



Motivations of non-muslim customers in using Islamic banking (A phenomenological study)

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ABSTRACT

Background: Islamic banks are primarily established as financial institutions that align with the religious values and needs of Muslim communities. However, the increasing use of Islamic banks by non-Muslim customers presents an intriguing phenomenon. This study aims to explore the motivations behind non-Muslims' choice to use Islamic banking services, especially in relation to their financial management. **Methods:** A qualitative approach is employed using a phenomenological method to gain in-depth insights into user experiences. Maslow's Hierarchy of Needs Theory is used as the theoretical framework to analyze the motivational factors influencing customer decisions. **Findings:** The findings reveal that non-Muslim users are primarily motivated by the desire to fulfill their safety and physiological needs. Furthermore, participants reported that the principles and systems of Islamic banking help them manage their finances in a more disciplined and positive way. **Conclusion:** This study concludes that beyond religious alignment, Islamic banking appeals to broader values such as security and financial well-being. **Novelty/Originality of this article:** The novelty of this research lies in its focus on non-Muslim users—a demographic rarely examined in Islamic banking studies—offering new insights into inclusive financial behavior and motivation.

KEYWORDS: islamic banking; motivation; non-muslims; phenomenology.

1. Introduction

Indonesia is a country with a Muslim majority population, and its society holds diverse views regarding Islamic financial institutions. This diversity can be reflected in various behaviors observed in the public's choice of banks to meet their financial needs. These behaviors can manifest as evaluations of attitudes shown by the public (Khusna & Pratama, 2021). Such attitudes may be either accepted or rejected by individuals. As a result, various responses arise due to the variation in perceptions of Islamic banks. In fact, there are still misconceptions or similar misunderstandings among the public regarding the systems implemented by Islamic and conventional banks.

Islamic banks are financial institutions that operate based on the principles of Sharia (Islamic law), with the primary goal of implementing Sharia regulations in banking operations. The development of Islamic banking in Indonesia is closely tied to the overall

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banking system in the country. Islamic banking is regulated by Law No. 10 of 1998, which classifies commercial banks as those operating either conventionally or based on Sharia principles, providing services in payment transactions (Rohmadi et al., 2016). The establishment of Islamic banks is an indication of the existence of usury (*riba*) in conventional banking (Khusna & Pratama, 2021). This serves as a solution for Muslims to manage their finances while avoiding the sins associated with usury. The main function of Islamic banks is to gather deposits from customers and then redistribute these funds as financing, as well as to provide services to other banks (Lubis & Susianto, 2020).

Islamic bank customers are predominantly Muslim, with motives related to their level of religiosity. According to Nurlinda & Zuhirsyan (2020), Islamic banking is used as a place to store funds and conduct various transactions due to the high religiosity dimension, particularly to avoid usury (*riba*). Thus, religiosity plays a crucial role in customers' decisions to use Islamic banking services as part of their commitment to Islamic principles.

However, Islamic banking services are not exclusively for Muslim customers; non-Muslim individuals are also encouraged to use Islamic banking services. All products and services offered by Islamic banks are suitable for the entire community, not only Muslims but also non-Muslims. This is because the Islamic banking system is based on universal principles such as justice, honesty, and transparency (Bambang, 2010). This aspect becomes especially interesting when Islamic banking is used by non-Muslim customers.

In this study, the researcher applies Maslow's Hierarchy of Needs Theory as a guiding framework. This theory is used to explore the motivation of non-Muslim individuals in choosing Islamic banking services. The core of Maslow's Hierarchy of Needs Theory is that human needs are arranged in a hierarchy. The lowest level of needs is physiological needs, while the highest level is self-actualization (Hartinah et al., 2022).

Physiological Needs According to Sunyoto & Danang (in Hartinah et al., 2022), physiological needs are the basic human needs for survival, including clothing, food, shelter, sleep, and other essentials. Safety Needs refer to the need for physical and psychological security. Social Needs involve the desire for friendship, affiliation, and close interaction with others. Esteem Needs encompass the desire to be respected and valued for achievements, as well as the recognition of one's abilities and expertise. Self-Actualization Needs, the highest level in Maslow's hierarchy, are related to the development of an individual's potential (Sunyoto & Danang in Hartinah et al., 2022).

Based on the findings of a study by Hadziq & Ismiyanti (2019), it can be concluded that non-Muslims' perceptions of Islamic banking are not influenced by religious stimuli variables. However, elements of the marketing mix, such as location, promotion, and product offerings, significantly affect public perceptions of Islamic banks. Religious teachings do not influence non-Muslims' choices between conventional or Islamic banking systems. Islamic banks are accepted by non-Muslims because they operate without interest. Therefore, elements influencing non-Muslims' opinions of Islamic banking are crucial for both existing and developing Islamic banking institutions.

