

Banking Millennials' Perceptions of Digital Sharia Banking: A Case Study of Bank Jago Syariah

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ABSTRACT

Sharia Bank is a bank financial institution that operates its products using the Sharia system; however, its existence is still hidden from view due to the foreignness of the Sharia system's use. However, in this study, we try to convince and even take steps to facilitate transactions so that it can be found in Islamic banks that banking services do not have to go to the office. From here, it becomes a public perception that awareness of sharia-based banks grows through digital banking that they echo.

Keywords : Millennials, Islamic Banking, Digital Banking

INTRODUCTION

The practice of Bank Jago Syariah based on digital currently dominates the banking world, the digital system in question is to make sharia a business transaction by adapting to current technological needs. So that now it has entered the 5.0 order where it is not a must to come to a financial institution, from this it is concluded that digital technology will always progress to the demands of the situation and its main goal is to be able to compete at the digital level.

The new sharia banking application launched by PT Bank Jago Tbk (ARTO) has various advantages over similar sharia services. One of them, the application called Jago Syariah, has the same features and products as the conventional application of Bank Jago. Bank Jago President Director Kharim Siregar said that the innovation and features in the Jago Syariah application are certainly as sophisticated as the conventional Jago

application. The difference is that all Jago Syariah services and products are ensured to be present according to Islamic finance principles. "Customers no longer need to choose whether they want conventional services, sharia, or want to have two accounts, because they only need to use one application, all services can be enjoyed. This is new because we can serve two segments with the same features, with the difference in the underlying sharia. must meet sharia aspects. So there are no stepchildren, all biological children (Cnbn Indonesia, 2022).

One of the goals in bank digitization is to achieve customer (customer) satisfaction. Because customer satisfaction is the most important thing in the practice of the banking industry and what is commonly referred to as the service sector, customers will also easily switch *from competitors* to other banks if they do not find the convenience expected of that bank. In fact, it requires the Islamic banking industry to be creative in making competitive advantages in the midst of competition in the banking world in order to attract customers' attention and maintain satisfaction of course so that customers are said to be loyal and able to provide increased profits for a bank, while competitive advantage is usually seen by customers as customer advantages. Therefore, banks must have a focal point, namely on the formation of customer excellence that can provide high value and satisfaction which in the end can use re-services and in the end can increase the bank's high profitability growth as well. To achieve this, the first major step that must be taken by banks is to measure the level of service quality that has been provided (Marlina, 2018).

Economic transactions and digital financing continue to soar and grow high in line with the use of *e-commerce platforms* and digital instruments during the pandemic, as well as the strong preference and acceptance of the public for digital transactions. This can be seen from the transaction value of Electronic Money (EU) in December 2020 of Rp22.1 trillion, or grew 30.44% (yoy) (Indoprimier, 2021). Furthermore, the volume of digital banking transactions in December 2020 reached 513.7 million transactions, or grew by 41.53% (yoy) and the value of digital banking transactions amounted to Rp.2,774,5 trillion, grew by 13.91% (yoy).

The Central Bank predicts that the development of digitalization trends will continue to run rapidly, supported by the expansion of an increasingly inclusive digital economy and financial ecosystem. Bank Indonesia continues to strive for acceleration of

various payment system digitization policies for the establishment of a more efficient and inclusive digital economic and financial ecosystem, as well as to provide support for accelerating the country's economic recovery. This is done, among others, through the expansion of QRIS 12 million merchants, expansion of the QRIS transfer, withdrawal, and deposit features, setting the Chip Based Merchant Discount Rate for Electronic Money (MDR EU) which will take effect March 1, 2021, and the implementation of the Indonesia Payment System Blueprint 2025 (Bank Indonesia, 2021).

In line with Bank Indonesia's statement that the Islamic banking industry is currently taking off into the era of generation 4.0, so that the role of *tellers* can be shifted. With its status as Indonesia's fourth largest bank, for example, Bank Negara Indonesia (BNI) has even begun to reduce sales of savings or credit cards. In an Asian-level technology conference at the Jakarta Convention Center, BNI only set up one booth. Whereas the state-owned bank became the platinum sponsor of the congress. BNI's perspective is exactly what global banking is doing. Namely Banco Santander, the third largest bank in Europe. In *Banking in The Fourth Industrial Revolution*, it is stated that the world in the 4.0 industrial revolution will radically change the way of payment and financing. The challenge for banks, according to the bank based in Boadilla del Monte, 20 kilometers west of Madrid, is how banks can define new business models outside of conventional financial services and develop new forms of partnership (Tempo Data and Analysis Center, 2021)

THEORETICAL FRAMEWORK

Perception according to Kotler and Keller states that the process by which we select, organize, and interpret information input to create a meaningful picture of the world. His main point is that perception depends not only on physical stimuli, but also on the stimulus's relationship to the field that surrounds it and the conditions within each of us. In the relationship between perception and behavior it can be seen that perception can be expressed as a process through which a person organizes and interprets sensory impressions about the environment that will greatly affect behavior,

which in turn determines the factors that are seen as motivational (Tati Handayani, 2020).

Millennials are the literacy of the youth of Islamic economics where they realize that literacy around the Sharia-based economy must grow and develop to compete professionally with competitors in conventional banks. So that there is a novelty in the body of Sharia banking in the form of increasingly sophisticated digital services as one strong evidence that the progress of Islamic banks is indeed thought and planned by bank officials in the environment of Sharia-based banks.

