

Conventional Bank and Sharia Bank Effects on Falah Through Customer Satisfaction in Batam City, Indonesia

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ABSTRACT:

Although the majority of the residents in the City of Batam is Moslem, the development of sharia products is running slow and undeveloped in comparing with conventional banks. It is interesting to conduct a research aims to study conventional bank and sharia bank effects on Falah through customer satisfaction in Batam city, the research population was 226 respondents, data analysis was performed using the Structural Equation Model (SEM). Changes in Customer Satisfaction are influenced by Conventional Banks and Islamic Banks by 68.7%. As for Falah $R^2 = .111$ so the effect is $0.111 \times 100\% = 11.1\%$. Thus it can be stated that the change in Falah is influenced by the effects of conventional banks, Islamic banks, and customer satisfaction of 11.1%.

KEYWORDS: conventional bank, sharia bank, costumer satisfaction, falah.

1. INTRODUCTION

The development of Batam Island since 1970 has involved conventional banking services such as Bank Bumi Daya (BBD) and Bank Dagang Negara (BDN). The first Syariah Bank established in Batam Island was Bank Muamalat in 1992, followed by other Sharia Banks. Sharia banking has shown impressive developmental progress, with average asset growth over last 5 years is more than 46% per year (Bank Indonesia, 2012). Based on Sharia Banking Statistics (Bank Indonesia, 2012), total assets of sharia banking industry as of the end of February 2012 reached Rp. 149.32 trillion. Total financing disbursed was Rp. 106.53 trillion and the third party funds was Rp. 116.87 trillion. It has 2,380 offices consisting of 1,421 Sharia Commercial Bank (BUS), 378 Sharia Business Unit (UUS) and 374 Sharia Bank Pembiayaan Rakyat Syariah (BPRS). The role of sharia banks in spurring regional economic growth is more strategic in order to realize a more balanced economic structure. Support for the development of sharia banking is also demonstrated by the "dual banking system", in which conventional banks are allowed to open sharia business units. Understanding and socialization to the society about sharia banking products and systems in Indonesia is still very limited. This is supported by the data published by Bank Indonesia, that as of October 2006, sharia banks accounted for only 1.5% of the total national banking market share (Rivai, 2007: 2).

Although the majority of the population of Indonesia and also in the city of Batam is Moslem, the development of sharia products is slow and undeveloped in comparing with conventional banks. The efforts on sharia bank development are not merely based on legal aspects and legislation but also must be oriented to the market or community as a service user (consumer) of banking institutions. The existence of banks (conventional and sharia) generally has a strategic function as an intermediary institution and provides services in payment traffic, but the characteristics of both types of banks (conventional and syariah) can influence the behavior of prospective customers in determining their preferences in the selection of these two types of banks. Furthermore, customer behavior on banking products (conventional banks and sharia banks) can be influenced by public attitudes and perceptions on the characteristics of the banking system. The number of Conventional Banks owned by both government and private companies which have sharia bank division makes the research on which has the most effect to customer satisfaction and Falah interesting to conduct.

2. LITERATURE REVIEW

2.1. Conventional Bank

Bank is a business entity that collects funds from the public in the form of savings and distributes it to the community in the form of credit and or other forms in order to improve the standard of living of the people (Act number 7 year 1992 on banking as amended by Act number No. 10 Year 1998). Thus, the banking business includes three activities, namely raising funds, distributing funds, and

provide other bank services as supporting activities. Banking law provides recognition of the existence of sharia principles in the Indonesian banking world by differentiating banks based on their business activities into two namely banks conducting conventional business activities and banks conducting business based on sharia principles. More specifically, Act number 21 year 2008 on Syariah Banking sets out the definition of a Sharia Bank that is a Bank conducting its business activities based on Sharia Principles and by its type consisting of Sharia Commercial Bank and Sharia Rural Bank. (Minister of Justice and Human Rights, 2008: 3)

There are five important attributes that consumers considered in choosing banks according to Almosawi's (1991) study in Bahrain, those are (A) accessible ATM location, (b) availability of ATM in several locations, (c) bank reputation, (d) 24 hour ATM service, and (e) availability of adequate parking space. Survey conducted by Institut Pertanian Bogor (2004) in South Kalimantan on the perception of conventional banks, shows that 94.5% of respondents agree with the role of banking in everyday life, with the main reason to benefit society and capital. Based on respondents' group, 79.3% of conventional bank respondents state that bank interest is contrary to religious teachings, tends to express rejection in the conventional banking system. But on the other hand, they are conventional bank customers, so this may indicate the inconsistency of consumer behavior. The implications of the above results show that understanding of consumer behavior, in this case banking customers, becomes increasingly crucial and needs to be examined (Rivai, 2007: 4).

