

The Existence of Islamic Banking in Indonesia from Non-Muslims Perceptions

Budi Setiawan¹, Ratih Puspitasari², and Tarida Marlin Surya Manurung³

This study has three main objectives, which are to identify the common knowledge of the non-Muslims on the Islamic banking products and services; to identify the non-Muslims perception; and to analyze the influence of respondents' demography to the perception on revenue sharing system of Islamic banking. E-survey method was used with a quantitative approach involving 244 respondents, who partook to fill the online questionnaire. Descriptive statistics and binary logistic regression tests were used as data analysis techniques. The majority of the respondents have a better knowledge on savings, rather than other products. The existence of Islamic banking has been able to attract the public attentions, and not contrary to their religious beliefs. Respondent's demography (ie: gender, age, level of formal education) significantly influences respondent's perception on revenue sharing system of Islamic banking in Indonesia.

Keywords: Islamic banking, non-Muslims perception, revenue sharing system

Penelitian ini memiliki tiga tujuan utama, yaitu mengidentifikasi pengetahuan umum dari non-Muslim terhadap produk dan pelayanan perbankan syariah; mengidentifikasi persepsi umum dari non-Muslim; menganalisis pengaruh demografi responden dengan persepsi mereka terhadap sistem bagi hasil perbankan syariah. Metode penelitian survey secara elektronik (e-survey) digunakan dengan pendekatan kuantitatif melibatkan 244 responden yang berpartisipasi mengisi angket secara daring. Analisa statistika deskriptif dan regresi logistik biner digunakan sebagai teknik analisis data. Mayoritas responden memiliki pengetahuan yang lebih baik dalam hal produk tabungan dibandingkan produk-produk perbankan syariah lainnya. Keberadaan perbankan syariah mampu menarik perhatian masyarakat dan tidak bertentangan dengan keyakinan agama mereka. Demografi responden (jenis kelamin, usia, dan tingkat pendidikan formal) berpengaruh signifikan terhadap persepsi mereka akan sistem bagi hasil perbankan syariah di Indonesia.

Kata Kunci: perbankan syariah, persepsi non-Muslim, sistem bagi hasil

Introduction

The proportion of the Muslim population in Indonesia based on the census carried out by Badan Pusat Statistik (BPS-Statistics Indonesia) in 2010 was 87.18% of the total population. As for a Muslim, all activities including commercial activities must always adhere to the principles of Sharia law in various spheres of life. The presence of Islamic banking in Indonesia was firstly pioneered by Bank Muammalat Indonesia in 1991 based on the initiative of the Indonesian Council of Ulama, in order to address the needs of the community,

particularly Muslim community in Indonesia on banking and financial services system in accordance with Islamic principles. The fundamental difference between conventional banking and Islamic banking is that interest rate or Riba is disallowed in Islamic banking. Moreover, investments are welcome only for those businesses that are categorized halal. Islamic banking builds a revenue sharing system as a fundamental principle of Islamic banking operation, which cannot be accommodated by the conventional banking system.

Islamic banking development in Indonesia, based on the increasing number of the branches

¹ STIE Kesatuan Bogor. E-mail: budisetiawan@stiekesatuan.ac.id

² STIE Kesatuan Bogor. E-mail: puspita.dindha@gmail.com

³ STIE Kesatuan Bogor. E-mail: marlin1408@gmail.com

Table 1. The Development of Sharia (Islamic) Banking Office Network

	2007	2008	2009	2010	2011	2012	2013*)
Sharia Public Banking							
- Number of banks	3	5	6	11	11	11	11
- Number of offices	401	581	711	1,215	1,401	1,745	1,882
Sharia Divisions							
- Number of Sharia Divisions in a Public Conventional Bank	26	27	25	23	24	24	24
- Number of offices	196	241	287	262	336	517	550
Sharia Financing Banks							
- Number of banks	114	131	138	150	155	158	160
- Number of offices	185	202	225	286	364	401	398
Total Offices	782	1,024	1,223	1,763	2,101	2,663	2,830

*) data in July 2013

Source: Sharia (Islamic) Banking Statistics July 2013. Bank Indonesia

in Indonesia from 2007 to 2013, has been considered positive. The data is taken from Islamic Banking Statistics from 2007 to July 2013 released by Bank Indonesia as shown on Table 1.

Rostanti (2013) reported that the interest of the non-Muslims in the products offered by Islamic banking was because the revenue sharing and financing margin level were considered more competitive, fair and transparent. Islamic banking basically has universal nature, so it can be an alternative to conventional banking system which has already been operating in Indonesia longer than the Islamic banking. The establishment of Islamic banking is in line with an effort to jointly contribute in the real sectors in Indonesia. This is consistent with the statement of Karim (2012) i.e. Islamic banking is based on Islamic economic system that is not only suitable for Muslims but also for everyone. The purpose of this system is for the welfare of all humankind. Thus, Islamic banking can accommodate a variety of interests not only for Muslims but also for non-Muslims.

El-Hawary, Grais and Iqbal (2007) states that rich Muslims are the source of capital for most of Islamic banks, excluding those in Iran, Malaysia, Pakistan and Sudan. Those exceptions exist because their governments have played major role in converting conventional banking to Islamic banking. The governments of Iran, Malaysia, Pakistan and Sudan, have been implementing regulation which force banks to make all their services revenue sharing oriented.

Swartz, Itumeleng, Wankie, Jainulabdeen, and Kumar (2013) states that Islamic rule is very simple for capital-related loans. You are only entitled to receive your capital any interest. Prohibition of interest is not something unusual, either in Islam or any other religion. Islamic banking is an alternative banking model to reaffirm that the banking system should be based on the avoidance of all forms of financial exploitation, creating social welfare and poverty alleviation.

The empirical evidence which can be used as the basis in exploring the perceptions of non-Muslims towards Islamic banking in Indonesia, focusing on the perceptions of revenue sharing system, has not been optimally published in reputable journals. This study is therefore conducted to identify and analyze 1) Common knowledge of non-Muslims about Islamic banking products and services in Indonesia; 2) Non-Muslims' perception in general about Islamic banking in Indonesia; 3) The causality relationship of respondents' demography to the perception of Islamic banking in Indonesia, i.e. the perception of the revenue sharing system (non usury).

Literature Review

Riba (usury) in Islam is considered to be a major sin and Allah SWT forbids usury through several methods. First, it is emphasized that usury would eliminate the pleasure of Allah as mentioned in Q.S. Ar-Rum (30: 39). Second,

prohibition of usury is emphasized more explicitly in Q.S An-Nisa (04: 160-161). Third, prohibition is directed to the people (who still want to be) faithful. They are not allowed to take usury as mentioned in Q.S Ali Imran (03: 130). Fourth, explicit prohibition of usury is also issued by giving criticism to those who take usury, providing a clear distinction between purchasing and usury. Thus, the people are told to leave usury as mentioned in Q.S. Al-Baqarah (02: 275-279).

Antonio (2001) explains that, principally, usury is grouped into debts usury and purchases usury. Debts usury consist of *Qardh* usury (the benefits of certain surplus required for the borrower), and *Jahiliyyah* usury (the debt paid back with surplus, because the borrower is unable to pay the debt at predefined time). Purchases usury consists of *Fadh*l usury (exchange of similar goods with a different quantity) and *Nasi'ah* usury (the postponement of acceptance as well as handover of usury goods exchanged with other types of any usury goods).

