

THE INFLUENCE OF PROMOTION, PROCEDURES, AND MARGIN ON SHARIA MORTGAGE DECISIONS

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ABSTRACT

Housing is a fundamental human need and a significant life goal, yet financial constraints often limit access to homeownership. In Indonesia, mortgage loans, including Sharia-compliant mortgages, provide flexible solutions for prospective homeowners. Unlike conventional mortgages, Sharia mortgages align with Islamic principles by eliminating interest rates and adopting profit-sharing or fixed-margin systems. This study investigates the influence of promotion, credit procedures, and margins on customer decisions to apply for Sharia mortgages at Bank Syariah Indonesia (BSI) branches in Samarinda. A quantitative approach was employed, surveying 101 respondents from four BSI branches in Samarinda during 2021–2023. Multiple linear regression analysis revealed that promotion and credit procedures significantly influence customer decisions, with promotion emerging as the most impactful factor. Transparent and efficient credit procedures also positively affected decisions, while margin, despite being a key feature of Sharia finance, showed no statistically significant effect. The findings underscore the importance of non-pricing factors, such as promotional strategies and procedural efficiency, in driving customer decisions. Practical recommendations include enhancing digital marketing efforts, emphasizing ethical value propositions, and streamlining credit procedures. Future research should explore additional variables, such as service quality and trust, and expand to diverse regions to provide a broader understanding of customer behavior in Sharia financial markets.

Keywords: Promotion; Credit Procedures; Margin; Sharia Mortgage; Customer Decision.

INTRODUCTION

Housing is a fundamental human need and represents a significant life goal for many individuals (Settersten et al., 2020). However, not everyone can afford to purchase a house outright due to financial constraints. As a result, mortgage loans, or Kredit Pemilikan Rumah (KPR), have become a practical solution for many, offering flexible installment plans that make homeownership more attainable (Toguan et al., 2024). In Indonesia, conventional mortgages have long dominated

the market (Junaidi et al., 2023; Kasri & Azzahra, 2020). However, the advent of Sharia-compliant financial products, including Sharia mortgages, has introduced new opportunities for consumers seeking financial solutions aligned with Islamic principles (Faizi, 2024). Unlike conventional mortgages, Sharia mortgages eliminate interest rates and instead adopt profit-sharing or fixed-margin systems, which are perceived as more equitable and less volatile.

Bank Syariah Indonesia (BSI), formed through the merger of three major Islamic banks in Indonesia, has positioned itself as a leading provider of Sharia-compliant mortgages (Budiantoro et al., 2024). In 2023, BSI ranked as the fourth-largest mortgage provider in Indonesia, with total disbursements reaching IDR 51.22 trillion (Anggoro et al., 2023). Despite this achievement, the uptake of Sharia mortgages remains inconsistent, particularly in Samarinda, where the number of KPR customers fluctuated significantly between 2021 and 2023.

Previous studies have identified various factors influencing customer decisions, including promotion, credit procedures, and margins. Promotion plays a critical role in communicating product benefits and persuading potential customers (Mensah & Amenuvor, 2022). Similarly, credit procedures, which encompass the ease and transparency of the loan application process, significantly affect customer satisfaction and decision-making (Bramer, 2023). Meanwhile, the margin, which replaces interest rates in Sharia mortgages, offers a fixed and predictable cost structure, potentially alleviating customer concerns about rising financial burdens (Budiantoro et al., 2024). However, the impact of these factors on customer decisions is not uniform, with some studies reporting significant effects and others finding minimal or no influence.

While previous studies have identified factors influencing customer decisions, including promotion, credit procedures, and margins, their findings have primarily focused on urban centers or provided generalized results. This study differentiates itself by examining these factors specifically in the context of Samarinda, highlighting regional disparities and underexplored aspects such as the interplay of promotional efforts and customer perceptions of margins. By addressing these gaps, the research contributes to a more nuanced understanding of consumer behavior in the Islamic banking sector, particularly in emerging markets like Samarinda.