The millennial generation is a social society that is literate and *adaptable* to technology. They tend to like to use technology to facilitate all activities, including shopping activities. With advances in payment technology, this generation is more *cashless* (tends not to carry cash). The convenience of shopping payments through *debit cards, credit cards, e-money, internet banking* and others is easily adopted by *urban middle-class millennials*. So that the existence of *urban middle-class millennials* will certainly be a *trigger for the development of cashless payments*. In the future, traditional payment instruments will shift to modern payment instruments (Cnbn Indonesia, 2021).

Technological developments have had a significant impact on human life. Technological developments provide access to easy communication and information. The ease of communication and getting this information is obtained from a tool or media that is used easily. Now technology comes with various media and tools that come. These media and tools are here to make life easier and never stop. The presence of media and technology tools has a good impact on running fast communication, where communication can be done in a matter of seconds. Unlike traditional which takes a long time, this technology only takes a few seconds (Inter, 2021).

Lately, by utilizing digital technology, Islamic banking has returned to its *khittoh* also with a focus on its main services, however, it is not easy to change the entire structure and system of Islamic banking in a moment. Need trials on feasibility and impact on a number of areas. what we can be certain of is In relying on the use of digital technology 4.0, Islamic banks will face two direct conditions, namely: *opportunities* and challenges. The opportunity is that Islamic banking is given the opportunity to build human resources who are clearly creative and innovative. On the

other hand , special offers designed with the basis of Islamic law will make it easy for the application of Islamic Banking Digital Banking to be accepted by the community, especially Muslims. This digital technology will also encourage healthy cooperation and competitiveness between Islamic and conventional banking (Husna, 2020).

RESEARCH METHODS

In this study, researchers used a qualitative approach. Qualitative method is a research method based on the philosophy of positivism, used to examine the condition of natural objects (Sugiyono, 2015). To collect the data obtained in this researcher will use primary data which is data obtained by researchers from original sources (Muhammad, 2015).

Data collection technique is a method used by researchers to uncover or capture qualitative information from informants according to the scope of the researcher. In this researcher the data collection techniques used were observation, interviews and documentation. Furthermore, data analysis is a series of activities in conducting research that begins with the process of organizing and sorting data into patterns, categories and basic units of description (Lexy, 2015). Qualitative data analysis activities are carried out continuously so as to produce saturated data.

DISCUSSION

The results of this study get several different perceptions and they are millennials of Islamic economics/banking. In order to get results that can be accounted for so that researchers choose informants who fit in their fields.

First, according to Dika, about the digital practice of Islamic banks at good banks. It can be concluded that there are now many banks appearing in the form of digital banks, so there are no physical offices. According to him that.

1. It makes it easier for the community because the reach of digital banks has no limits, including sharia bankers

2. It further strengthens the longstanding collaboration of Islamic banks and digital Islamic banks in terms of services, market share and so on.
3. To be a reinforcement of the halal industry in achieving its vision and mission with the convenience of a digital bank, which is enough with gadgets
4. So there is a potential for strengthening Indonesia as a mecca for exploration according to the 2024 target.

Slightly different according to the second millennial, Nor Laila, that the existence of a digital Islamic bank makes this a strategy that can compete with Islamic banks that have not utilized digital. Therefore, the human mind in improving technology, especially in Islamic banks, will continue to update along with the times. only one goal, Islamic banks must fly above all things because with the sharia system, the economy runs.

Meanwhile, according to the third informant, Nur Mutmainnah, it was concluded that in line with what Dika explained that the existence of digital Sharia banking is an obligation that must be upgraded because it will be directly proportional to the convenience of Sharia banking services. Furthermore, it is also explained that the power or strength of digital-based Islamic banks will become their own market that is able to compete with competitors so that the evaluation of digital practice must also be balanced, at least one level is the same.

The last informant, Al-Farisi, explained that the practice of this sharia bank has several positive impacts, which are as follows:

1. Easy in service
2. Time that sometimes doesn't have time to go to the office can be a solution to using gadgets.

Based on the results of the research above that in doing business in the digital era, according to Nasrul Syarif, business communication with the role of information and communication technology is a process of delivering and receiving messages or information between two or more people in the hope of having a positive influence or causing certain expected effects. Therefore, most people have considered technology as a part of their lives. According to him, ICT (*information, and communication technology*) has made it easier for human communication activities and caused

everything to become more instantaneous. With ICT, the process of sending and receiving messages becomes faster and easier (Nasrul Sharif, 2019).

Alignment was also explained by Agus Sugiarto that the facts show that the digital transformation that is happening in the economic sector today is becoming an engine that supports global economic growth for the long term. Business actors in the economic sector are competing to carry out digital transformation in various forms and forms to push productivity to a higher level. The wave of digital transformation forces business actors to make two choices, namely to do or not to do digital transformation. The adoption of digital technology allows businesses to improve their business processes and develop new, more efficient business models (Agus Sugiarto, 2022).

So that it can be drawn from the millennial perception that Islamic digital banking is a step to invite millennials to wake up and be aware of the presence of Sharia-based banks such as Shariah bankers. However, it is a practical step, even a win solution for now in its use which is very easy to transact so that the superiority and competitiveness of the product can be relied on by the Islamic bank with a digital system.

CONCLUSION

Based on the explanation above, it can be concluded that the Islamic bank is present in easy product services without having to come to the office, this creates a new innovation that not all services are carried out in the office. So that this good Islamic bank can be imitated, it is present in the convenience of attracting customers to use Islamic banks in droves

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