2.2. Sharia Bank Theory

Bank as a financial intermediary institution, whose main task is to collect funds from the community. It is expected that the funds can meet the financing needs that are not provided by the two previous institutions, both state and private institutions. In the activity of distributing of funds sharia banks invest and finance. It is called investment because the principle used is the principle of investment or inclusion, and the reliance will be obtained depending on the performance of the business that become the object of the investment that is in accordance with the ratio of profit sharing previously agreed. It is called financing due to syaria'h bank provides funds to finance the needs of customers who need it and deserve it. (Ilyas, 2015: 185). Islam forbids the practice of usury (interest), as it is written in the Qur'an:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ
ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُدْ مَوْعِظَةٌ
مِّن رَّبِّهِ فَآتَنَّهُا فَلَهُدْ مَا سَلَفَ وَأَمْرُهُدْ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا
خَالِدُونَ

“those who eat riba (usury) will not rise from their graves except as one rises who is being beaten by Satan into insanity. That is because they say “Trading is only like usury, however Allah has made trading lawful and forbidden usury”. To whomsoever then the admonition has come from his Lord, then he desists (from usury), so what has already passed (usury he had taken before) is for Him and his affairs belongs to Allah; and whoever returns (to usury), these are the inmates of the Fire. They shall be abide in it forever. (QS Al Baqarah: 275 in the Ministry of Religious, 2016).

The results of a previous study supports the opinion that consumer behavior as a banking customer is strongly influenced by their attitudes and perceptions. The results of the survey conducted by the Research and Development Team of Sharia Bank (Utomo, 2001), showed that the perception of bank interest viewed from a religious point can be divided into three opinions; (1) contrary to religious teachings, (2) no contrary to religious teachings, (3) do not know/doubt. Survey conducted in West Java (2001) indicated that 62% of respondents states that bank interest is contradictory to religious teachings, while 22% of respondents states that it is not contradictory and the rest (16%) states they do not know/doubt. While the results of research conducted by Bank Indonesia in 2001 in West Sumatra showed that 20% of the people state bank interest is haram, 39% said they did not

know/doubt, and the remaining 41% stated that the interest is not haram. In the international level, the research on the behavior of Islamic banking customers in Bahrain, it has been found that customer decisions in choosing Islamic banks are driven more by religious factors through public support for banking adherence to Islamic principles. In addition, they are also affected by family encouragement, and friends and the location of the bank. (Rivai, 2007: 3).

Research conducted by Irbid and Zarka (2001) gives different conclusions about factors that encourage customers to choose either conventional bank or sharia bank. The results of this study support that the motivation of customers in choosing Islamic banks tend to be based on the profit motive, not to religious motives. In another word, customers give priority to economic rationale in the decision to choose sharia banks than non-sharia banking institutions or conventional banks. McKechnie (1992) argues that despite many attempts to generalize the concept of dynamics in making consumer's decisions on banks or financial institutions, further research is still required. Furthermore, the study conducted by the Center for Islamic Economics and Business Studies of Brawijaya Malang (2000) in East Java supports that the important differences in choosing banks lie in reference group factors, roles and status, the practicality in storing wealth, product size, assurance, and payment period. The study on the perception of consumers in Malaysia found that the consumer perceptions of sharia banks consist of several dimensions including utilization of banking facilities, knowledge of Islamic banking, consumer role in choosing banking products (Nurafifah and Haron 2001). In a study of American consumer attitudes toward commercial banks, Kaynak (2004) found three important attributes that consumers consider in choosing banks; availability of ATMs, fast and efficient service, and quick response of staff. (Rivai, 2007: 3-4).

