Jurnal The Impact of Product Image to The Purchasing Decision

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THE IMPACT OF PRODUCT IMAGE TO THE PURCHASING DECISIONS OF ISLAMIC BANKING AN EMPIRICAL STUDY OF THE CUSTOMER ON ISLAMIC BANKING IN JEMBER

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Abstract

Business engaged in the banking industry, need to pay attention to the aspects of product image. This aspect has always been a discussion that is very important for developing business banking, because of the growth in this business depends on customer confidence in the company that can be created through the product image. This study aimed to test the effect of product image on purchasing decisions Islamic banking services in Jember.

The population in this research is people who use services Islamic banking in Jember. Given the large number of population in this research, the sample used was simple random sampling which is used to specify the bank to be sampled and purposive sampling was used to determine the respondent from bank customers was selected. Based on these two methods, the obtained sample of 140 respondents. Methods of data analysis using multiple regression analysis with latent variables with the help of software lisrel 8.72. Based on the results of data analysis showed that product image does not significantly effect to the purchasing decisions of Islamic banking services in Jember.

Keyword: Product Image, Purchasing Decisions, Islamic Banking

INTRODUCTION

Economic growth in Indonesia can not be separated from the role and the banking system in Indonesia in general, both the conventional banking system and the banking system of Shariah. In Law No. 10 of 1998 states that Commercial Bank is a bank conducting conventional business activities or activities based on Islamic principles which provide services in payment traffic.

In recent years, banks have become Shari'ah *grand issue*e in the banking world and a new sector as a driver of the regional economy. Bank Syariah in its development shows a role significant in promoting regional economic growth, particularly strategic role in creating a more balanced economic structure. Support for the development of Islamic banking is also shown by the"*dual banking* system",which allowed conventional banks to open Islamic business units side by side. This confirms that the legal basis of Islamic Bank has been quite clear and strong in terms of its institutional and operational foundation.

Jember district as one of the cities in Indonesia has some of Shariah-based banking, the population is dominated by Javanese and Madurese and the majority of the population is Islamic religion has its own uniqueness in selecting banking services. Currently in the region there are 6 offices Jember Islamic banks in the various districts. With total assets of Rp11,39 trillion in 2012,or 24% of total commercial bank assets in Jember, (Antara, 2012).

Jember is an area that the majority of its occupation of Moslem, but this does not necessarily make the presence of Islamic banks in the banking Jember be most in demand by the public Jember. This is due to the factors that influence consumer decision process in the use of banking services. The consumer's decision is influenced by the level of the image of banking products owned by the Shari'a.

Based on the phenomenon and explanations above, it is necessary to conduct research on the factors that influence the consumer decision to use the services of Shariah banking services in Jember. With a picture of the problems that have occurred lately, whether shari'a banking still has a chance to continue developing States in the banking world and can stand at par with conventional banks. The purpose of this research is to test the product image Influence on purchase decision of Shariah banking services in Jember.

LITERATURE REVIEW

Research Accomplished

researchers have done studies on some research relevant to research to be conducted. Among other things, the research conducted by Nurul Huda (2012) with the title of the influence of brand image on purchasing decisions motorcycle metic YAMAHA in Makassar, on the results of this study mention that the brand image consists of variable corporate image, the image of the wearer and the image of the product has a significant influence on metic purchasing decisions Yamaha motorcycle. A similar sentiment was also expressed in the results of research conducted by fransisca paramitasari at KFC Kawi Malang, the results of this pnelitian also mentioned that variable Integration image, user image and product image significantly influence purchasing decisions KFC Kawi Malang. In addition, research conducted at Bank Muamalat Indonesia Palembang, by Ramadan (2013) with the title Relations Brand (Brand Image) and Purchase Decision (Case Study of Bank Muamalat Indonesia Palembang) also said that the variable image of manufacturers, consumer image and product image has influence which is significant to the customer's decision to use the services of Bank Muammalat Palembang.

Theoretical

development of Islamic banking beracuan on Law No. 10 of 1998, this law establishes a system of Islamic banking in Indonesia through a scheme of"*dualbanking*system"of conventional and Islamic. In such a scheme, conventional banks operating alongside Islamic banks, this confirms that the legal basis of Shariah banks have been quite clear and strong in terms of its institutional and operational foundation.