According to previous research (Rizki, 2022), a study on the perception of Islamic banking by non-Muslim communities in Jatikramat Village, Bekasi City, concluded that the majority of non-Muslim residents possess adequate knowledge of Islamic banking. The survey indicated that participants were familiar with Islamic banking products and regulations. The attitude towards the existence of Islamic banks was also positive, with 100% of respondents expressing support and not feeling disturbed by their presence. This tendency was driven by satisfaction with the services provided to both Muslim and non-Muslim customers, as well as interest in interest-free loans.

According to research by Nurlinda & Zuhirsyan (2020), one reason non-Muslim customers are not interested in Islamic banking products is due to a lack of understanding of the terminology used in these products. Terms such as "mudharabah" and "ijarah" often confuse non-Muslim customers because they are not familiar with Islamic financial terminology. The calculation methods used in Islamic banking products are also often unclear to non-Muslim customers, as they do not understand the basic principles of Islamic finance.

Based on the findings from the three studies mentioned by the researcher, it can be concluded that non-Muslims' perceptions of Islamic banking are influenced by good service, leading them to accept Islamic banks due to their interest-free operations. Non-Muslim customers have a sufficient understanding of Islamic banking, and their attitudes toward the existence of Islamic banks are generally positive. However, some non-Muslim individuals feel that many of the terms and fundamental principles of Islamic banking are foreign to them. This aspect is particularly interesting to the researcher, as previous studies did not explore the motivations behind the use of Islamic banking services. Therefore, the aim of this research is to explore the motivations of non-Muslims in using Islamic banking services. From this analysis, the researcher hypothesizes or draws a preliminary conclusion that non-Muslims use Islamic banks primarily due to good service and the interest-free operational nature of these banks.

2. Methods

The research methodology in this paper serves as the foundation for understanding a deeper and more specific analysis of the topic being discussed. In this chapter, readers will be introduced to the research methodology, the data collected, and the tools and techniques of analysis used. The aim is to provide a clear overview of the scientific approach taken, so that the results and conclusions presented in subsequent chapters can be understood within the proper context.

This study uses a qualitative approach. Qualitative research is a research method that is useful for studying the natural state of an object. Bogdan and Taylor, as cited in Abdussamad (2021), explain that qualitative research is research aimed at producing descriptive data, in the form of written or oral words from people and observable behaviors; the approach is directed toward the setting and individuals holistically. Qualitative research tends to have the advantage of engaging research subjects through natural interactions. It emphasizes a 'qualitative naturalistic' pattern, meaning that data collection and the exploration of phenomena can be carried out in a natural and real-world context (Harahap, 2020).

The phenomenological research method focuses on the process of understanding, exploring, and interpreting the meaning of an event or phenomenon, as well as seeking its relationship to individuals in specific situations. The goal of phenomenology is micro-subjective. In the context of qualitative research, 'micro' refers to the detailed and specific nature of the study, while 'subjective' refers to the researcher as the research instrument, with the researcher's presence and the meanings they assign to the phenomena, leading to different answers from one individual to another (Harahap, 2020). Intersubjectivity, as a result of the process of understanding how humans construct meaning and important concepts within a framework, is a fundamental characteristic of phenomenology (Yusria et al., 2018).

Tabel 1. Eliminate code

Transcript Number	Theme	Code	New Code	Total
1	13	30	30	30
2	16	29	8	38
3	13	23	0	38

The informants in this study consisted of three individuals, with two users of Bank BSI and one user of Bank Muamalat. The selected informants met specific criteria, namely the ability to understand interview questions easily and to provide clear answers. The researcher decided not to add more informants for interviews, as the three chosen were sufficient, reaching a saturation point, which can be seen in Table 1 above. The data used and collected in this study were obtained through semi-structured interviews.

This research was conducted from May 13 to May 31, 2024, in Setiabudi, Bandung City, West Java. Online interviews were conducted between May 20 and May 23, 2024, through

Zoom meetings. Each interview lasted at least 25 minutes with each informant selected and recommended by the previous informant. The first interview with the informant was conducted on March 1, 2024.

Data processing in this study employed triangulation techniques. This technique involves combining data from various data collection methods to test the credibility of the data from different supporting perspectives (Sugiyono, 2013). The data tested for credibility using this technique came from informants involved in the process and motivated to use Islamic banking.

The analysis of the research data was based on Maslow's Hierarchy of Needs Theory. This theory was used to guide the research and as a basis for interview instruments and coding for the analysis of interview transcripts. According to Maslow, human needs are structured in a pyramid, with five levels ranging from the most basic to the more complex. These five levels are physiological needs, safety needs, social needs, esteem needs, and self-actualization needs.