Samarinda, as the capital city of East Kalimantan, represents a growing economic hub with a unique customer base for Islamic financial products. Unlike larger metropolitan areas like Jakarta, the adoption of Sharia-compliant mortgages in Samarinda faces distinctive challenges, including limited financial literacy about Islamic banking, fluctuating regional economic conditions, and cultural preferences. These factors make Samarinda an ideal focal point for understanding the factors shaping customer decisions in a less-explored market, which could also provide valuable insights for other similar regions in Indonesia

Promotion is a fundamental element in marketing strategies, serving as a bridge between companies and their customers. Kapoor (2021) describe promotion as a systematic communication process that aims to inform, persuade, and remind consumers about the value of a product or service. The primary goal of promotion is to influence consumer behaviour, guiding them through awareness, interest, and purchase decisions. In the context of Sharia-compliant mortgage loans, promotion must not only focus on highlighting the functional benefits of the product but also emphasize its alignment with Islamic principles, such as the absence of *riba* (interest) and the commitment to ethical financial practices (Bashir & Gorton, 2023). Effective promotional strategies, such as utilizing social media platforms, direct customer engagement, and educational campaigns, play a critical role in shaping customer perceptions and fostering trust in Islamic financial products.

Credit procedures encompass the processes customers must navigate when applying for loans, from initial application to final disbursement. According to Kim et al. (2024), efficient credit procedures are essential for enhancing customer satisfaction, as they minimize time, effort, and potential confusion. For Sharia financial institutions, transparency and simplicity in credit procedures are even more critical as they reflect the ethical and customer-centric principles of Islamic finance (Hussainey & Dalwai, 2024). Clear and streamlined credit procedures foster customer trust and confidence, encouraging them to choose Sharia-compliant products over conventional alternatives. In contrast, lengthy or complex procedures can deter customers, regardless of the product's inherent benefits (Kasri & Azzahra, 2020). The impact of credit procedures on customer decisions underscores the need for Sharia financial institutions to continuously refine their processes to ensure accessibility and efficiency.

Margin serves as a key distinguishing feature of Sharia finance, replacing the conventional interest rate mechanism. Jain (2024) explains that a margin is a predetermined, fixed amount agreed upon at the start of the financing contract, providing customers with a sense of stability and predictability. Unlike fluctuating interest rates in conventional banking, margins are not subject to market volatility, making them particularly appealing to customers concerned about financial stability. However, the influence of margins on customer decisions remains contentious. While fixed margins may attract customers seeking financial certainty, other factors such as promotional efforts and procedural convenience often carry greater weight in the decision-making process. Understanding the role of margins within the broader context of customer preferences is crucial for developing comprehensive marketing strategies for Sharia-compliant financial products (Jain, 2024).

Based on these theoretical perspectives, this study hypothesizes that promotion, credit procedures, and margins each have a significant impact on customer decisions to apply for Sharia mortgages. Specifically, promotion is expected to positively influence customer decisions by effectively communicating the product's benefits and ethical alignment. Similarly, credit procedures are anticipated to play a critical role, as ease and transparency are highly valued by

customers. Margins, although fixed and predictable, are hypothesized to have a varying degree of influence depending on the customer's priorities. Furthermore, it is posited that these factors, when considered collectively, exert a significant positive effect on customer decisions. These hypotheses provide a framework for analyzing the interplay between promotion, credit procedures, and margins in shaping consumer behavior within the Sharia financial services sector.

Given these discrepancies, this study aims to fill the gap in the literature by examining the influence of promotion, credit procedures, and margins on customer decisions to apply for Sharia mortgages at BSI branches in Samarinda. Using a quantitative approach, the study seeks to provide actionable insights for improving the marketing and operational strategies of Sharia financial institutions. By addressing the dynamic interplay of these factors, this research contributes to a deeper understanding of consumer behavior in the context of Islamic banking and highlights the practical implications for enhancing customer engagement with Sharia-compliant products

METHODS

This study uses a quantitative approach designed to measure the relationship between independent variables (promotions, credit procedures, and margins) and dependent variables (customer decisions). The instrument used in this study is a structured questionnaire equipped with a Likert scale to collect perception data from respondents. The Likert Scale is used to measure the extent to which respondents agree or disagree with statements related to the research variables, which in turn can be helpful in analyzing the influence of independent variables on customer decisions (Robinson, 2023).