2.3. Customer Satisfaction Theory

Customer Satisfaction is the feeling of pleasure or disappointment of someone after comparing the perception or response to the performance of the results of the expected product. The term customer satisfaction is defined as a visible customer action related to the product or service. For example, if a customer smiles when looking at a product or service being promoted, the customer has felt satisfaction on the product or service being seen. Customer satisfaction occurs when perceived performance of the product is in accordance with the expectations of the customer. This means customers are satisfied when the products or services are in accordance with the specifications expected by them. When a product performance is much lower than what customer expects, the customer is not satisfied. Conversely, if performance is in line with expectations or exceeds expectations, the customer feels satisfied or feel very happy (Kotler, 2007).

وَلَا تَجْعَلْ يَدَكَ مَغْلُولَةً إِلَىٰ عُنُقِكَ وَلَا تَبْسُطْهَا كُلَّ الْبَسْطِ فَتَقْعُدَ مَلُومًا مَّحْسُورًا ﴿٢٩﴾

"And do not make your hands to be shackled to your neck nor stretch it forth to the utmost otherwise you should remain blamed, stripped off of your property." (QS. Al Isra: 29 in Ministry of Religious, 2016).

2.4 Theory of Falah

The highest economic value in Islam is falah or happiness of people in the world and in the Hereafter which includes material, spiritual, individual and social. Welfare, according to Al Ghazali, is mashlaha (goodness) Therefore, falah is the benefit gained in meeting the needs plus the blessings (falah = goodness + blessing). So, the goal of Islamic economy is the achievement of falah obtained by every individual in a society. This means that there should be no one who is poor. There are many problems faced in the effort to achieve or gain the falah. Obtaining or achieving falah is the basic problem in Islamic economics. Attaining falah can be committed through consumption, production and distribution based on Islamic Sharia. It means that every activity related to consumption, production and distribution must always refer to Islamic fiqh, whichever is allowed, whichever is forbidden and whichever is permitted. The existence of faith in the Islamic economic behavior, human becomes a crucial point in consumption, production and distribution (Amir, 2013: 1)

يَأْتِيهَا الَّذِينَ ءَامَنُوا لَا تَحْرَمُوا طَيِّبَاتِ مَا أَحَلَّ اللَّهُ لَكُمْ وَلَا تَعْتَدُوا ۗ إِنَّ اللَّهَ لَا يُحِبُّ
الْمُعْتَدِينَ ﴿١٧٧﴾ وَكُلُوا مِمَّا رَزَقَكُمُ اللَّهُ حَلَالًا طَيِّبًا ۗ وَاتَّقُوا اللَّهَ الَّذِي أَنْتُمْ بِهِ مُؤْمِنُونَ ﴿١٧٨﴾

"O you who believe, do not forbid the good and clean things that Allah has made lawful for you, and do not exceed the limits. Allah does not love those who exceed the limits. And eat clean and lawful things that Allah has given you, and have piety towards Allah in whom you believe."(Surat al-Maidah: 87-88 in Ministry of Religious, 2016)".

إِنَّ الْمُبَذِّرِينَ كَانُوا إِخْوَانَ الشَّيْطَانِ ۗ وَكَانَ الشَّيْطَانُ لِرَبِّهِ كَفُورًا ﴿١٧٧﴾ وَإِمَّا تَعْرِضْنَ عَنْهُمْ
أَبْتِغَاءَ رَحْمَةٍ مِّن رَّبِّكَ تَرْجُوهَا فَقُل لَّهُمْ قَوْلًا مَّيْسُورًا ﴿١٧٨﴾

Surely the squanderers became the brother of satan. And satan is ever ungrateful to his Lord. if you turn away from the needy awaiting mercy from your Lord which you expect, then speak to them a gentle word" (QS.Al-Isra ': 27-28 in Ministry of Religious, 2016). Furthermore the Hadith states نحن قوم لا نأكل حتى نجوع وإذا أكلنا لا نشبع "Eat before hunger and stop before full" This Hadith explains that Islam teaches humans to use goods and services needed sufficiently, to be not greedy because greed that destroys the earth.

Based on the verses of Al Qur'an and Hadith mentioned above, it can be explained that what is consumed is goods or services that is kosher, useful, good, frugal and not exaggerating (sufficient). The purpose of consuming in Islam is to maximize maslahah (goodness) rather than the utility as in the conventional economy. Utility is a perceived satisfaction of someone who can be contradictory to the interests of others, while maslahah is the kind of good that someone feels with others. Prosperous according to Islam is Falah, namely: 1) Holistic and balanced welfare, which includes both material and spiritual dimensions and includes individuals and social 2) Welfare in the world and in the hereafter. If this ideal condition cannot be harmonized then the prosperity in the hereafter must take precedence, for it is an everlasting and more valuable life in all things. The above welfare concept is called Falah (Wibisono, 2017: 11).