Haron (1996) discusses the concept of usury based on non-Muslims' perspective, i.e. from Jews, Greeks and Romans, and Christians. The prohibition of usury is taught in Jewish circles contained in their holy book, namely the Old Testament (OT) and the Talmud law. The Greek and Roman philosophers have the assumption that interest-rate is something contemptible and vile. The assumption was born from the fact that interest-rate is an unhealthy practice in the community, and people in general at that time also had the same assumptions. The concept of interest-rate prohibition in Christian circles is mentioned in Luke (6: 34-35), that some Christians regard as a verse to condemn the practice of making interest-rate. The Christian reformers' assume that the interest-rate is a sin if it incriminates others. Therefore, it is discouraged to make debt collector as a profession and to take interest-rate from the poor.

Hanif (2011) states that, as time goes on, the role assumed by the banking sector has become essential for the growth and development of economy and society (common goal of humankind). The existence of Islamic banking has got various responses from non-Muslims in many countries. Bley and Kuehn (2005) state that non-Muslim students' awareness and

knowledge in United Arab Emirates about the provisions of conventional banking is more advanced compared with their awareness and knowledge of Islamic banking. Non-Muslim students are less interested in Islamic banking; meanwhile Muslim students have perception that Islamic financial institutions are more preferred than conventional financial institutions.

Amin and Isa (2008) conducted a study of relationship of services quality perception with customer satisfaction on Islamic banking in Malaysia. The study reveals empirical evidence that there is a significant relationship between services quality perception and customer satisfaction. The awareness about Islamic banking is bigger among Malaysian Muslim customers than that of non-Muslim customers, and overall they also state that Malaysian Muslim customers feel more satisfied with the Islamic banking quality services given.

Sumar (2009) reveals the results of his research involving 30 respondents in England (15 Muslims and 15 non-Muslims). It is discovered that 100% Muslims and 86% non-Muslims state they already know about Islamic banking system. Non-Muslim respondents commonly state they are not supporting the implementation of Islamic financing system that is able to accommodate all humankind, not only for Muslims. This happens because there is bad perception about Islam reported by the media, thus the majority of non-Muslim respondents state that they are not giving their support.

Hidayat and Al-Bawardi (2012) reveal that the majority of non-Muslim customers in Saudi Arabia perceive that Islamic banking nowadays has variety of banking services and is also capable to provide the requirements of clients' satisfaction. Abdullah, Sidek and Adnan (2012) reveal the results of their research that Islamic banking services have made progress among non-Muslims in Kuala Lumpur. Although there is a positive trend, it still requires more effort in improving the level of understanding of non-Muslim customers of the concept of Islamic banking.

One of the purposes on this study is to determine and analyze the influence of the non-Muslim community demographics over the perception of revenue sharing system. Thus, the following research hypotheses are proposed:

Table 2. Variable's Operationalization

No	Variables	Measurement	Original Variable Type	Transformed Variable Type
1	Gender (X1)	Nominal	Dichotomy 1 = Male 0 = Female	None
2	Age (X2)	Ratio	Numeric	None
3	Income (X3)	Ratio	Numeric	Dichotomy 1 = more than Rp.5 million; 0 = less than Rp.5 million
4	Level of Education (X4)	Ordinal	Polytomy 1 = High School 2 = Diploma 3 = Bachelor 4 = Master 5 = Doctorate	Dichotomy 1 = higher education 0 = high school
	Profession (X5)	Nominal	Multinomial 1 = Entrepreneurs 2 = Teacher/Lecturer 3 = Military/Police (TNI/Polri) 4 = Consultant 5 = Creative employees 6 = Private employees 7 = Civil employees (PNS) 8 = Others	Dichotomy 1 = professional background; 0 = others
8	Perception of Revenue Sharing (Y)	Ordinal	Polytomy 1 = Uninformed 2 = Equal 3 = Better	Dichotomy 1 = good, composite score ≥ 80 ; 0 = poor, composite score < 80

- H1: Gender has significant influence to the non-Muslims' perception of the revenue sharing system (non-usury) on Islamic banking in Indonesia
- H2: Age has significant influence to the non-Muslims' perception of the revenue sharing system (non-usury) on Islamic banking in Indonesia.
- H3: Average income per month has significant influence on the non-Muslims' perception of the revenue sharing system (non-usury) on Islamic banking in Indonesia.
- H4: The level of formal education has significant influence on the non-Muslim perception of the revenue sharing system (non-usury) on Islamic banking in Indonesia.
- H5: Profession has significant influence on the non-Muslims' perception of the revenue sharing system (non-usury) on Islamic banking in Indonesia.

Methods

The method used in this study was e-survey method using the Internet media. The sampling technique used was non-random technique with 244 non-Muslim respondents who participated in a survey with online research instruments disseminated through social media - Facebook and Twitter. The questionnaire study was made using Google Forms from Google Drive. Respondents could complete the online questionnaire via internet and the results could be automatically seen immediately by the researcher.

The online questionnaire was divided into three parts. Part 1 contains brief information about Islamic banking and the fundamental difference between Islamic banking and conventional banking. The purpose is to provide initial information about Islamic banking to

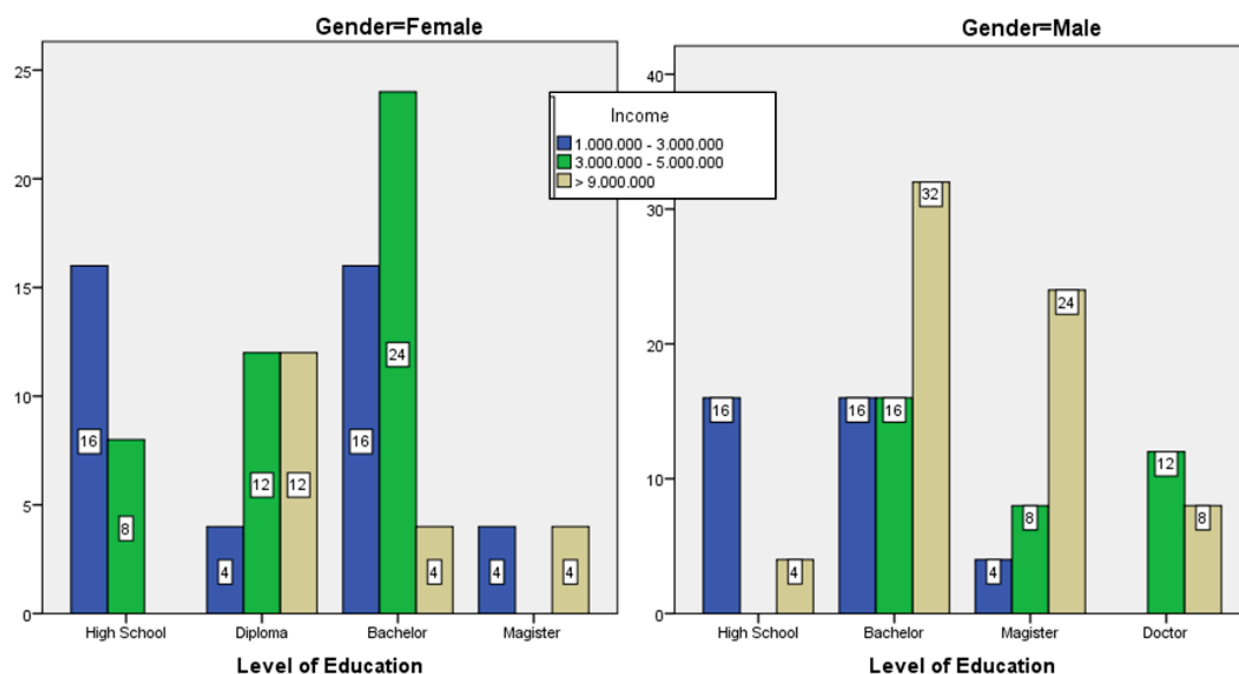


Figure 1. Comparison of Respondent's Average Income per Month Based on Their Gender and Level of Education