3. Result and Discussion

The researcher will present the results of the interviews conducted with the informants in the form of a coding table below. The needs of non-Muslim users are primarily security needs and social needs, followed by physiological needs, then self-actualization needs, and lastly, esteem needs. Below, the researcher presents a comprehensive discussion based on the informants with the initials ECS, JAT, and MO.

Tabel 2. Results of informant interviews

Maslow's Hierarchy of Needs Theory	ECS	JAT	MO	Total
Physiological Needs	7	4	4	15
Safety Needs	4	6	7	17
Social Needs	5	5	7	17
Esteem Needs	3	4	3	10
Self-Actualization Needs	4	2	6	12

3.1 Safety needs

The results of the study indicate that the aspect of security needs reached a score of 17, with the reason being that all three informants using Islamic banking felt confident in the level of security and financial certainty provided by the supervision and control systems implemented by Islamic banks, comparable to conventional financial institutions. Overall, the informants expressed greater confidence in their financial stability because Islamic banks apply principles of transparency and ethics in investment. This provides reassurance that their funds are managed responsibly and in accordance with high moral standards. In general, the services of Islamic banking meet the informants' basic needs related to security and financial stability through a transparent and fair system, making them feel more confident in managing their financial activities.

3.2. Social needs

In terms of social needs, it is equivalent to security needs, both reaching a score of 17. The use of Islamic banking does not directly affect the social interactions of the informants. However, the informants value the opportunity to participate in a financial system based on values they believe in. Additionally, the use of Islamic banking often becomes an interesting topic of discussion with friends and family, allowing the informants to share their experiences with a different banking system. Although there is no significant impact on social interactions, the informants feel proud to use banking services that align with their values, indicating that loyalty to moral principles plays an important role in the use of Islamic banking.

3.3. Physiological needs

In terms of physiological needs, which reached a score of 15, the researcher can conclude from the three informants that the use of Islamic banking services by non-Muslims generally provides a positive experience. The users felt warmly welcomed by the professional and friendly staff, who provided clear explanations regarding the products and services available. The informants also highlighted the comfort and ease of access to Islamic banking services, both through digital technology and responsive customer service. Although there were some challenges related to differences in rules and procedures compared to conventional banks, the informants felt that Islamic banking services were able to meet their financial needs effectively. Thus, the use of Islamic banking services provides a positive and satisfying experience for non-Muslims, marked by comfort, ease of access, and professionalism in the services provided.

3.4. Self-Actualization needs

In terms of self-actualization needs, which reached a score of 12, the researcher can conclude that the use of Islamic banking has made a significant contribution to the financial and spiritual goals of the users. The informants feel that the Islamic banking system helps them manage their finances more responsibly, taking into account ethical aspects in the management of funds. Furthermore, investment products that align with Sharia principles provide a safe and profitable alternative for long-term financial planning. The users also hope that Islamic banking will continue to innovate its products and services, as well as provide more education to the public about the benefits of the Islamic banking system. Thus, using Islamic banking has provided peace of mind, certainty, and innovative financial solutions for users in achieving their personal potential and goals.

3.5. Esteem needs

The aspect of esteem needs received the lowest score, reaching a coding score of 10. The researcher concludes that the informants feel valued as customers of Islamic banking, particularly due to the quality service and friendly customer support they receive. Although this appreciation is not always material in nature, the presence of personalized service and various loyalty programs adds significant value for them. To enhance recognition of customer loyalty, the users suggest that Islamic banks improve communication and interaction with non-Muslim customers, as well as offer more specific and appealing incentive programs or additional benefits for loyal customers. In conclusion, Islamic banking can strengthen its relationship with non-Muslim customers through quality services, individualized attention to customer needs, and the development of more diverse and relevant loyalty programs.

4. Conclusions

Based on the findings of the phenomenological study conducted on non-Muslim customers regarding Islamic banking services, it can be concluded that the motivations for using Islamic banking are closely related to the five indicators derived from Maslow's hierarchy of needs theory, which addresses aspects such as physiological needs, safety needs, social needs, esteem needs, and self-actualization needs. This directly relates to the reasons why non-Muslim customers choose to use Islamic banking. Furthermore, the use of Islamic banking has made a significant contribution to achieving the financial goals of the customers.

The informants feel that the Islamic banking system helps them manage their finances more positively, with consideration of ethical aspects in fund management. The users feel comfortable with the value-based approach, such as justice and transparency, established

by Islamic banks. The informants trust the security and financial stability provided by the transparent and fair supervisory system in place.

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Author Contribution

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Not available.

Conflicts of Interest

The authors declare no conflict of interest.

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