Operational principles of Islamic banking (Karim 2004 in Yuanita et al, 2013)

1. The principle of Al-Wadiah (Deposits or courier)

   the principle of Al-Wadiah is a contract-luggage or money between parties who have goods or money to a person who is entrusted with the aim of maintain the safety, security, and integrity of the goods or the money

2. AL-Mudharabah Principles

   that contract or agreement between the owners of capital to entrepreneurs. Diman capital owners are willing to pay fully for a project / business and employers agreed to manage the project by sharing in accordance with the agreement

3. Principles Musharaka

can be interpreted partnership contract joint venture between two (2) one or more owners of capital to finance a type of business that is lawful and productive , profits are shared according to the ratio of the amount yanitu rightful part of customers compared to the Bank, which has been agreed upon at the time of making the contract.

4. Tijaroh principle

   means that the process prmindahan proprietary goods or assets by using his own money as a medium.

5. Ijaroh principle

   Interpreted as a lease contract goods between the banks, which is named as the person who rents muajir with other parties called mustaji. In the contract or the agreement of the bank as the owner of the goods to allow tenants take advantage of such goods to pay the rent in accordance with the consent of both parties, after the expiration of the lease, rental items are returned to the bank. It is similar to leasing activities.

6. Hasan Al-Qardhul principle

   Qardhul is a contract of bank loans to certain parties that must be returned with the same amount of corresponding loans. Loan repayment can be done in installments or all at once.

7. Rahn principle

   is the delivery of goods or assets as collateral for part or all of the debt. In Islamic banking, Rahn can be applied in two forms, namely as a principle / complementary products. Namely in the form of the contract in addition to other products such as at the time of receiving the financing murabaha, salam and others.

Understanding the buying decision

is a decision purchase decision of consumers as the ownership of the actions of two or more alternative choices about the process, how, deed purchase, taking into account other factors on what to buy, when to buy, where to buy and how to pay. To understand the consumer decision-making, must first understand the properties ofketerlibatanconsumers with products or services (Sutisna, 2003: 11).

There are five stages of purchasing decisions according to Kotler and Keller (2007, 235),

namely:

1. Introduction to *problems (opportunityrecognition)* The purchase process begins when the buyer recognizes a problem or need. These needs can be triggered by internal and external stimuli.

2. Information retrieval *(search)* Consumers are aroused needs will be compelled to seek more information. Information retrieval situations lighter called reinforcement attention.

3. Evaluation of alternatives *(alternativeevaluation)*. Marketing people need to know about the evaluation of various alternatives, namely how to process information to achieve brand choice. Consumers do not use a simple evaluation process in all buying situations. Conversely, some of the evaluation process used at once.

4. The decision of purchase *(purchasedecision)* purchase decision is a time where consumers decide to buy or not the product in question and make decisions related to the purchase reservations. In addition to the purchase decision can be interpreted also as a stage of the purchase decision process where consumers actually made a purchase.

5. Post-purchase behavior *(post-purchaseevaluation)* After purchase, consumers may experience a mismatch due attention to features - specific features that are disturbing or hear things - nice things about the other brands, and will always be alert to information that supports decision.

Brand Image

image according to Kotler and Keller (2009: 406) is a set of beliefs, ideas, and impressions held by someone on an object. While the brand image are perceptions and beliefs held by consumers, as reflected in the association are embedded in the memory of consumers (Kotler and Keller, 2009: 403). Surachman (2008: 13) defines brand image as part of the brand can be identified but can not be spoken, as the symbol of the letter design or special colors, or the perception of customers for a product or service that is represented by the brand. It can also be said that the *brand image* is a concept created by the consumer for his personal emotions and subjective reasons (Ferrinadewi, 2008: 166).

According to Biel in Xi'an (2011) *brand image* has three components: *corporate image* (corporate image), *user image* (user image), and *product images*

(product image). Image of a company begins with a feeling of customers and businesses about the organization

concerned as well as manufacturers of such products as the result of an individual evaluation of it (Surachman, 2008: 275). product image is a view of the public to a product or a product category (Surachman 2008: 275).