the respondents. In part 2, the respondents were asked to provide answers related to their demographic profile and the results will be analyzed further in hypothesis testing. In part 3, the respondents were given questions related to their general knowledge and their perception about Islamic banking. A link to the online questionnaire was informed and disseminated to various social media communities such as the community of professions, sports, and hobbies. It aims to accomplish the expectation that the answers distribution is varied and representative; therefore the depth of this e-survey will be reliable.

Operationalization of the research variables with the scale measurement for each variable is presented in Table 2.

The descriptive data analysis technique being used was cross tabulations. This technique is used in order to acquire more information about the data distribution and to be more representative in describing demographic study respondents. To test the research hypothesis, Multinomial Logistic Regression was used and IBM-SPSS version 22 was chosen as analytical tool. Multinomial logistic regression technique is used because the response variable in this study has a multinomial measurement scale with non-ranked three alternative answers, namely Uninformed, Equal and Better.

Binary logistic regression technique is used as the assumptions of Chi-square Goodness of Fit does not meet the requirement of the multinomial logistic regression model. As shown in Table 2, some variables changed or transformed into a type of dichotomy variable type when the multinomial logistic regression assumptions are not met. Based on the reliability analysis, perception of revenue sharing system variable (7 point questions) is reliable with Cronbach's Alpha coefficient value of 0.827. Meanwhile the knowledge variable (5 questions) have Gutmann Split Half coefficient of 0.760 that is also significantly reliable.

Results and Discussion

Respondents' Profile

The respondents' profile in this study is described based on gender demographics, level of education, income, profession and religious affiliations. The results from cross-tabulation descriptive analysis of total 244 respondents shows that 104 females have an average income predominantly in the range of between Rp. 1 - 5 million per month and their formal education is undergraduate and below. While for 140 male respondents, they mostly have an average monthly income of more than Rp. 9 million and

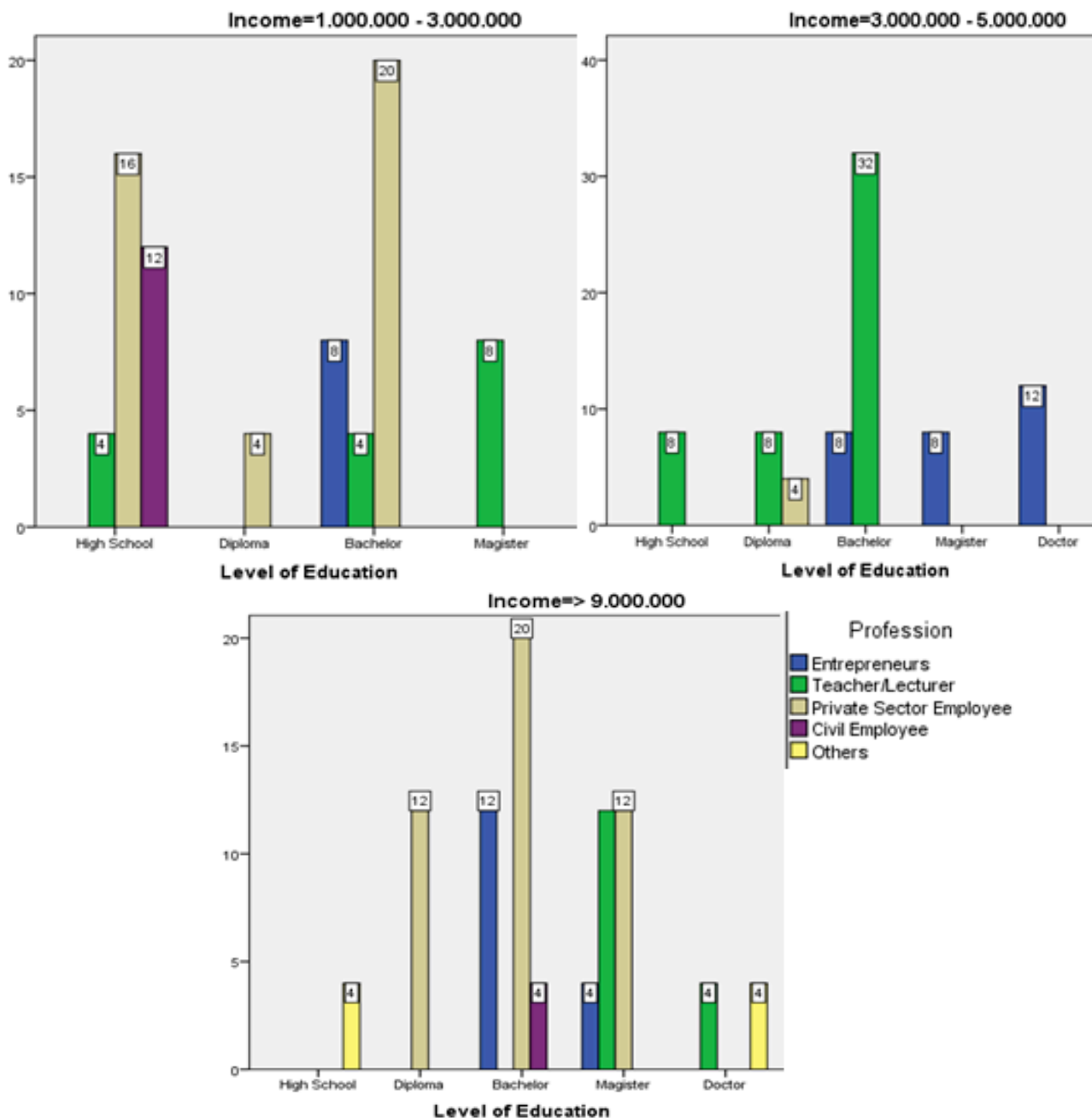


Figure 2. Comparison of Respondent's Average Income per Month Based on Their Level of Education and Profession

their level of formal education is dominated by undergraduate and above. This information is also shown attractively on Figure 1.

Overall, respondents with average monthly income of more than Rp. 9 million have a proportion of 36.07% (88 people) out of the total respondents, consisting of 44 private sector employees (50%), 16 entrepreneurs (18.18%), 16 teachers/lecturers (18.18%), 4 civil employees (4.55%) and 8 others (9.09%).