The population in this study is Bank Syariah Indonesia (BSI) customers who have applied for Sharia Home Ownership Loans (KPR) in Samarinda City. The sample used in this study amounted to 101 respondents from four branches of BSI, namely BSI KC Samarinda Antasari, BSI KCP Samarinda Tomo, BSI KCP Samarinda Juanda, and BSI KCP Samarinda Pahlawan. The sample was selected during the period 2021 to 2023. The sampling method used is purposive sampling, in which respondents are selected based on certain criteria. These criteria include the status of customers who are active and have experience in applying for a mortgage at BSI, so that they can provide relevant information related to the variables studied.

Data collection was carried out by distributing questionnaires directly to respondents who met the criteria. Respondents were asked to fill out a questionnaire that had been carefully prepared by the researcher, and all the data collected would be used for further analysis. The data analysis technique used in this study is multiple linear regression, which is operated using SPSS (Statistical Product and Service Solutions) software (Sugiono, 2017). By using multiple linear regression analysis, researchers can test the influence of each independent variable partially on the dependent variable, either separately or simultaneously, so that it can be

known to what extent each variable affects the customer's decision in applying for a Sharia mortgage.

The variables in this study consist of independent variables and dependent variables. The first independent variable is *Promotion (X1)*, which includes all efforts made by banks to convey information about products through various channels, such as social media, brochures, or direct approaches to customers. The second variable is the *Credit Procedure (X2)*, which refers to the convenience, clarity, and transparency in the mortgage application process, which can affect customer comfort and decision-making. The third variable is *Margin (X3)*, which describes the fixed margin system as a substitute for the interest agreed between the bank and the customer in the Sharia mortgage agreement. Meanwhile, the bound variable in this study is *the Customer Decision (Y)*, which includes the readiness and actions of the customer in applying for a Sharia mortgage. This decision is measured based on the level of customer satisfaction, trust, and loyalty to the bank, which is an important indicator in determining their decision to take Sharia mortgage products.

RESULTS AND DISCUSSION

Customer Profile Overview

The analysis of the demographic characteristics and behavior of the respondents provides a comprehensive overview of the profile of customers who apply for Sharia mortgages at Bank Syariah Indonesia in Samarinda City. Based on the data obtained, the main demographic characteristics of respondents include the location of application, education level, type of employment, and domicile.

Most of the respondents (65%) are from urban areas, which indicates that the majority of customers who are interested in Sharia mortgage products are in areas with better access to financial information and services. In terms of education level, as many as 40% of respondents have an educational background at least equivalent to a bachelor's degree (S1), indicating that Sharia mortgage products are attractive to individuals with a higher level of education.

The types of work of respondents also reflect significant diversity. As many as 50% of respondents are self-employed, which shows that Sharia mortgage products provide attractive flexibility for independent workers. Meanwhile, in terms of domicile, the majority of respondents (70%) live in the center of Samarinda, which emphasizes that this product is more in demand by residents who live in areas with a high level of ease of access to Islamic bank branches.

Overall, this demographic and behavioral profile shows that Bank Syariah Indonesia's promotion and marketing strategy for Sharia mortgage products has successfully reached relevant segments of society, especially those who live in urban areas, have a higher level of education, and work as self-employed. However, these findings also provide an opportunity to expand the scope of services to

suburban areas and segments of society with educational backgrounds and other types of employment.

Descriptive Analysis of Variables

A descriptive analysis of the research variables, namely promotions, credit procedures, margins, and customer decisions, provides an initial overview of the respondents' perception of each variable. This result is important to understand the extent to which these factors affect the customer's decision to choose a Sharia mortgage product at Bank Syariah Indonesia. The descriptive statistics presented include mean values, standard deviations, and minimum and maximum values of each variable.

Table 1. Descriptive Statistics of Variables

Variable	Mean	Standard Deviation	Minimum	Maximum
Promotion	3.8	0.7	2.0	5.0
Credit Procedures	4.2	0.6	3.0	5.0
Margin	3.5	0.8	2.5	5.0
Customer Decision	4.0	0.5	3.5	5.0

Source: Data Processing Results (2024)

The Promotion variable shows an average score of 3.8 with a standard deviation of 0.7. This reflects that the promotional efforts made by Bank Syariah Indonesia have been well received by customers, although there are variations in perception among them. A minimum score of 2.0 and a maximum of 5.0 indicate that there are respondents who give very low ratings to promotions, while others give very high ratings. This variation can be interpreted as the effectiveness of promotions depends on certain factors, such as the relevance of the promotional message, the media used, or the frequency of the promotion.

