

User Preferences of Islamic Banking Services in Islamic Boarding Schools: A Case Study of Students and Teachers at Darul Huda Ponorogo

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Article Info	Abstract
<p>Article history: Received October 2, 2024 Revised October 18, 2024 Accepted October 25, 2024</p>	<p>Introduction: Indonesia which is predominantly Muslim, and all activities should be based on Islamic law, as well as economic activities carried out on the basis and principles of Islam. Thus, the emergence of financial institutions that are based on Islamic principles or Islamic banking. However, there is a lack of understanding regarding how Islamic banks are oriented to Islamic principles, so they still use conventional banks. Research Methods: This research is included in qualitative research, where the research procedure produces descriptive data in the form of written or spoken words from respondents. With an approach using field research. Data collection techniques started from interviews conducted directly by students, students, and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School. Results: Based on the research results, it can be concluded that the preferences of students, students, and teachers who use Islamic banking services are transmissibility and continuity; the more, the better. The preferences of students, students, and teachers who do not use Islamic banking services: the principle of completeness, transmissibility, and the better. The factors influencing the preferences of students, students, and teachers who use Islamic banking services are cultural, social, personal, and psychological. Culture and society influence the preferences of students, students and teachers who do not use Islamic banking services. Conclusion: For the bank, it is hoped that they can increase promotions and</p>
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socialization to the community and fellow students so that they understand the actual Islamic bank, add offices and ATM services at several points not only in urban areas or in villages, thus increasing interest in using Islamic banks.

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INTRODUCTION

Seeing the progress of the times and increasingly rapid developments, not only technology is the center of change, the economy is also one of the fundamental things. This can be seen from the emergence of various institutions labeled as sharia, such as sharia banking, sharia pawnshops, sharia insurance and so on. Because basically Indonesia is one of the countries where the majority of its people adhere to Islam, and it should be that any activity should be based on Islamic sharia as well as economic activities carried out on the basis and principles of Islam. This has actually been created with the emergence of financial institutions that are based on sharia principles or better known as sharia banking. Sharia banks themselves are formed with the aim of helping, both distributing and collecting funds and providing other services that help the community with sharia principles and based on fair Islamic principles (Radiansyah, 2018).

Based on observations made, one of the problems in the Muslim community in Indonesia is the lack of understanding regarding how Islamic banks are oriented to sharia principles, while conventional banks clearly use the principle of interest, which is one of the things that is forbidden because interest is the same as usury and they assume that the profit sharing system offered by Islamic banks is the same as the interest system in conventional banks (Nikmah, 2023). The reason for using the object of students and teachers at the Darul Huda Mayak Islamic boarding school in Ponorogo is because students and teachers are one of the active players in transaction activities and use one of the services of Islamic banks and they are considered to have been able to think and understand the legal issues and provisions of Islamic sharia well from studies of the books taught as well as the development of the latest economic problems and their attitudes regarding these problems. But the fact is that students and teachers are currently rarely found to use sharia-based services even though Islamic banks in Ponorogo have emerged with various institutions.

This is reinforced by several previous studies conducted by Joko Priono entitled "Student Perceptions of Islamic Banks (At the Thoriqul Huda Islamic Boarding School, Cekok Village, Babadan District, Ponorogo Regency)" where he explained that there were several ustads who did not know all about Islamic banks so they thought negatively and preferred not to use Islamic bank services, besides that, Islamic banks were also rarely found in the surrounding area so that students thought twice about using Islamic bank services. In addition, there was a study conducted by Suhairiyah, Aang Kunaifi, and Abdul Kadir entitled "Rural Community Preferences for Islamic Financial Products" where it was explained that the

community's preference for Islamic banks was still minimal. The community prefers to use conventional banks, because they assume that conventional banks are the same as Islamic banks and conventional banks have been around longer so that the community is more confident in their experience (Priono, 2021).

This research is important to do because it is to make efforts to improve the understanding of students related to Islamic banking services, mechanisms, and schemes used. Because the large Islamic banking network is also produced from understandings that are in accordance with the system used. So it is important to dig up information and find out how the students' perspectives are on Islamic banks, whether students, students and teachers know that bank interest in conventional banks is forbidden by law while there are Islamic banks that provide services using the Islamic system but are not used.