Respondents with an average monthly income of Rp. 3 - 5 million have a proportion of 32.79% (80 people) out of the total respondents. They consist of 48 private sector employees (60%), 28 teachers/lecturers (35%) and 4

others (5%). While respondents with average monthly income of Rp. 1 - 3 million have a proportion of 76 people (31.15%) comprising of 40 private employees (52.63%), 16 teachers/lecturers (21.05%), 8 entrepreneurs (10.53%), and 12 others (15.79%).

The results from cross tabulation between formal education level of respondents and an average level of monthly income, shows that respondents graduating from high school dominates the group of Rp. 1 - 3 million monthly incomes. Respondents graduating from Diploma dominate the group of Rp. 3 - 5 million and more than Rp. 9 million monthly income. Respondents with Bachelor degree

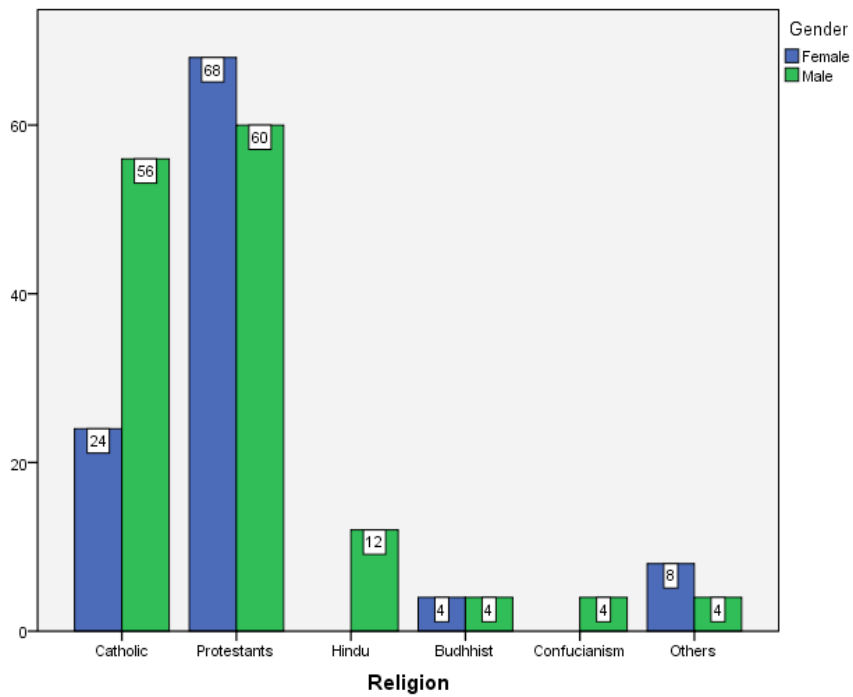


Figure 3. Frequencies of Respondents Religion Based on Their Gender

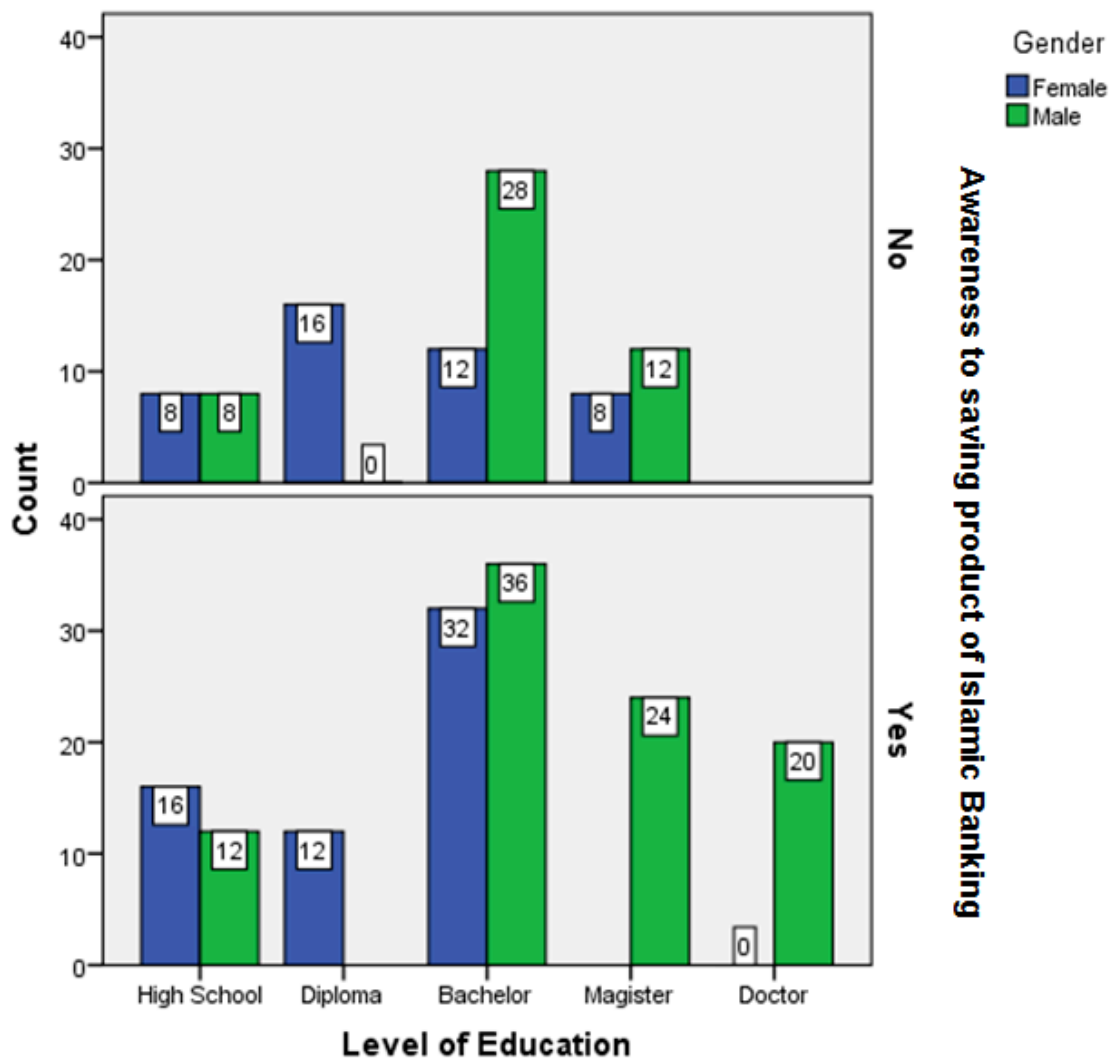


Figure 4. Frequencies of Respondent's Awareness to Saving Product of Islamic Banking Based on Their Level of Education and Gender