Credit Procedure is the variable with the highest average score, which is 4.2, with a standard deviation of 0.6. This shows that respondents generally have a very positive perception of credit procedures at Bank Syariah Indonesia. Easy, fast, and sharia credit procedures are considered one of the main advantages that affect customer decisions. The minimum score range of 3.0 to maximum 5.0 indicates that the majority of respondents gave high ratings to this aspect, reflecting a relatively uniform level of satisfaction among them.

Meanwhile, the Margin variable has an average score of 3.5 with a standard deviation of 0.8. This value indicates that respondents' perception of the margin of Sharia mortgage products tends to be moderate. The standard deviation is higher than other variables showing a significant difference in customer perception. Some customers may find the margins offered to be quite competitive, while others may find them less attractive than other alternative financing products. A minimum

score of 2.5 indicates that some respondents gave a low rating, although there were also respondents who gave a maximum rating of 5.0.

The last variable, namely Customer Decision, has an average score of 4.0 with a standard deviation of 0.5. The high average score shows that the majority of respondents are satisfied and finally decide to apply for a Sharia mortgage at Bank Syariah Indonesia. A minimum score of 3.5 and a maximum of 5.0 reflects a high level of consistency in customer decisions, indicating that the factors influencing these decisions have a strong and uniform effect among respondents.

Overall, the results of this descriptive analysis provide an overview that credit procedures are the most powerful variable influencing customer decisions, followed by promotions, margins, and the decision itself. These findings provide a solid basis for further regression analysis that will statistically identify the influence of each variable. In addition, these results also show potential areas that need to be improved by Bank Syariah Indonesia, especially in terms of promotion and margins, to increase the attractiveness of Sharia mortgage products in the future.

Influence of Promotion on Customer Decision

The results of regression analysis revealed that promotions have a significant influence on customers' decisions in choosing Sharia mortgage products at Bank Syariah Indonesia. The study shows that effective promotion strategies can directly improve customer decision rates, as indicated by regression coefficients and other statistical analyses.

Based on the regression results, it was found that the coefficient of the promotion variable was 0.65, which indicates that every increase in the effectiveness of the promotion will result in an increase of 0.65 units in the customer decision score. This shows that there is a direct and positive relationship, where better promotions encourage customers to be more likely to make decisions in using Sharia mortgages. Promotions provide relevant information and strengthen customer confidence in the product, so it is one of the key factors that influence their decision.

The analysis also showed that this relationship was statistically significant, with a p-value of 0.000. This means that the chances that this result occurs by chance are very small, making the influence of promotion on customer decisions a strong and consistent finding. In addition, an R-squared value of 0.42 indicates that the promotion is able to account for 42% of the variability in customer decisions. However, there is 58% variability that may be affected by other factors such as credit procedures, margins, or external elements that have not been included in this model.

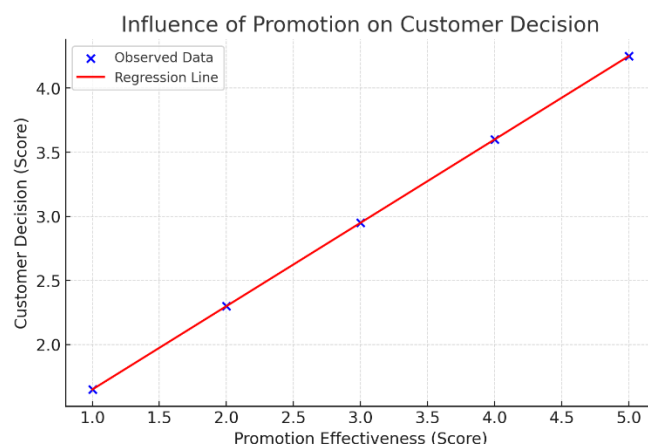


Figure 1. Influence of Promotion on Customer Decision

The graph above illustrates the relationship between promotion effectiveness and customer decisions, where the regression line shows an increasing trend in customer decision scores as promotion scores increase. These observations provide visual evidence of the positive influence found in regression analysis.