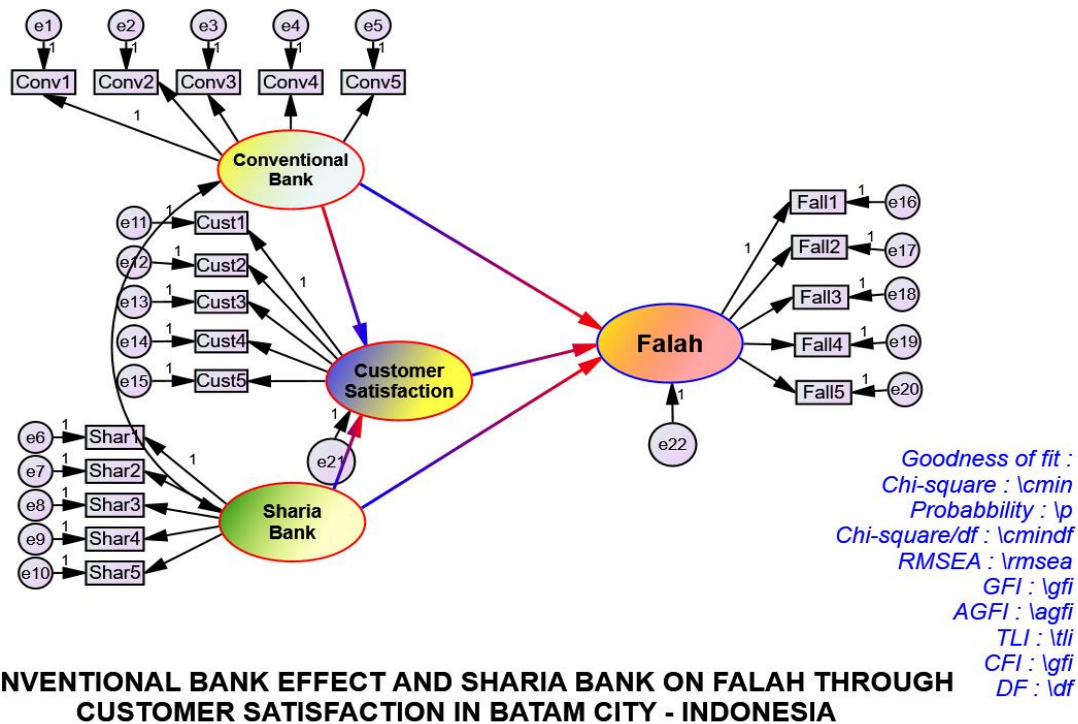
2.5 Framework of Thinking

Noble character is the nature of which is engraved in the human soul, from which is born the works easily without thinking and pondering in advance. If the embedded nature of it is born good and praiseworthy according to the ratio and the law, it is called the nature of a good character. Good moral or noble moral certainly do not conflict with religious rules, customs and law accepted by society. The noble characters can be defined as a sense of responsibility for everything that has been said or done, willingness to undertake study, respecting reasonable push to investigate and reflect, choose truth and goodness, give advice, be patient, and do good. There are still a lot of noble characters who can be implemented but basically are all the actions and behaviors that can raise the dignity as a human being glorified. The noble characters can be embedded in every person who has got the learning from family and community environment that supports the creation of noble characters. (Raharjo, 2010: 233).

Teaching morality is very important in bringing progress and civilization of people. The main agenda for most Islamic countries, including Malaysia in education field is that Islamic education system can enrich Malay Moslem identity. It is recognized that Islamic Education is the most important forum for achieving and realizing this due to the complete system of moral teachings in the education system which is regularly able to produce high and knowledgeable people who can keep their identity as a Malay Moslem. The identity has spiritual and ethical values result in a steady alignment of the physical, spiritual, emotional and intellectual. For Moslem students, they are brought up with moral values continued with Islamic Education subject. However, these efforts need to be done earnestly and it requires commitment from many parties. Along with that, it is expected that the efforts to form through moral teachings which can give birth to people who believe in the life-quality and are brilliant in the world and in the hereafter. This is not only to benefit themselves but also to the society and the state (Mat Tuah, 2012: 23)

2.6 Framework of Thinking

The research model of the study can be seen in figure 1.