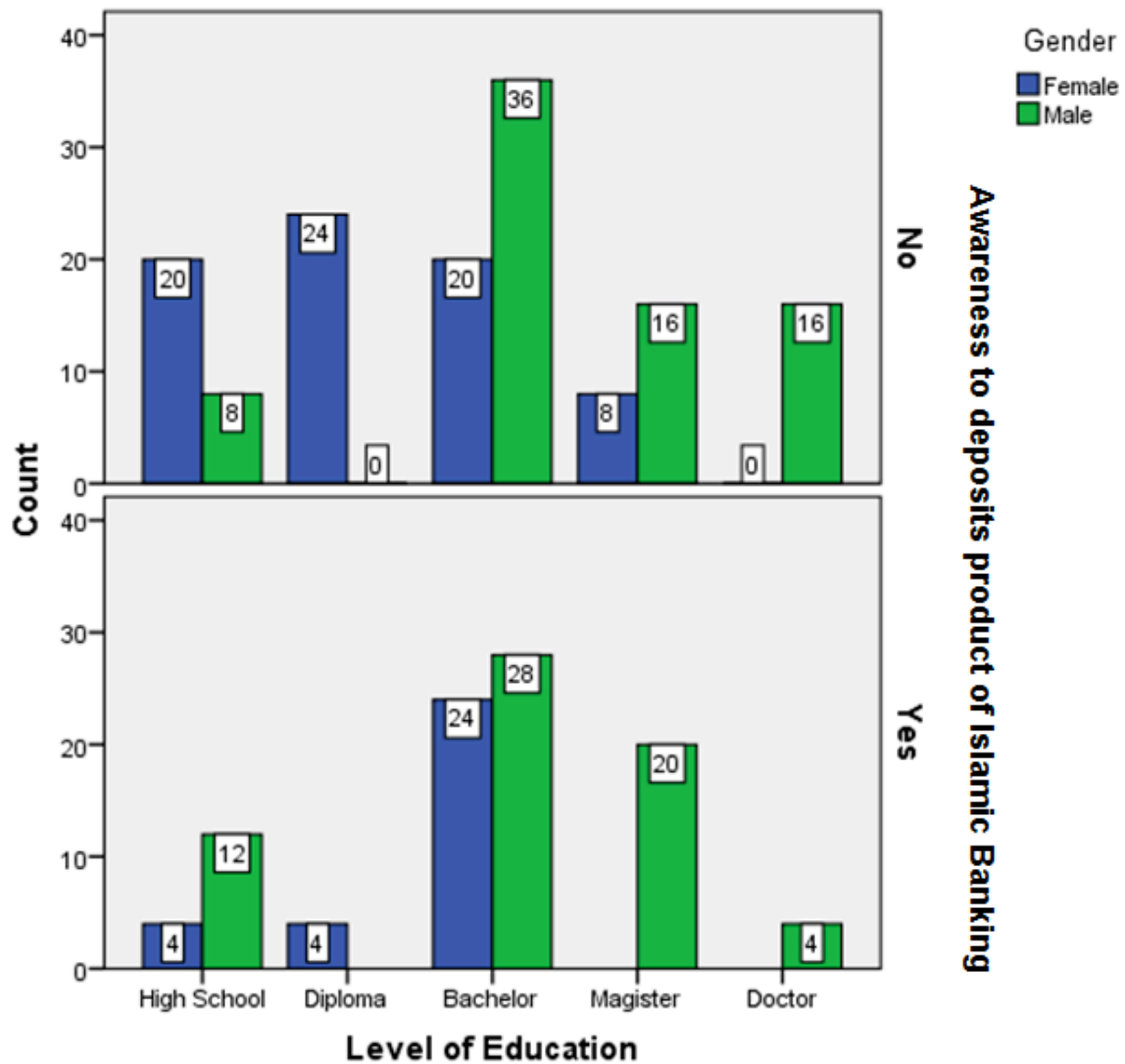


Figure 5. Frequencies of Respondents' Awareness of Deposits Product of Islamic Banking Based on Their Level of Education and Gender

have an equal distribution of average monthly income, spreading across Rp. 1 - 3 millions to more than Rp. 9 millions. While the respondents with Masters and Doctorate degree dominates the group of greater than Rp. 9 millions monthly income. This information is also shown attractively on Figure 2.

Based on the religion, the respondents consist of 128 Protestants (52.46%), 80 Catholics (32.79%), 12 Hindus (4.92%), 8 Buddhists (3.28%), 4 Confucians (1.64%), and 12 others (4.92%). The result from cross-tabulation between the religion and gender reveals that Protestants women respondents are more dominant, while the number of male respondents is evenly distributed between Protestant and Catholic religions. This information is also shown attractively on Figure 3.

Respondents' General Knowledge about Islamic Banking Products

The respondents' general knowledge about Islamic banking products consists of savings products, deposits, investment, financing, and insurance. Descriptive analysis was done by cross-tabulation among gender, level of education, and knowledge of the product. This analysis is conducted in order to make the data distribution more representative in describing the general knowledge of the respondents about Islamic banking products.

Out of 244 respondents, 152 people, consisting of 60 females and 92 males, state that they already know about savings product from Islamic banking. The female respondents who state knowing the Islamic savings banking