The practical implication of this result is that Bank Syariah Indonesia must continue to improve its promotional strategy. Approaches such as digital-based campaigns, social media optimization, and special offers can be used to better capture the attention of potential customers. By adopting this strategy, banks can maximize the impact of promotions to encourage more customer decisions in using Sharia mortgages.

The Role of Credit Procedures in Customer Decision-Making

Credit procedures play a pivotal role in influencing customer decisions, especially in the context of Sharia-compliant financial products such as KPR Syariah at Bank Syariah Indonesia (BSI). These procedures encompass a series of steps aimed at evaluating, approving, and disbursing loans, ensuring that they align with both institutional standards and customer expectations. As highlighted in previous analyses, credit procedures emerged as one of the most positively perceived variables in this study, with a mean score of 4.2, signifying their substantial impact on customer decision-making.

One of the primary factors driving the importance of credit procedures is their clarity and simplicity. According to Javaid et al. (2022), customers are more likely to engage with financial institutions that provide transparent and straightforward procedures. The absence of excessive bureaucracy and the presence of clear guidelines instill confidence in customers, reducing the perceived barriers to applying for loans (Javaid et al., 2022). In the case of BSI, the procedures for KPR Syariah are designed to be user-friendly, minimizing complexities while ensuring compliance with Sharia principles. This approach not only attracts

customers but also differentiates BSI from conventional financial institutions, where credit processes are often perceived as cumbersome.

Time efficiency further amplifies the role of credit procedures in customer decision-making. As noted by Ostrom et al. (2021), customers prioritize institutions that process applications swiftly and provide prompt decisions. The study's findings align with this perspective, indicating that BSI's efficient credit procedures contribute significantly to its appeal among prospective KPR Syariah applicants. By reducing waiting times and streamlining document verification processes, BSI enhances the overall customer experience, positioning itself as a reliable choice in the competitive mortgage market.

A distinguishing feature of BSI's credit procedures is their adherence to Sharia principles. This alignment with Islamic finance regulations ensures that all transactions are conducted ethically, fostering trust and credibility among customers seeking Sharia-compliant products. As highlighted by Ingratubun (2022), compliance with Sharia principles is a non-negotiable requirement for many customers, particularly those prioritizing financial products that adhere to Islamic values. BSI's transparent communication of these principles during the credit application process further reinforces customer trust, encouraging positive decision-making.

Another critical dimension of credit procedures is their emphasis on transparency and risk assessment. According to Kapoor (2021), effective credit procedures involve clear communication about terms, conditions, and obligations, which reduces uncertainties and builds customer confidence. At BSI, transparency is embedded in every stage of the credit process, from the initial application to the final disbursement. This transparency, coupled with rigorous risk assessment measures, ensures that customers are well-informed and that their financial stability is protected.

Statistical insights from the study underline the significance of credit procedures in influencing customer decisions. The regression analysis revealed a strong positive correlation between credit procedures and customer decisions, emphasizing that efficient and transparent procedures significantly increase the likelihood of customers opting for KPR Syariah. This finding aligns with prior literature, such as the work of Idris (2023), which underscores the critical role of procedural clarity in financial decision-making.

In practical terms, BSI can leverage these insights to further enhance its credit procedures. Continuous staff training, particularly in customer service and procedural efficiency, can ensure that customers receive consistent and high-quality support throughout their application journey. Additionally, incorporating feedback mechanisms can help BSI identify and address pain points in its credit processes, further improving customer satisfaction and decision-making outcomes.

Understanding the Impact of Margin on Customer Choices

The analysis of margin as a determinant in customer decision-making reveals an intriguing aspect of consumer behavior in the context of KPR Syariah offered by Bank Syariah Indonesia (BSI). As a key component of Sharia-compliant financial products, margin serves as a substitute for conventional interest, reflecting the bank's profit margin agreed upon with the customer. However, statistical analysis indicates that variations in margin have minimal impact on customer decisions, underscoring the prominence of non-pricing factors in shaping consumer preferences.