The image of the product is one factor that can influence purchasing decisions. The image of the product is a set of customer perceived association to the type of products offered and benefits, ease of use and the guarantee of a product offered.

In general, before making purchasing decisions of consumers already understand what they need, consumers are also not uncommon to search information on the goods or services required and evaluate it. To the extent possible, the company should build a positive image through image enhancement products, so that people become interested in making purchasing decisions of goods or services offered by the company.

METHODS

This study is confirmatory. Confirmatory research is research that aims to test a theory or hypothesis in order to strengthen or even reject the theory or hypothesis of the research that already exists. In this study, researchers will confirm whether the indicator variable is used to confirm a factor called the *Confirmatory Factor Analysis* of all the indicators used in the model. The research variables consist of product images (X) and shari'a banking product purchasing decisions (Y).

The population in this study consisted of two kinds of populations. The first population is pebankan Shari'ah in Jember district and the second population is the entire community Jember use of Shariah banking services in Jember, so the withdrawal of samples were performed using two stages, namely *Simple Random Sampling* is used to select the sample bank shari'ah ' ah in Jember. And *purposive sampling* were used to select respondents based bank that has been chosen randomly.

Variable Operational Definition

a. Imagery Products (X)

Product image is a collection of customers' perceived association Sharia banking products, indicator used is the product attributes, benefits to consumers, their use, as well as collateral

b. Purchase Decision (Y)

decision to use the services of Islamic Banking Jember (Y1) is the action taken by the client in obtaining and using the services of Islamic Banking Jember. Purchasing decisions indicators used in this study is Introduction to Problem, information search, evaluation of alternatives, purchase decision, buyers post Behavior

Data Analysis Methods

Analysis MethodThe data used in this research is Multiple Linear Regression Analysis with Latent Variables. This method is used to determine the influence of product image variable (X) of the Purchase Decision (Y). Data analysis was performed through the following steps; 1) *Confirmatory technique* by grouping similar data in a table (tabulate) and Analyzing the data by performing calculations according to the method of quantitative research with analytical techniques that will be used is the *confirmatory technique* using LISREL 8.72 program; 2) After assuming confirmatory test technique, then continued eligibility test models. To test the feasibility of the model developed in the structural equation model, it will use some of the eligibility index statistical model using LISREL 8.7 software is also used to identify a model that continues to meet the criteria of a good structural equation model. The criteria are:

1. test, *Chi-square*where the model is deemed good or satisfactory whenvalue *chi- square* is low. The smaller thevalue, *chi-square* the better the model, and the value of greater significance than *the cut-off value* (p> 0.05).
2. RMSEA*(RootMean Square Error of*Approximation),which shows the *goodness of fit* can be expected when the model is estimated in the population (Hair et al,

   1995). RMSEA value less than or equal to 0.08 is an index for the inadmissibility of the models show a *close fit* of the model was based on *degrees of freedom*.
3. GFI*(Goodnessof Fit*Index)is a non-statistical measure that has a range of values between 0*(poorfit)*to 1.0*(perfectfit).*A high value in this index indicates a"*better*fit".
4. AGFI*(AdjustedGoodness of Fit*Index),where the level of acceptance that is recommended is when AGFI has a value equal to or greater than 0.90.
5. CMIN / DF is *The Minimum Sample Discrepancy Function* divided by *Degree of*Freedom. *Chi-square* divided by its DF-called *chi-square* relative.

When thevalue *chi-square* is comparatively less than 2.0 or 3.0 are indicative of an

acceptable fit between model and data.

6. TLI *(TuckerLewis* Index), an *index incremental* that compares an model that is tested against a *baseline* model, where a model of ≥ 0.95 and a value close to 1 indicates *a very good fit*.

7. CFI *(ComparativeFit* Index), which, when close to 1, indicating the highest level of fit. The recommended value is CFI ≥ 0.94.