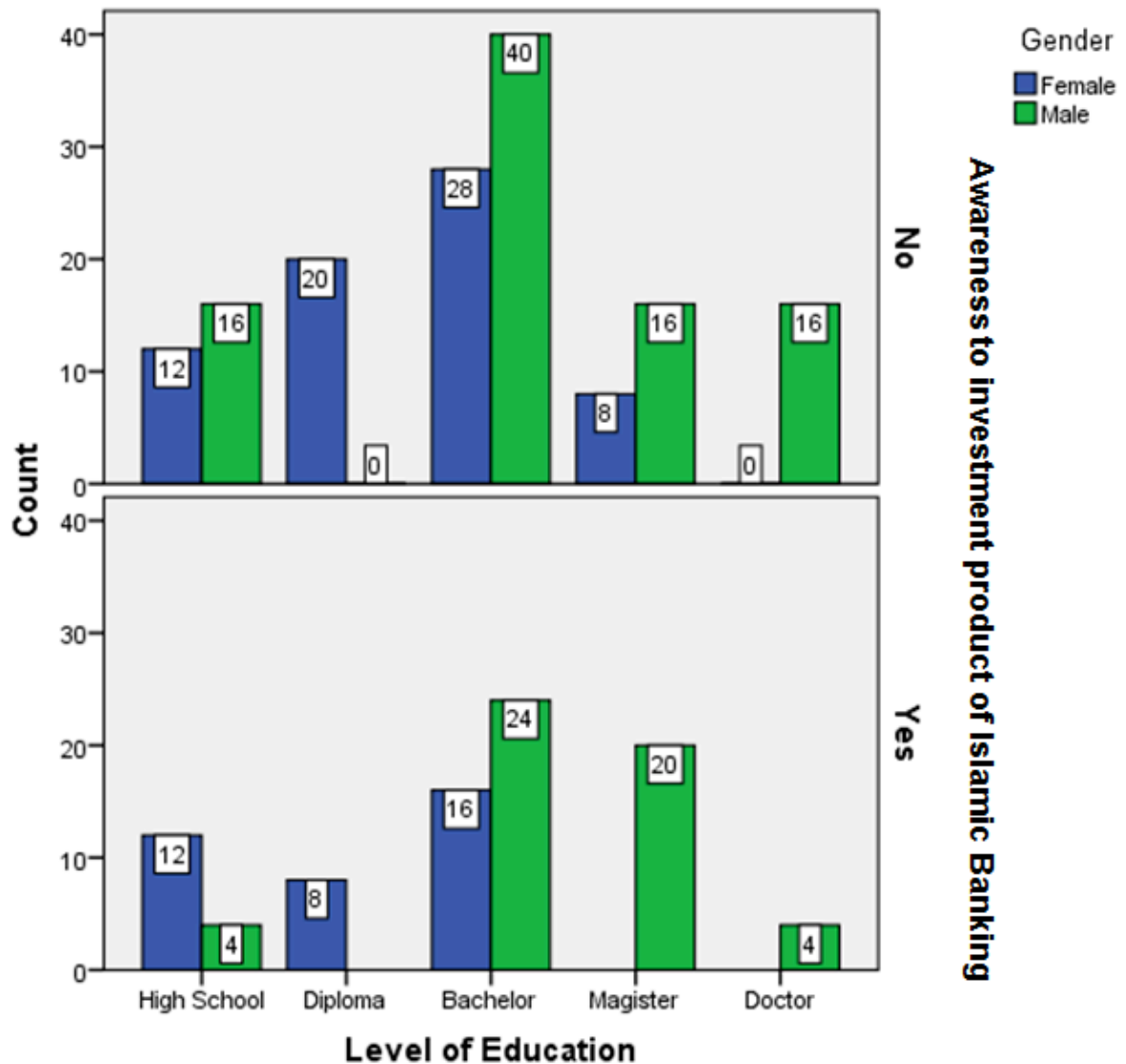


Figure 6. Frequencies of Respondent's Awareness to Investment Product of Islamic Banking Based on Their Level of Education and Gender

products in terms of their formal educational background consist of 16 graduates of high school, 12 graduates of Diploma degree and 32 graduates of Bachelor degree. While the male respondents who state knowing the Islamic savings banking products in terms of their formal educational background consist of 12 graduates of high school, 36 graduates of Bachelor degree, 24 graduates of Magister degree, and 20 graduates of Doctoral Degree. This provides preliminary information that the higher the level of formal education of non-Muslim males and females, the higher the knowledge of non-Muslims about savings product from Islamic banking. This information is also shown attractively on Figure 4.

The number of respondents who state that they already know about the deposits product from Islamic banking is 96, consisting of 32

females and 64 males. Female respondents who state knowing the Islamic deposits banking consist of 4 graduates of high school, 4 graduates of Diploma degree and 24 graduates of Bachelor degree. While the male respondents who stated knowing the Islamic deposits banking products consist of 12 people graduates of high school, 28 graduates of Bachelor degree, 20 graduates of Master degree and 4 graduates of Doctoral degree. In harmony with the knowledge of savings products, the higher the levels of education of non-Muslims are associated with the increase of their knowledge in deposits product from Islamic banking. This information was also shown attractively on Figure 5.

The number of respondents who state that they already know about the investment product from Islamic banking is 88, consisting of 36 females and 52 males. In regards of formal

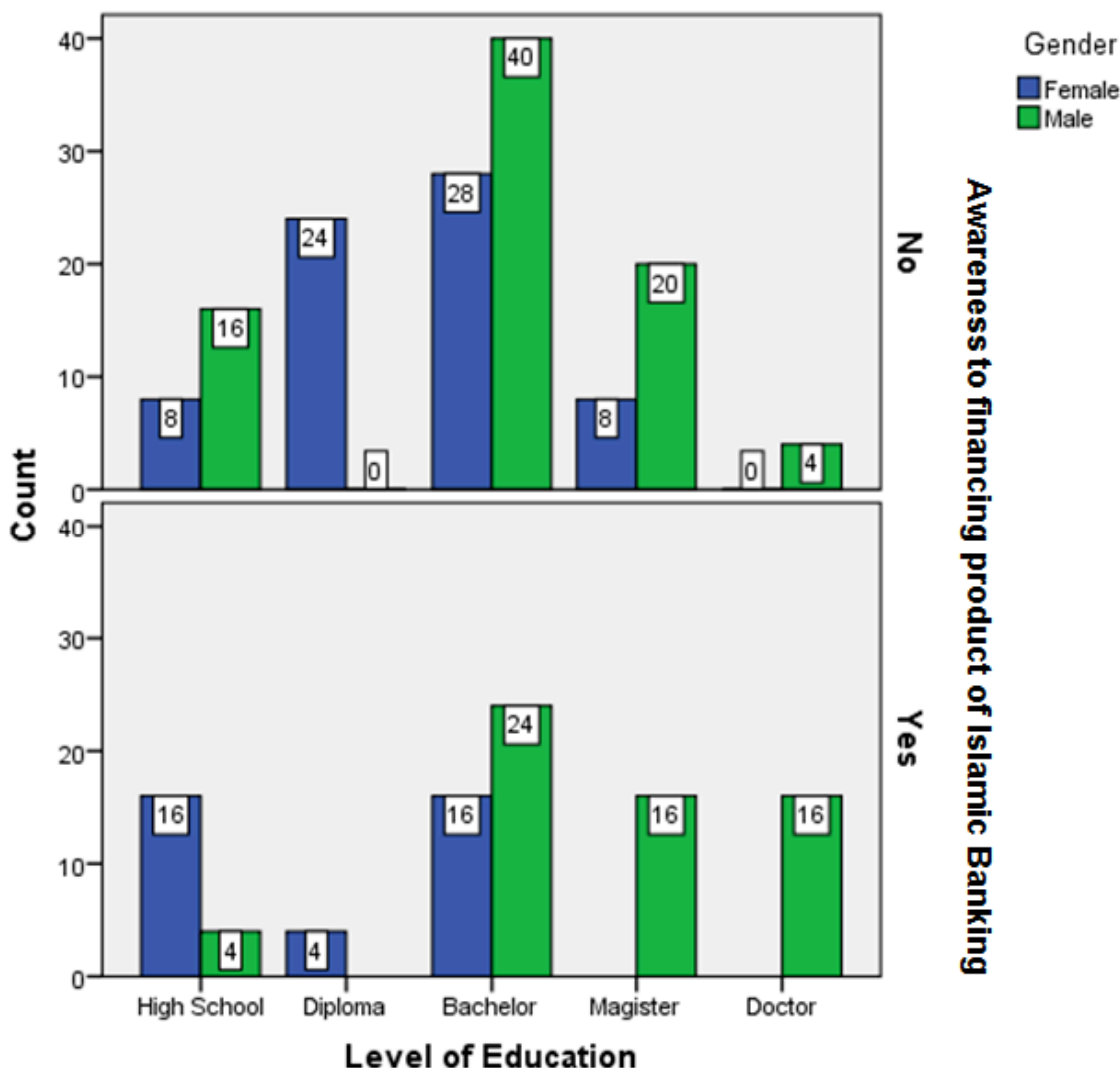


Figure 7. Frequencies of Respondent’s Awareness to Financing Product of Islamic Banking Based on Their Level of Education and Gender

educational background, female respondents who state knowing the Islamic deposits banking products consist of 12 graduates of high school, 8 graduates of Diploma degree and 16 graduates of Bachelor degree. As for male respondents, they consist of 4 graduates of high school, 24 graduates of Bachelor degree, 20 graduates of Master degree and 4 graduates of Doctoral degree. Although the proportion is lower than the knowledge of savings and deposit products, the results of the descriptive analysis provide information that the higher the level of formal education of non-Muslim males and females, the higher the knowledge of non-Muslims about investment product from Islamic banking. This information is also shown attractively on Figure 6.