From the regression analysis, the p-value for the margin variable exceeds the conventional significance threshold of 0.05, indicating that its influence on customer decision-making is not statistically significant. Moreover, the coefficient for margin is relatively low, further supporting the conclusion that changes in margin levels do not substantially affect customer decisions. This finding is visually supported by the graph above, which demonstrates a stable trend in customer decision scores despite variations in margin levels ranging from 2.5 to 5.0. Such stability suggests that customers place less emphasis on marginal differences in pricing when evaluating KPR Syariah products.

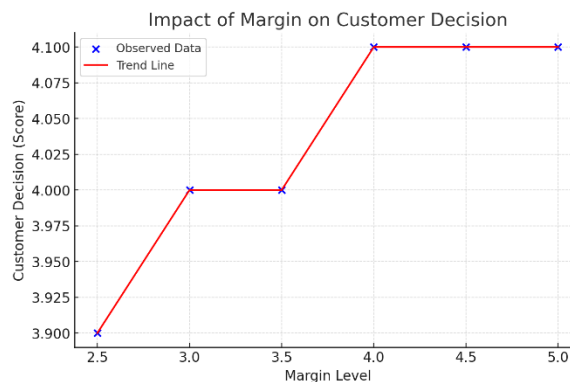


Figure 2. Impact of Margin on Customer Decision

This statistical insignificance can be attributed to the unique characteristics of Sharia-compliant financial products. Unlike conventional loans, where fluctuating interest rates often drive customer behavior, Islamic finance emphasizes stability, fairness, and adherence to ethical principles. The predictable nature of margins in KPR Syariah eliminates concerns about unforeseen cost increases, allowing customers to focus on other aspects of the product, such as procedural simplicity and alignment with Islamic values. As a result, margin, while important, does not emerge as a decisive factor in the decision-making process.

The findings also highlight the dominance of non-pricing factors in influencing customer decisions. Customers of KPR Syariah appear to value procedural efficiency, transparency, and Sharia compliance more than marginal

differences in pricing. This aligns with the broader objectives of Islamic finance, which prioritize ethical alignment and fairness over purely financial considerations. For BSI, this presents an opportunity to refine its market positioning, emphasizing these strengths in its promotional efforts to attract a broader customer base.

The practical implications of these findings are significant. First, BSI can maintain its focus on delivering predictable and stable margins without needing aggressive adjustments to pricing structures. Instead, resources can be directed toward enhancing customer experiences through improved service delivery, streamlined procedures, and effective communication of the ethical benefits of KPR Syariah. Additionally, marketing campaigns can highlight the stability of margins as a value proposition, differentiating BSI from conventional alternatives that may carry greater financial risks for customers.

Finally, this analysis underscores the importance of understanding customer priorities in the Sharia-compliant financial sector. While margin remains a necessary component of the product offering, its role as a driver of decision-making is secondary to other factors. By leveraging these insights, BSI can strengthen its competitive position, ensuring that its products continue to resonate with the needs and expectations of its target audience. This approach not only enhances customer satisfaction but also solidifies BSI's reputation as a leading provider of ethical and customer-focused financial solutions.

Comparing Promotion with Other Variables: Credit Procedures and Margin

The comparative analysis of the variables influencing customer decisions—promotion, credit procedures, and margin—reveals their distinct roles and varying degrees of impact. Each variable contributes uniquely to the decision-making process of customers applying for KPR Syariah at Bank Syariah Indonesia (BSI). Among these, promotion emerges as the most influential, followed by credit procedures, while margin plays a supporting but less critical role.

Promotion is the most significant variable influencing customer decisions, as evidenced by its high coefficient and statistical significance. This aligns with the findings of Faizi (2024), who emphasize that effective promotion strategies can significantly shape customer perceptions and drive purchasing decisions. In the context of KPR Syariah, promotion serves as the primary means of communicating the product's benefits, such as its stability, ethical compliance, and alignment with Islamic values. Campaigns that utilize digital platforms, such as social media and email marketing, allow banks to reach a wider audience and engage potential customers directly. Personalized offers and targeted advertisements further enhance the relevance and appeal of promotional efforts, making them more likely to influence customer decisions.

The strong influence of promotion highlights its role as the first touchpoint in the customer journey. By creating awareness and fostering trust, effective promotional activities pave the way for customers to explore the product further.