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Figure 1: Research model

2.7 Hypothesis

Based on the formulation of the problem, the theoretical basis and framework of thinking, hypothesis can be arranged into five hypotheses i.e. a) Is there any effect of Conventional Bank on customer satisfaction b) Is there any effect of Bank Syariah on customer satisfaction c) Is there any effect of Bank Conventional to Falah? d) Is there a Sharia Bank effect to Falah? and e) Is there any effect of customer satisfaction on Falah?

3. RESEARCH METHODOLOGY

3.1 Population

Population is a collection of the whole object to be measured in a study (Cooper and Schindler, 2003: 179). The population in this research are all the street vendors in the Market of Badung, Bali. Therefore, the size of the population is unknown. The sampling technique used is in the category of non-probability sampling (Sekaran, 1992: 235; Black and Champion, 2001: 233; Cooper and Schindler, 2003: 198). In accordance with the specific sample, characteristics are required, namely the characteristics of the entire workers. The sampling technique selected is non-probability technique that is judgmental (purposive). This is an example of a fact that has been established by who will be taken as samples (Black and Champion, 2001: 264). Population are taken from the existing bank office in the city of Batam as many as 226 respondents.

3.2 Sample

Sample is an element of the population selected to represent the population in the research (Cooper and Schindler, 2003: 82). In this research, sample size adapted to the analysis model used is Structural Equation Model (SEM). In this regard, the sample size for SEM used is the model estimating the maximum likelihood estimation (MLE) 100-200 samples (Hair et al., 1998: 605; Ghazali, 2004: 17), or as much as 5 to 10 times of the number of parameters estimated (Ferdinand, 2006: 44). In this research the number of respondents obtained are 226 respondents. The numbers qualified to be used as samples are 144 respondents.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{226}{1 + 226(0.05)^2}$$

$$n = 144 \text{ responden}$$

3.3 Research Instrument

The main instrument in this research is questionnaire. Variable measurement is conducted by using the Likert scale. The measurement procedures are firstly, the respondents were asked to answer the same questions as the basis of whether the respondents included in the criteria or not. Second, the respondents were asked to agree or disagree with the statement filed on the basis of the researcher's perception of each respondent. The answer consists of five options, namely Strongly Disagree (STS), Disagree (TS), Doubtful (RR), Agree (S), and Strongly Agree (SS). Third is the scoring. The answer of Strongly Agree (SS) is given a score of 1. The scoring quality of the answers is shown in table 1.

Table 1. Answer Scoring Quality of Respondents

Answer	Score
Strongly Disagree	1
Disagree	2
Doubtful	3
Agree	4
Strongly Agree	5

3.4 Data Collection Procedures

The data used in the procedure of collecting data in this research consist of primary data and secondary data. Primary data is data obtained directly from the object of research, ie by sending questionnaires directly to potential respondents. The database of respondents' answers is processed with statistical indicators that is Full Model of Structural Equation Modeling (SEM) using AMOS software for Windows version 22.0 (Adi, 2015). The Structural Equation Modeling (SEM) results in the following equation:

- H₁: $Y = \gamma_{y,x1} X1 + e1, \rightarrow$ Direct Effects X1 to Y,
- H₂: $Y = \gamma_{y,x2} X2 + e1, \rightarrow$ Direct Effects X2 to Y,
- H₃: $Z = \gamma_{z,x1} X1 + e2, \rightarrow$ Direct Effects X1 to Z,
- H₄: $Z = \gamma_{z,x2} X2 + e2, \rightarrow$ Direct Effects X2 to Z,
- H₅: $Z = \beta_{zy} Y1 + e2, \rightarrow$ Direct Effects Y to Z

In which the image processing following is denoted as (X1), Sharia Bank (X2), Customer Satisfaction (Y) and Falah (Z).