The number of respondents, who state knowing about the financing product from Islamic banking is 96, consisting of 36 females

and 60 males. Female respondents who stated knowing the Islamic financing banking products consist of 16 graduates of high school, 4 graduates of Diploma degree and 16 graduates of Bachelor degree. As for male respondents, those who state knowing the Islamic financing banking products consist of 4 graduates of high school, 24 graduates of Bachelor degree, 16 graduates of Master degree and 16 graduates of Doctoral degree. The results of the descriptive analysis also provide information that the higher the level of non-Muslim formal education, the higher the knowledge of non-Muslims about financing products from Islamic banking. This information is shown attractively on Figure 7.

The number of respondents who state knowing about the insurance product from Islamic banking products is 68, consisting of 36 females and 32 males. Female respondents

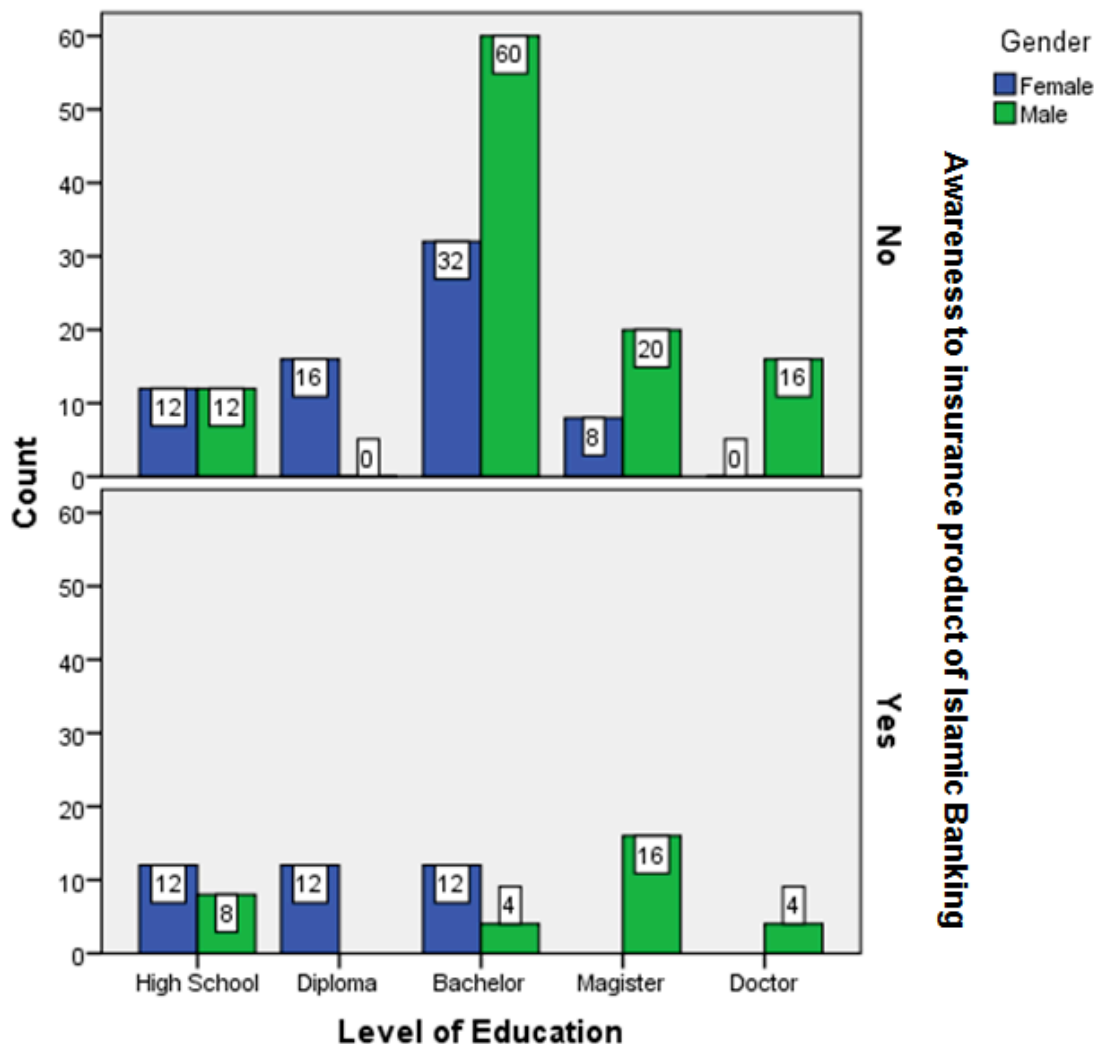


Figure 8. Frequencies of Respondent's Awareness to Insurance Product of Islamic Banking Based on Their Level of Education and Gender

who stated knowing the Islamic insurance banking products consist of 12 graduates of high school, 12 graduates of Diploma degree and 12 graduates of Bachelor degree. While the male respondents who state knowing the Islamic insurance banking products consist of 8 graduates of high school, 4 graduates of Bachelor degree, 16 graduates of Master degree and 4 graduates of Doctoral degree. Although the proportion is lower than the knowledge of savings and deposit products, the descriptive analysis provides information that the higher the level of formal education of non-Muslims, the higher the knowledge of non-Muslims about insurance product from Islamic banking. This information is also shown attractively on Figure 8.

Overall, the non-Muslims' knowledge of Islamic banking products is limited to savings and deposit products, whereas other products

such as financing, investment and insurance have not been optimally known by non-Muslims. Furthermore, the non-Muslims' knowledge of Islamic insurance banking products occupies a small proportion compared to the other Islamic banking products; the next level up is the knowledge of the investment. This provides information that Islamic banking practitioners should be optimizing the promotion of Shariah banking with its various products offered.

Perception on Islamic Banking

The general perception of non-Muslim communities who were respondents of this study was measured with statements related to Islamic banking so that they could compare Islamic banking with conventional banking. The comparative aspects are: the perception of banking services, products offered, ability to

Table 3. Model Fitting Information

Model	Model Fitting Criteria		Likelihood Ratio Tests	
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	394.844			
Final	270.069	124.775	14	.000

Table 4. Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	307.169	80	.000
Deviance	256.440	80	.000

attract attention, reliability, and harmony with the philosophy of the religious affiliation.

The overall result showed that only 36 respondents stated that Islamic banking provided better service than conventional banking, 60 people stated that it remained the same and 148 people stated being uninformed. Related to the products offered, 60 people stated that the sharia products offered new or different ones, 46 people stated it remained the same and 136 people stated uninformed. The existence of Islamic banking in Indonesia according to 112 people has been able to attract the public attention, while 36 people stated vice versa and 96 people stated uninformed. The operation has been reliable according to the statement from 56 respondents, 148 respondents stated uninformed, and 40 respondents stated it unreliable.