AND DISCUSSION

RESULTS study

a. Validity and reliability variables **Citra Product**

Citra Value Indicator Products

Indicator	Standardized Solution/ Factor Loading	Error Variance	T-Value	Mean Score
X1.1	0.66	0.21	7.54	4.00
X1.2	0.92	0.06	4.82	4.00
X1.3	0.77	0.17	6.88	3.92
X1.4	0.42	0.57	8.14	3.42

Source: Appendix 4

The above table shows that all indicators have t-value> 1.96 (95% confidence level). In addition all indicators forming constructs Company Image Loading factor has a value greater than 0.50 except X3.4 which is equal to 0.42 <0.50. Therefore, the indicator X3.4 can be removed and not included in subsequent model testing. It can be concluded that all indicators in addition to X3.4 are significantly associated with Corporate Image construct or indicator can be declared invalid.

Construct Company Image reliability of 1.03 is above the recommended value of 0.60. Thus all indicators forming constructs Company Image is reliable.

b. Construct Validity and Reliability Purchase Decision

Decision Customer Value Indicator

Indicator	Standardized Solution / Loading Factor	Error Variance	T-Value	Mean Score
Y1.1	0,50	0,39	5,07	3,92
Y1.2	0,59	0,45	5, 29	3.92
Y1.3	0.58	0.31	5.11	3.71
Y1.4	0.73	0.22	5.47	3.78

Y1.5	0.50	0.31	6.90	3.95

Source : Appendix 4

Table 4.12 above actually shows that all indicators have t-value> 1.96 (95% confidence level). In addition all indicators forming constructs Decisioncustomer value *Loading Factor* greater than 0.50. It can be concluded that all indicators were significantly associated with the Customer Decision construct or all of the indicators can be declared invalid. *Constructreliability* Company Imageof 1.00 is above the recommended value of 0.60. Thus all indicators forming constructs Company Image is *reliable*.

c.   Test assumptions Multiple Linear Regression With Latent Variables

1) **Normality Test**

Normality test results or *assessment of normality (CR)*gives a CR value of 1,321 located between CR ≤ 1.96 ≤ 1.96 (α = 0.05), so it can be said that the data multivariate normal. In addition the data univariate normally distributed, it is indicated onvalue *the critical ratio* for all indicators situated between -1.96 ≤ CR

≤ 1.96.

2) *Outliers test*

results *Outliers* appear on *mahalanobis*d-squared.To calculate the value of *mahalanobis distance* based on the value *of chi square* at 14 degrees of freedom (the number of indicator variables) at the level of p <0.01 $X^{(2}$ 0,001) was 36.123 (df table *chi-square*).So the data hasspacing *mahalanobisdistance* is greater than 36.123 is *multivariate outlier*. Based on the results processing of datain mind that the maximum Mahalanobis distance is 32.072 so that it can be concluded that there are no *multivariate*outliers.

d.   Conformance Test Model

From the printed output produced LISREL program, analysis of suitability entire structural model is as follows:

Model Conformance Test Results

GOF size	The levelscompatibility	Estimation Results	Compatibility Level

Chi-square	small value	332.15	Less well
p-value	P> 0.05	P = .00	
RMSEA	RMSEA <0.08	0.16	Marginal fit

P (close fit)	P> 0.05	P = 0.00	
ECVI	small value and close to the saturated ECVI	M * = 2,84 S * = 1.51 I * = 15.92	Good (close fit)
AIC	Value small and close to the AIC saturated	M * = 394.15 210.00 S * = I * = 2213.52	Good (close fit)
CAIC	value CAIC is small and close to the saturated	M * = 516.34 623.87 S * = I * = 2268.69	Good (close fit)
NFI	NFI> 0.90	0.84	Marginal fit
NNFI	NNFI> 0.90	0.83	Marginalfit>
CFI	CFI 0.90	0.87	Marginal fit
IFI	IFI> 0.90	0.87	Marginal fit
RFI	RFI> 0.90	0.80	Marginal fit
GFI	GFI> 0.90	0.75	Less well
AGFI	AGFI> 0, 90	0.64	worse

Source: Processed Data.

Based on the above table, it can be seen that there are three sizes GOF that indicate a match less well, six GOF size showed marginal fit, and three measures of GOF showed a good fit, so it can be concluded that the overall model is a good match (close fit).

