition to other factors like the truth factor when providing the respondents' opinions in the questionnaire.

C. Suggestions

Based on the analysis of the facts, the debate, and the findings, we may provide recommendations for Indonesian Sharia Banks in Palembang City. In this study, the variables of marketing mix, sharia compliance, and trust significantly affect consumer choices. This indicates that sharia compliance and the marketing mix are crucial factors for client confidence when selecting to employ Bank Syariah Indonesia's services in Palembang City. Sharia compliance has a sizable impact on customer trust in addition to the marketing mix, which has a significant impact. Customers of Bank Syariah Indonesia in Palembang City will have more faith in the bank if it upholds sharia values and operates in accordance with maqashid sharia. Given that most of the customers of Bank Syariah Indonesia in Palembang City are people of productive age, it is necessary to increase the role of the bank to be more persuasive and use a public welfare approach in order to win over customers. For example, by giving bonuses to customers who are not just users of savings products, this aims to be more attractive customer interest in using the products offered by the bank. Therefore, it is hoped that in the future, clients would feel confident utilizing the services of Bank Syariah Indonesia in the city of Palembang as a result of the increasingly aggressive advertising of services, products, and operational systems that adhere to sharia values.

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