RESEARCH METHOD

This type of research is included in qualitative research where the research procedure produces descriptive data in the form of written or spoken words from respondents. With the approach using field research, field research is essentially a method to determine in depth and reality about what is happening in society (Kartono, 1996). Qualitative research is also an activity of searching for data directly, equipped with relevant primary data and problems encountered in the field. So to achieve these goals, researchers need to research directly and go into the field to get accurate data (Sudaryono, 2016). This study uses primary data where the data obtained from research subjects uses data measurement techniques as a source of information sought (Equatora, 2021). The data used is obtained from interviews obtained from sources, while secondary data is where data is obtained through books, documents, articles, journals, theses, or literature that is in accordance with what the researcher does. With data collection techniques starting from interviews conducted directly by students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School.

RESULT AND DISCUSSION

Analysis of Student and Teacher Preferences at the Darul Huda Mayak Ponorogo Islamic Boarding School in Using Islamic Banking Services

Preferences are the same as a person's tastes and interests. And all actions and efforts of a person are based on understanding and knowledge of it. Knowledge is the main factor for someone to determine their decision in choosing a service that is needed and desired. So knowledge becomes a benchmark for someone in determining taste, if they do not understand or even do not know the information as a whole, someone will misunderstand and assume that Islamic banks are the same as conventional banks.

1. Customers Who Use Sharia Bank Products

First, the principle of transmissibility, from several studies conducted that students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School consider the known differences and how consistent they are in using Islamic banks. Students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School

who use Islamic banks are still consistent in using them, including because they still adhere to the teachings and sharia that prohibit anything that smells of interest, besides that there is also a sense of security in themselves in carrying out financing because Islamic banks take advantage of the profit-sharing system from both parties between the bank and the customer.

The second principle of continuity, although there is still a lack of ATM services in some areas so that Islamic bank customers have difficulty making transactions at other banks, there are certainly more admin fees, but some customers respond wisely as a trick to save themselves and a strong sense of religiosity so that they remain consistent in using Islamic banks. Basically, every choice has its pros and cons depending on how we respond to it. Students, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School, although they have different preferences, in responding to and judging something, they are not careless in making decisions because they prefer to be neutral and do not question each other, besides that they also understand it as whatever it all depends on their intentions.

The third principle is that more is better, they are classified as active customers who often make transactions, both transfers between customers, cash withdrawals, cash deposits, some of them also use it as a top up for Shopeepay, food delivery to paying UKT. But from several products offered by Islamic banks, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who are customers have not tried other products because according to some of them, their needs are still minimal, besides that they are still active students who do not fully need financing for business or investment, either for the Hajj or other investments. This is one of the factors that they only use general transaction systems.

Based on the explanation of these principles, the dominant ones that make students, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School use Islamic bank products include the principle of transmissibility which is in accordance with the beliefs held, the principle of continuity, a sense of consistency towards the teachings held, the principle of more is better, a sense of satisfaction in using a product offered by Islamic banks.

2. Customers Who Do Not Use Sharia Bank Products

The principle of completeness, where students and teachers have different views on Islamic bank products and create different preferences as well. Where they say that Islamic banks are banks that do not have any usury elements in them. Although they do not understand the completeness of Islamic banks or the benefits offered by Islamic banks. However, students and teachers have a positive view of the existence of Islamic banks even though they are still reluctant to change to Islamic banks. This is due to the lack of understanding of Islamic banks, so they suggest that Islamic banks be more active in socializing not only their vision and mission but also in the mechanisms and what are the differences with conventional banks but also as the advantages of Islamic banks.

Second, from the principle of transvisitas, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School think the same, namely that Islamic banks carry out principles and seek profits based on sharia, while conventional banks are general and apply interest in them. In addition, it is also a consideration and creates a sense of consistency for conventional bank users because many ATM services and service offices are found which are already spread across several points throughout this is an advantage because it makes it very easy to make transactions directly at the office or at ATM services, in addition, the ease of application implemented by conventional banks makes customers comfortable to use it and many of their colleagues and family use it, thus reducing the admin fees charged to other bank users when making transactions.

The third principle is more is better, where they are classified as active customers who often make transactions, both transfers between customers, cash withdrawals, cash deposits, some of them also use it as a top up shopeepay, food delivery to paying UKT. However, from several products offered by conventional banks, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who are customers have not tried other products because according to some of them, there are still minimal needs besides that they are still active students who do not fully need financing for business or investment, both hajj and other investments. This is one of the factors they only use general transaction systems.

Based on the explanation of these principles, the dominant ones that make students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School not use Islamic bank products include the principle of completeness where they remain consistent in using conventional bank products because they are not interested in switching to using Islamic bank products, the principle of transvisitas where they feel that conventional banks are sufficient, both in the form of ATM machine services at several affordable points, the principle of more is better where they are too comfortable using conventional bank products.