Multiple Linear Regression Analysis With Latent Variables

This method is used to determine the influence of the variable product image on purchase decisions with the formulation as follows: $Y = \lambda_1 X_1 + e$. the results of multiple linear regression analysis with latent variables using lisrel program. 8.72 then obtained form the following equation: $Y = 1.08 X_1 + e$. Results of testing with version 8.72 lisrel program results regression models with latent variables that show the influence of Corporate Image, User Image and Imagery Products to the customer's decision to use the services of Islamic Banking in Jember. Based on Multiple Linear Regression Model With Latent Variables, then summarized the results of hypothesis testing on the structural model can be seen in the table below

Hypothesis Testing

Hypothesis	Standardized solution	Q-value	T-Table	Specification

| H1 | 1.03 | -1.51 | 1.96 | At the starting |

DISCUSSION

a. Effect of image products to the customer's decision to use the services of Shariah banking in Jember

Imagery product is accepted by the public impression of a product. According schifman and Kanuk (2008: 174) felt good product image has a much better chance to be purchased from the product that has the image of an unpleasant or neutral. The findings in this study indicate that there is significant influence between the constructs imagery products to the customer's decision to use banking services syar'iah t-value has a negative number, ie -

1.51 <1.96. This means that an increase in the image of the product held by banks Shari'ah can not increase keputusann nasbah using shari'a banking services. These results reject the third hypothesis which states that the product image affect the customer's decision to use the services of Shariah banking in Jember.

The results of this study are not consistent with studies dialakukan by nurul huda (2013) which states that the company has the image of a good influence simultaneously and partially on purchasing decisions metic Yamaha motorcycle. This study also inconsistent with the research dialakukan by fransiska paramitasari (2012) and Ardita (2011) have found that the Corporate Image and simultaneous partial effect on purchasing decisions. The results of this study are also not in accordance with studies that is developed by Berry (1969), which revealed that the product overall quality merchandise has affected the value of consumer perceptions continue to affect consumer purchasing decisions.

The study, developed by Berry (1969) applies different in shari'a banking world, various types of products offered by the banking Shari'ah is not a consideration for the customers in making purchasing decisions. On the results of the study proved that the image of the product has a negative influence on the customer's decision to use the services of Shariah banking. This is because customers assume that the type of product and value benefits are considered equal to the banking sector in general. People in using banking services on the wishes of Shariah compelled kaffah good application of Islam in public life and in economic activity transactions. So that the product image may not affect the customer's decision to use the services of Shariah banking.

Shari'ah Banking is a new kind of business in the banking business, in general banking facilities granted shari'ah has been already granted by other banks so that people are used to using the facilities provided such as the use of an ATM machine and others.

Based on the results seen that as much as 74.3% agree with the statement that customers can use to

easily facilities provide services in the banking Shari'ah, but convenience for customers to use this service can not improve the image of Shariah banking products for faslitas service provided is of a general nature or almost certainly already owned banking sector in general.

Based on the respondents' assessment of the four indicators that show just as much as 37.1 guarantee of respondents who have agreed to vote against the statement of assurance associated with the indicator, as much as 45% undecided even 10% disagree. This means that products / services of assured quality as a whole does not necessarily guarantee Jember community will use the shari'a banking services. This is because the people who use the services of Shariah banking is more likely to be influenced by culture and religion, so they use only the shari'a banking services to better suit Islamic lifestyle.

CONCLUSION

From the test results and statistical analysis in this study, it can be concluded that the image does not affect products exhibited significantly towards the customer's decision to use the services of Islamic banking in Jember. These results indicate that the activity increase in the brand image through expanding the image of the product, it can not improve a client's decision to use the services of Islamic banking in Jember. For the banking Shari'ah in Jember should reduce image enhancement associated with the image of its products, but through advertising programs are more focused on matters relating to the trust of customers, providing good service with less failures to get a good reputation in the eyes customers, addition of Shariah Banking should also better understand the characteristics of its customers and the things what they need in economic activity transactions. Because Shari'ah banking customers are certain people who do need a system based Islamic banking services, so companies should also focus on Islamic-based service system to address the needs of people who want the application of the principles of Islam kaffah in public life or in a transaction economic activity.

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