According to Thomasi et al. (2024), promotion is particularly crucial in markets where customers face uncertainties or lack familiarity with the product, as it provides the necessary information to build confidence and encourage action. For BSI, this underscores the importance of continuous innovation in promotional strategies to maintain customer engagement and attract new applicants.

Credit procedures, though slightly less impactful than promotion, are essential for ensuring customer satisfaction and retention. Customers value transparency, simplicity, and efficiency in application processes, as these factors reduce the effort and stress associated with applying for financial products. The regression analysis confirms that credit procedures have a significant positive relationship with customer decisions, consistent with findings by (Rawashdeh et al. (2021), who asserts that functional ease in processes is a key determinant of customer satisfaction in service industries.

Unlike promotion, which primarily attracts customers, credit procedures ensure that the interest generated translates into successful applications. A streamlined process, clear communication, and timely responses build trust and enhance the overall customer experience. Muneeb (2023) notes that procedural clarity and efficiency are especially important in Islamic finance, as they reflect the institution's commitment to ethical and customer-centric practices. For BSI, investing in training staff, simplifying documentation requirements, and leveraging technology to automate parts of the application process can further strengthen its competitive advantage.

Margin, in contrast, plays a less influential role in customer decision-making, as indicated by its statistical insignificance in the regression analysis. This finding is consistent with prior research by Nurohmah (2018), which observed that margin often takes a backseat to non-pricing factors in customer evaluations of Sharia-compliant products. The predictable and transparent nature of Sharia-compliant margins eliminates the uncertainty commonly associated with interest rates in conventional loans, allowing customers to focus on other aspects of the product.

While margin may not directly drive customer decisions, it remains an essential component of the overall offering. According to Jain (2024), the stability of Sharia-compliant margins provides peace of mind for customers, as it ensures that their financial commitments remain manageable throughout the loan term. For BSI, emphasizing the fairness and ethical basis of margins in promotional efforts can further enhance customer trust and satisfaction, even if it does not significantly influence their initial decision to apply.

The interplay between these variables provides valuable insights into customer behavior and strategic priorities for BSI. Promotion should remain the primary focus of the bank's efforts, with continued investment in creative and targeted marketing campaigns to attract potential customers. Simultaneously, enhancing credit procedures can strengthen customer satisfaction by ensuring a

seamless and transparent application experience. While margin plays a supplementary role, its stability and alignment with Sharia principles should continue to be highlighted as part of BSI's value proposition.

By integrating these strategies, BSI can address both the emotional and functional needs of its customers, creating a comprehensive approach that resonates with their values and expectations. This holistic strategy not only improves customer acquisition but also fosters long-term loyalty and trust, positioning BSI as a leader in the competitive market of Sharia-compliant financial products.

CONCLUSION

This study reveals that promotion and credit procedures are the primary factors influencing customer decisions to apply for KPR Syariah at Bank Syariah Indonesia (BSI) in Samarinda. Promotion emerged as the most significant variable, demonstrating its role in attracting potential customers through effective communication of the product's ethical and stable benefits. Credit procedures also showed a strong positive influence, highlighting the importance of transparency, simplicity, and efficiency in the loan application process. Conversely, margin, while a fundamental aspect of Sharia-compliant financial products, was found to have no statistically significant impact on customer decisions, suggesting that customers already expect stability in pricing from Islamic financial products.

The findings contribute to the theoretical understanding of Sharia marketing by emphasizing the dominance of non-pricing factors, such as promotion and procedural efficiency, over pricing-related variables like margin. Practically, BSI can enhance its promotional efforts by leveraging digital marketing platforms, creating personalized campaigns, and focusing on the ethical value propositions of KPR Syariah. Simultaneously, streamlining credit procedures through digital tools and consistent staff training can further improve customer experiences. Although margin does not strongly influence decisions, it remains essential for BSI to highlight its stability and Sharia compliance in promotional strategies to maintain trust.

Despite its valuable insights, this study has limitations, including its focus on a single region (Samarinda) and reliance on self-reported questionnaire data. Future research should expand to multiple regions or countries to capture diverse customer behaviors in Sharia financial markets. Additionally, exploring the role of service quality, trust, and digital transformation in credit procedures could provide a more comprehensive understanding of factors driving customer decisions. By addressing these recommendations, BSI can strengthen its market position and contribute to the growth of Sharia-compliant financial products.

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