Factors Influencing the Preferences of Students and Teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School in Using Sharia Banking Products

1. Customers Who Use Sharia Bank Products

First, the cultural factor, in Sanskrit the word culture is the result of a person's reason and endeavor (Supartono, 2009) as the results of research conducted by students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who use Islamic banks, some initially because of their commitment to their duties, so they have to create an account at an Islamic bank, but over time this becomes a habit and they continue to use Islamic banks in transactions and there is family support, besides that there is also a sense of attachment to sharia and customs, there are also those who think that in order to differentiate themselves from others, they choose an Islamic bank.

The second social factor, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who use Islamic banking products, some of which initially came from college assignments and continued until now and there is a role for the family in it. So it can be concluded that from the social factor there are family, environmental, and institutional factors that influence students and teachers to use the chosen financial institution products.

The third personal factor has a specific reason where there is a lifestyle, the lifestyle referred to here is implementing an Islamic lifestyle which implements sharia in it. So it can be concluded that personal factors have quite an influence on how consumers take the bank products they like and need. Although some of them say it has no effect because without realizing it, some of these factors indirectly also dominate a person's decision to use conventional or Islamic banking products.

The four psychological factors include expectations. Many expectations are poured out for Islamic banks, including expecting progress and consistency in implementing their principles, in addition, many suggestions are given, including expecting Islamic banks to be more active in socializing and introducing Islamic banks not only in the community but also from several students at Islamic boarding schools and adding several places in the village, both branch offices and ATM services to facilitate withdrawals or other transactions.

Based on the explanation of these principles, the dominant factors that make students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School use Islamic bank products include cultural factors which are in accordance with religious beliefs, social factors including the role of family or institutions, personal factors where there is a sharia lifestyle, and psychological factors where there is motivation to obey religious teachings.

2. Customers Who Do Not Use Sharia Bank Products

First, the cultural factor where most say they use conventional banks not because they do not consider the sharia that is taught but because of needs and see easier opportunities where conventional banks have strategic locations and are spread across several points both in urban and in areas that are usually already accessible so that customers prefer to use conventional banks, in addition conventional banks are tied to several institutions that mediate so that they use conventional banks. However, when viewed from the value of religiosity, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School understand fairly high knowledge, only some of them choose to use conventional banks not because they are indifferent or want to be free from the rules but because they consider the circumstances and convenience both in terms of strategic location and other factors. Some of them said that basically all of that is based on intentions and goals that do not harm anyone. So it can be concluded that the existence of a strategic location and easy access at several points is a supporting factor. So it can be concluded that cultural factors influence consumer preferences when making decisions to choose to use products that are appropriate

and needed.

Both social factors such as the results of research that have been conducted that students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who use conventional banking products, some say that there is a role of family in their selection. In addition, there is also the role of friends or the surrounding environment that is dominant and quite influential, this is done not because of a sense of following suit but a consideration if choosing to use a different one there will be difficulties both in the additional admin fees and of course there will be a feeling of love for him. While the existence of class levels is not a reason because students at the Darul Huda Mayak Ponorogo Islamic Boarding School are always taught to live modestly, not fanatical and not to look down on anything, but there are several opinions that say that there are indeed levels in upper-class financial institutions.

Based on the explanation of these factors, the dominant ones that make students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who do not use Islamic banking products are cultural factors where the location of conventional banks is more strategic and easy to get, social factors where there is a role around them that supports using conventional banking products.

CONCLUSION

The preferences of students, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who use Islamic banking services include: the principle of transmissibility which is in accordance with the beliefs they have, the principle of continuity, there is a sense of consistency towards the teachings they have, the principle of more is better, there is a sense of satisfaction in using a service offered by Islamic banks. Meanwhile, the preferences of students, students and teachers who do not use Islamic banking services include: the principle of completeness where they remain consistent in using conventional banking services, the principle of transmissibility where they feel that conventional banks are adequate in the form of ATM services and service offices at several accessible points, the principle of more is better where they are already too comfortable using conventional banking services.

Factors that influence the preferences of students, students and teachers at the Darul Huda Mayak Ponorogo Islamic Boarding School who use Islamic banking services include: cultural factors which are in accordance with religious beliefs, social factors including the role of family and institutions, personal factors where there is a sharia lifestyle, and psychological factors where there is motivation to obey religious teachings. Meanwhile, factors that influence the preferences of students, students and teachers who do not use Islamic banking services include: cultural factors where the location of conventional banks and ATMs is more strategic, social factors where there is a role around them that supports the use of conventional banking services.

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