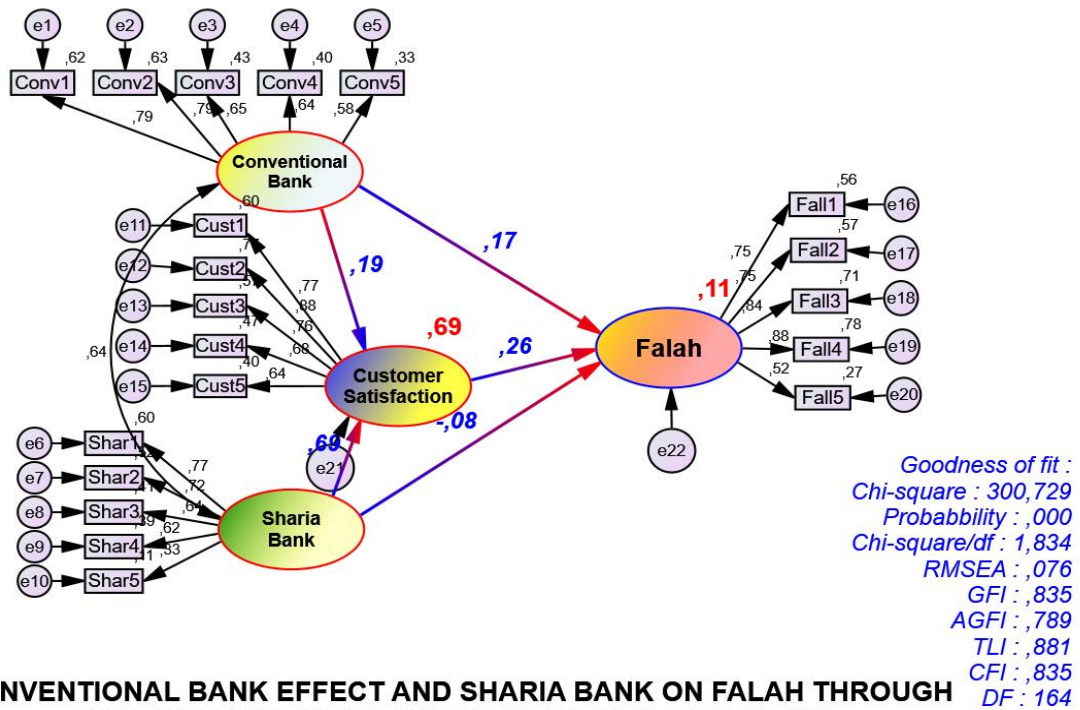
3.4 Data analysis Method

Data analysis is conducted by using Structural Equation Model (SEM) method. The software used for structural analysis is AMOS 22. There are seven steps that must be carried out in SEM modeling, namely: 1. Development of theory-based model 2. Creation of path diagram 3. Convert flow diagram into a series of structural equations 4. Selection of input matrix and model estimation techniques built 5. Assessment of the possibility of identification problems 6. Evaluation of goodness of fit criteria 7. Interpretation and modification of model.

4. RESULT AND DISCUSSION

4.1 Result

In accordance with the purpose to find out the effects conventional bank and sharia bank on falah through customer satisfaction in batam city, coupled with the hypothesis formulated, the data were analyzed using Structural Equation Modeling (SEM) which is a set of statistical techniques that allow the testing of a series of relationships relatively complicated simultaneously (Ferdinand, 2002; Solimun, 2006). Three tables are presented based on the technique. Table2 shows regression weight, table 2 shows standardized regression weight and tabel 3 shows square multiple correlation.



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Figure 2: Full Research Model

Table 2: Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
SAT	<---	SHARI	.746	.134	5.546	***	par_17
SAT	<---	CONV	.203	.109	1.874	.061	par_22
FALA	<---	CONV	.206	.166	1.242	.214	par_1
FALA	<---	SAT	.303	.236	1.281	.200	par_2
FALA	<---	SHARI	-.096	.267	-.358	.720	par_3

Table 3: Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
SAT	<---	SHARI	.691
SAT	<---	CONV	.194
FALA	<---	CONV	.170
FALA	<---	SAT	.263
FALA	<---	SHARI	-.077

Table 4: Squared Multiple Correlations: (Group number 1 - Default model)

	Estimate
SAT	.687
FALA	.111

Table 5: Analysis Goodness of Fit

Goodness of Fit Index	Cut-Off Value	Model Results	Information
Chi-square	Expected To Be Small	300, 729	Good
Relative Chi-square	≤ 3:00	1, 384	Good
probability	> 0.05	0,00	Not Good
RMSEA	≤ 0:08	0,076	Good

GFI	≥ 0.90	0,835	Marginal
AGFI	≥ 0.90	0,789	Marginal
CFI	≥ 0.95	0,835	not Good
TLI	≥ 0.95	0.869	Marginal

Observing the cut-of-value and goodness of fit of model results shown in Table 5, it shows only three criteria fulfilled and there are four marginals and one that is less good than the eight criteria used. Criteria fulfilled is Chi-square (χ^2) Relative Chi-square (χ^2/df) and RMSEA, which is marginal FGI, AGFI, TLI and CFI. Because there are three criteria are fulfilled and four marginals of the eight criteria required, then the above model can be expressed as a good model (Solimun, 2004: 71) .

