

# CHAPTER I

## INTRODUCTION

### 1.1 Background

According to the Law of the Republic of Indonesia No. 10 year 1998 concerning banking, a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and other forms in order to improve the standard of living of many people. Islamic banking is everything related to islamic banks and sharia business units. which includes institutions, business activities, as well as methods and processes in carrying out their business activities. Islamic banks have the function of collecting funds from the public in the form of deposits and investments from the owners of the funds. Another function is to channel funds to other parties who need funds in the form of buying and selling or business cooperation (Ismail, 2011).

The birth of islamic financial institutions in indonesia was officially marked by increasing public awareness of sharia-based financial services. This is indicated by the number of banks that use the dual banking system. In 1992, the bank's dual banking system was enacted with the amendments to the Banking Law no. 7 year 1992 with Law no. 10 year 1998 this system allows conventional banks to operate based on sharia principles by opening a syariah business unit (UUS) thus accelerating the growth of syariah banking (Handayani, 2017).

Indonesia as the country with the largest muslim population in the world, has the potential to be at the forefront of the islamic finance industry. Increased public awareness of halal matter and strong stakeholder support are important factors in the development of the halal industry ecosystem in indonesia. This includes islamic banks. Islamic banks play an important role as a facilitator in all economic activities in the halal industry ecosystem. The existence of the islamic banking industry in Indonesia itself has experienced a significant increase and development in the past three decades. Product innovation, service improvement, and network development show a positive trend from year to year. In fact, the spirit to accelerate is also

reflected in the number of Islamic banks that take corporate actions. The Sharia Banks owned by state-owned banks are no exception, namely Bank Syariah Mandiri, BNI Syariah, and BRI Syariah ([www.bankbsi.co.id](http://www.bankbsi.co.id)).

Bank Syariah Indonesia (BSI) is a company resulting from the merger or merger of Islamic banks with State-Owned Enterprises (BUMN). The merged banks are PT Bank BRI Syariah, PT BNI Syariah, and PT Bank Syariah Mandiri. Then BSI has the potential to enter the group of 10 largest banks in Indonesia. Thus, the company's ability to expand its business is getting bigger (Dinda Audriene, 2021).

Bank Syariah Indonesia noted that in general, the increase in transaction volume through the BSI digital banking channel in the first quarter increased by 43.3 percent. Besides being contributed by 42 percent of BSI Mobile transactions, the increase was supported by customer activity on Internet banking channels by 24 percent, debit or credit cards by 17 percent, and Automatic Teller Machine (ATM) by 14 percent. The increase in digital transactions was caused by changes in customer behavior during the Covid-19 pandemic. During the outbreak, all activities were centered on technology-based activities. Bank Syariah Indonesia has also presented a number of digital features to make it easier for customers to carry out their activities. Bank Syariah Indonesia has online account opening and online transfer features. Bank Syariah Indonesia also provides support for online shopping activities, barcode or QRIS transactions, top up credit, electricity token transactions, top up e-wallet, and school payments (Francisca Christy Rosana, 2021).

How the banking sector attracts customers and retains them so that the company can grow is the main problem faced by Bank Syariah Indonesia. The right marketing strategy is very necessary for the realization of these goals because product marketing is an important thing in every activity that is directly related to consumers.

According to Kotler (2009) consumer behavior is influenced by several factors, including: cultural factors, social class, family, status, age, occupation, lifestyle and others. These factors can provide clues for marketers to serve buyers

effectively. In addition to the factors that influence in shaping consumer behavior mentioned earlier, religiosity is also a factor in shaping consumer behavior. In Islam, the behavior of a consumer must reflect the relationship with Allah SWT, Muslim consumers prefer the path that is limited by Allah by not choosing haram goods, not being stingy, and not greedy so that in life they are safe both in this world and in the hereafter. Religious activities do not only occur when someone is doing worship, but also other activities.

According to Zur et al (Yohana, 2014) stated that consumer trust is stated as an important component to maintain a sustainable relationship between all parties involved in the business. Another factor that influences consumer behavior is knowledge. Knowledge is an experience that is recorded in one's consciousness.

Knowledge can be obtained through various information media such as newspapers, television, radio, pamphlets and others. With knowledge, people will be more interested in saving at Bank Syariah Indonesia. In addition, the location factor is also a factor of consideration in customer interest in saving.

According to Alma (2016) location is the place where the company operates or where the company carries out activities to produce goods and services that are concerned with the economic aspect. For the banking world, the choice of location must prioritize economic principles, where the existence of the location of a bank must be able to provide convenience for customers to access the bank.

According to the Department of Information Communication and Statistics of Riau Province (2019) Bengkalis is one of the regencies in Riau Province, Indonesia. Its territory covers the eastern part of the island of Sumatra and is on the edge of international shipping lanes, namely the Malacca Strait and is located in the Indonesia-Malaysia-Singapore (IMS-GT) economic growth triangle area and the Indonesia-Malaysia-Thailand (IMT-GT) economic growth triangle area.