4.2 Discussion

The effect of Conventional Bank variable on Customer Satisfaction variable has standardized estimate (regression weight) of 0.194 with Cr (Critical ratio = identical with t-count value) of 1.874 on probability = 0.061 CR value of $1.874 \leq 2.00$ and Probability = $0.061 \geq 0.05$ indicating that the effect of Conventional Bank variable to Customer Satisfaction variable is positive not significant. This finding is consistent with the research conducted by Irbid and Zarka (2001) giving different conclusions about factors that encourages customers to choose either conventional bank or sharia bank. The results of this study support that the motivation of customers in choosing Islamic banks which tends to be based on the profit motive, not to religious motives. When the expected profit by the customer in a convenyional bank is not in accordance with the expectation, the customer responds to satisfaction of Customer Satisfaction is positive not significant.

The effect of Sharia Bank variable to Customer Satisfaction variable has standardized estimate (regression weight) of 0.691 with Cr (Critical Ratio = identical with t-count value) of 5.546 on probability = 0.449 CR value $5,546 \geq 2.00$ and Probability = $*** \leq 0.05$ indicating that Sharia Bank variable effect to Customer Satisfaction variable is positive significant. The results of previous research support the opinion that consumer behavior as a banking customer is strongly influenced by their attitude and and perception. The results of a survey conducted by the Research and Development Team of Bank Syariah (Utomo 2001) shows that the perception of interest from a religious point of view can be divided into three opinions; (1) contrary to the teachings of religion, (2) not contrary to the teachings of religion, do not know/doubt. A survey in West Java (2001) indicated that 62% of respondents states that it is contradictory to religious teachings, while 22% of respondents states that it is not contradictory and the rest (16%) said they did not know/doubt. The results of research by Bank Indonesia in 2001 in West Sumatra shows that 20% of the people state that bank interest is haram, 39% state they do not know/doubt, and the remaining 41% state that the interest is not haram. In the international level, the research on the behavior of Islamic Bank customers in Bahrain found that customer decisions in choosing Islamic banks are driven more by religious factors through public support for banking adherence to Islamic principles. In addition, they are also affected by family encouragement, and friends and the location of the bank. The effect of Sharia Bank variable on Customer Satisfaction variable responded by the customer is positive significant supported by the understanding of religion which teaches that bank interest applied conventionally is haram, so the customer get spiritual satisfaction.

The variable effect of Customer Satisfaction to Falah variable has standardized estimate (regression Weight) of 0.263 with Cr (Critical ratio = 1.281 for probability = 0.199, CR value of $1.281 \leq 2.00$ and Probability = $0.200 \geq 0.05$ indicating that the effect of Customer Satisfaction variable to Falah variable is positive not significant. The definition of consumption in Islamic economy is to meet the needs of both physical and spiritual so as to maximize the function of humanity as a servant of Allah to obtain prosperity or happiness in the world and the hereafter (falah). The consumer behavior in consumption, especially Moslem is always and should be based on Sharia Islam. Based on the potential organs that God gives to a man there are three satisfaction namely physiology, psychology and spiritual. Based on the survey, the customer satisfaction only touches the satisfaction of physiology and psychology, the customers get profit from the bank but they have not got spiritual satisfaction. Therefore they have not achieved holistic happiness as the values taught in Falah theory. Based on this situation the respondents state that the effect of customer satisfaction variable on the falah variable is

positive insignificant.