Bank Syariah Indonesia is one of the sub-branch office located on the island of Bengkalis. It can be assumed that the people in the city of Bengkalis have a high level of religiosity because the environment is mostly muslim. So that it can attract people interest in saving at Bank Syariah Indonesia increasing.

Therefore, the authors are motivated to conduct this study with the aim of knowing the facts about how much influence religiosity, trust, knowledge and location have on interest in saving at Bank Syariah Indonesia sub-branch office Bengkalis. And also the author would like to provide information that through factors of religiosity, trust, knowledge and location to the public can increase public interest in depositing their funds at Bank Syariah Indonesia so that market share and the number of customer accounts for third party funds from Bank Syariah Indonesia continues to increase.

Based on the background described above, the writer is interested in conducting research with the title "The Influence of Religiosity, Trust, Knowledge and Location on People Interest in Saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis".

## **1.2 Formulation of the Problem**

Based on the background of the problems described above, the formulation of the problems that can be presented in this study are:

1. Is there any influence of religiosity on people interest in saving at Bank Syariah Indonesia in Sub-Branch Office Bengkalis?
2. Is there any influence of trust on people interest in saving at Bank Syariah Indonesia in Sub-Branch Office Bengkalis?
3. Is there any influence of knowledge on people interest in saving at Bank Syariah Indonesia in Sub-Branch Office Bengkalis?
4. Is there any influence of location on people interest in saving at Bank Syariah Indonesia in Sub-Branch Office Bengkalis?
5. Is there any influence of religiosity, trust, knowledge and location simultaneously affecting people interest in saving at Bank Syariah Indonesia in Sub-Branch Office Bengkalis?

### **1.3 Purpose of the Study**

Based on the formulation of the problem above, the objectives of this study are as follows:

1. To find out partially the influence of religiosity on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.
2. To find out partially the influence of trust on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.
3. To find out partially the influence of knowledge on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.
4. To find out partially the influence of location on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.
5. To determine the simultaneous influence of religiosity, trust, knowledge, and location on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.

### **1.4 Significance of the Study**

The benefits that can be obtained from this research are:

#### **1. Theoretical Benefits**

This research is expected to add general insight and information in particular about the influence of religiosity, trust, knowledge, and location on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.

#### **2. Practical Benefits**

##### **a. Banking**

As a suggestion for Bank Syariah Indonesia how religiosity, trust, knowledge, and location can affect people interest in saving at Bank Syariah Indonesia, Sub-Branch Office Bengkalis.

##### **b. Public**

This research is expected to provide insight and information when you want to save at Bank Syariah Indonesia Sub-Branch Office Bengkalis. So that the public has an idea of how the condition of Bank Syariah

Indonesia Sub-Branch Office Bengkalis can provide safe and profitable deposit of funds for them.

c. For Other Parties

This research can be used as a reference for further related research, as a source of information to enable further research on related topics, both continuing and complementary.

### **1.5 Scope and Limitation of the Problem**

Based on the background that has been described previously, the authors set the problem so that the scope of this research has clear boundaries. Limitation of the problem made is this research, namely:

1. This study only focuses on the influence of religiosity, trust, knowledge, and location on people interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis.
2. The scope of the research subject is the people in Bengkalis who save at Bank Syariah Indonesia Sub-Branch Office Bengkalis.

### **1.6 Writing System**

The systematic arrangement of the discussion in the research on the influence of religiosity, trust, knowledge and location on people's interest in saving at Bank Syariah Indonesia Sub-Branch Office Bengkalis, the authors describe as follows:

## **CHAPTER I : INTRODUCTION**

This chapter contains the background, which presents the facts and data obtained through the findings in an event in the field of business administration. Formulation of the problem that contains the problem of the research to be carried out. Research objectives are goals to be achieved specifically and clearly. The benefits of research are for writers, institutions and fields of science concerned. The scope and limitations of the research contain the scope of the research and the things that are the main focus of the research so that it can provide boundaries for the problems to be

solved in the proposal. The last part of this chapter is the systematics of writing a report containing a summary description of the material that will be discussed in each chapter in the proposal.

## **CHAPTER II : LITERATURE REVIEW**

In this chapter, the authors describe the theoretical basis that will be used in the completion of research both in general and in particular which consists of previous research, theoretical basis, and framework of thought.

## **CHAPTER III : METHOD AND ACCOMPLISHMENT PROCESS**

In this chapter the researcher will describe several things, including: location and object of the study, types and sources of data, population and sample, sampling technique, data collection technique, data processing technique, measurement scale, test of validity and reliability, data analysis methods, research hypothesis, research model, types of the study, concept definition and operational variable, and finally the research schedule and budget.

## **CHAPTER IV : RESULTS AND DISCUSSION**

This chapter contains the results of testing, discussion and limitations of research results.

## **CHAPTER V : CONCLUSION AND SUGGESTION**

This chapter contains conclusions and suggestions as the final description of the research.

## **REFERENCES**

## **APPENDICES**

## **WRITER BIOGRAPHY**