The effect of Conventional Bank variable to Falah variable has a standardized estimate (regression weight) of 0.170 with Cr (Critical ratio = identical to the value of t-count) of 1.242 on probability = 0.214 CR value of $10.242 \leq 2.00$ and Probability = $0.214 \geq 0.05$ indicating that the effect of Conventional Bank variable to Falah variable is positive insignificant. A survey conducted by Bogor Agricultural University (2004) in South Kalimantan on the perception of conventional banks showed that 94.5% of respondents agreed with the role of banking in everyday life, with the main reason for the benefit of society and capital. Based on respondents' group, 79.3% of conventional bank respondents state that bank interest is contrary to religious teachings, tends to express rejection in the conventional banking system, but on the other hand, they are conventional bank customers, so this indicates the inconsistency of consumer behavior. The implications of the above results show that understanding of consumer behavior, in this case banking customers, becomes increasingly crucial. Customer satisfaction on conventional bank has no effect on holistic satisfaction called Falah, therefore the conventional bank variable effect on the falah variable is positive insignificant. The effect of Sharia Bank variable to Falah variable has standardized estimate (regression weight) equal to -0,077 with Cr (Critical ratio = identical with t-count value) 5,517 at probability = .720 Value CR $-0,358 \leq 2,00$ and Probability = $0,720 \geq 0,05$ indicating that the effect of Sharia Bank variable to Falah variable is negative not significant. Based on the data of Bank Syaria transactions in Batam, in general, customers do more transactions with murabaha scheme because of the consumptive drive that is the desire to have goods that exceed the needs, so that it drives away from the happiness of Falah. Murabahah is derived from the word Ribhu (profit) that is sale and purchase where the bank calls the amount of profit, the Bank as the seller and the customer as the buyer and the selling price is the purchase price of the supplier plus the bank fee plus the profit margin (cost plus profit). Murabahah is selling an item by asserting its purchase price to the buyer and the buyer pays it at a more profit. (DSN-MUI Fatwa No. 04/DSN-MUI/IV/2000). The selection of this scheme shows that customers prefer a transaction based on consumptive behavior. The existence of Sharia Bank should be utilized to raise capital in developing the people economy known as Mudharabah scheme. And technically, mudharabah is a business cooperation agreement between two parties where the first party (shohibul maal) provides all (100%) capital, while the second party becomes the manager. Business profits are divided according to the agreement set forth in the contract. If there is a loss, it will be borne by the owner of the capital as long as the loss is not the result of the manager's negligence. If the loss is the result of the manager's negligence, the manager shall be liable for the loss (Antonio, 2013: 95). Almost all Conventional Banks has Sharia Bank Division, whereas Sharia understanding should be based on Islamic Aqeedah if it is aimed to have Falah effect. It needs to be investigated whether the motivation of the establishment of Sharia Bank is for Sharia purpose or Sharia market effect. Based on this fact, the effect of Sharia Bank variable on Falah variable is negative not significant. Ther result of Square Multiple Correlation for Customer Satisfaction is .687, for Falah is .111. According to Ferdinand, (2002: 114) Square Multiple Correlation value for Customer Satisfaction variable $R^2 = 0,687$ is identical with R^2 at SPSS and equals to 0,687. The effect value is Square Multiple Correlation value for Customer Satisfaction variable times 100%, so that $0,687 \times 100\% = 68,7\%$. Thus it can be stated that the change of Customer Satisfaction is affected by the Conventional Bank and Sharia Bank of 68.7%. While for Falah $R^2 = .111$ so that the effect is $0.111 \times 100\% = 11.1\%$. Thus it can be stated that the Falah change is influenced by the effects of conventional bank, sharia bank and customer satisfaction of 11.1%.

5. SUMMARY AND CONCLUSIONS

From the description and analysis presented in this paper, it can be concluded that the effect of Conventional Bank variable to Customer Satisfaction variable is positive not significant, while the effect of Sharia Bank variable to customer satisfaction variable is positive significant. Additionally, The effect of customer satisfaction variable to Falah variable is positive not significant and the effect of Conventional Bank variable to Fala variable is also positive not significant, while the effect of sharia variable bank for falah variable is negative not significant. Thus it can be stated that the change of Customer Satisfaction is affected by the effects of conventional and sharia banks and that the falah change is influenced by the conventional of bank, sharia bank and customer satisfaction. The results of this study is interesting in that 68.7% of the respondents are quite satisfied with the existing bank

system but only 11, 1% of the satisfaction affects Falah. Customers are satisfied with conventional and sharia banks for having had the effect of physiological and psychological satisfaction but not the Falah effect that is holistic satisfaction (material and spiritual) covering individual and social.

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