To be able to support the data analysis and discussion in the research hypothesis testing, respondents were given a statement that the basic principles of Islamic banking operations have no contradiction to their religion or their belief. The results revealed that 116 respondents stated that there is no contradiction, 36 stated vice versa and 92 respondents stated uniformed. Therefore, these results support the notion that the existence of Islamic banking is not only intended for the Muslim communities, but also can be used by non-Muslim communities, as expressed by the majority of respondents who stated that there is no contradiction to the religion or belief. The proportion of non-Muslim who stated uniformed about contradiction in the basic principles of Islamic banking operations is an opportunity for the perpetrators of Islamic

banking to further optimize the socialization of Islamic banking existence. This support the research by Karim (2012) that the sharia banking (Islamic banking) which is based on Islamic economic system is not limited to the Muslims only, because the purpose of this system is for the welfare of all humankind.

The results of the multinomial regression model analysis study are presented in Table 3 and Table 4.

Referring to the results of Model Fitting Information's on Table 3, it is known that the model by including an intercept only generates value -2 Log Likelihood of 394.844. This value decreases to 2270.069 (impairment Chi-Square of 124.775) when the variables are included in the model. The decline in the value of -2 Log Likelihood is significant at 5% significance level. In other words, these results inform that simultaneous test is found to be significant, ie, at least one independent variable significantly affects the dependent variable.

Referring to the results of Goodness of Fit's on Table 4, it is known that the coefficient of Pearson and Deviance has significance Chi-Square value of less than 0.05. So the decision is that the model does not fit the empirical data. To overcome these problems, then Binary logistic regression technique is used as an alternative solution in multinomial logistic regression models. Furthermore, the variable level of education, profession, income, and perception is altered or transformed into a dichotomy variable type.

The scores of each question in perception variable are added and transformed into 0-100 scale for each respondent. If the added score is

bigger than 80 then the value given is 1 (good), whereas if the added score is less than 80 then the value given is 0 (poor).

$$\text{Index (0-100)} = \frac{\text{Actual value} - \text{Minimum value}}{\text{Maximum value} - \text{Minimum value}} \times 100$$

The results of binary logistic regression model analysis are presented systematically in Table 5 (Model Summary), Table 6 (Hosmer and Lemeshow Test), Table 7 (Classification Table) and Table 8 (Variables in the equation). Table 5 (Model Summary) reveals Nagelkerke coefficient R Square of 0.586. Thus it can be interpreted that the diversity of the value of the dependent variable (revenue sharing perception) can be explained by the independent variables (Gender, Age, Income, Level of Education, Profession) amounting to 58.6%, while the remaining 41.4% is explained by other variables outside the model. Table 6 (Hosmer and Lemeshow Test) reveals Significant value (Sig) of Chi-square of 0.137 > 0.05. So it can be interpreted that the model estimation results have been fit. According to Table 7 (Classification Table) it is known as a whole that 80.4% of the data observed can be accurately predicted by the model result of these estimates. Binary logistic regression equations composed by all variables (significant or not significant) are as follows:

$$\begin{aligned} \ln \pi / (1 - \pi) = & 6.706 - 1.326 \text{ Gender} - 0.238 \text{ Age} - \\ & 0.691 \text{ Income} + 1.406 \text{ Level of Education} + \\ & 0.753 \text{ Profession} \end{aligned}$$

In relation to gender, it is known that Beta coefficient (B) is negative (-1.326) and Beta exponential (Exp. Beta) is 0.266. It indicates that female respondents have 0.266 times better perception than male respondents about the revenue sharing system of Sharia banking in Indonesia. Therefore, it can be explained that female respondents potentially would have better perception than male respondents of profit sharing of the Islamic banking in Indonesia. These results can be confirmed, based on the data from a total of 104 female respondents that the ratio of the proportion of good and bad perception towards Islamic banking system is 6: 7. While the male respondents, with the total of 140 people, have a ratio of the proportion

of good and bad perception towards Islamic banking system for the result which is 2: 3.

The results of this study are able to complement and fill the gap in the research by Abdullah et al. (2012), which examines gender relations with non-Muslim perception with Islamic banking in Malaysia. The study was done using the Chi-Square; therefore, the relationship between gender and perception of Islamic banking has not been explored further in terms of proportion opportunities between male and female respondents. In Indonesian non-Muslim communities, positive perception of Islamic banking revenue sharing system will be more likely created on women than men.

The level of age indicates negative beta (B) coefficient value (-0.238). Older age does not mean having better perception of the revenue sharing system of the Sharia banking. The empirical study indicates that older age can result in opposite comparison with positive perception about revenue sharing system of Sharia banking. In other words, if the age of the respondents is inserted into ordinal form, it can be explained that the respondents with younger age (under 36 years) have more positive perception than the respondents with older age (over 36 years).

This is the opposite of the perspective view of respondents' formal education level, with beta coefficient value which is positive (1.406). Respondents with formal higher educational background have the potential to express a good perception on revenue sharing system compared to respondents with up to high school level. Thus it can be said that a person with higher level of education has the potential to create a positive perception on revenue sharing system of Islamic banking in Indonesia. The economic science universities in Indonesia nowadays have included subjects of Islamic banking and Islamic economics in the curriculum. This policy has been able to give a positive impact for the community, not only for Muslims but also for non-Muslims, related to the positive perceptions of Islamic banking in Indonesia.

The level of formal education significantly affects public perception of non-Muslims about Islamic banking in line with the results of research conducted by Abdullah et al. (2012), that education has a significant relationship with the general perception on

Table 5. Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	173.168a	.433	.586

Table 6. Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	12.330	8	.137

Table 7. Classification Table

Observed		Predicted			
		Revenue Sharing Perception		Percentage Correct	
		Poor	Good		
Step 1	Revenue Sharing Perception	Poor	120	16	88.2
		Good	28	60	68.2
	Overall Percentage				80.4

Table 8. Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 ^a	Gender(1)	-1.326	.496	7.136	1	.008	.266	.100	.703
	Age	-.238	.043	29.982	1	.000	.788	.724	.858
	Income_(1)	-.691	.552	1.565	1	.211	.501	.170	1.479
	Edu_level(1)	1.406	.551	6.518	1	.011	4.079	1.386	12.004
	Profession_(1)	.753	.595	1.601	1	.206	2.124	.661	6.822
	Constant	6.706	1.575	18.126	1	.000	817.279		

a. Variable(s) entered on step 1: gender, age, edu_level, income_and profession_.

Islamic Banking in Malaysia. In detail, their research revealed that the level of formal education have a real relationship with the general perception on Islamic Banking System in terms of establishment on Islamic Banking Products Potential of Islamic Banking, Islamic Banking and Conventional Banking Dominate. Thus the results of this study were able to fill the gap research by Abdullah et al. (2012) in which they studied using Chi-Square which revealed the fact that the level of non-Muslim formal education can significantly influence the perception of revenue sharing system results on Islamic banking in Malaysia. The results of this study were able to complete the review of the education category into the group category of higher education with lower education. To increase the positive perception of the public about Islamic banking in Indonesia, the government through the Ministry of Research and Higher Education can establish a strategic

policy to include Islamic banking courses in the curriculum of higher education as an academic comparison with conventional banking subjects.

Gender, Age and Level of Education variables of the respondents are partially having significant effects on respondents' perception about revenue sharing system result on Islamic banking, whereas each relation has different beta coefficient. This is different from the average rate variables of income per month and the profession of respondents, where both variables partially have no significant effect on respondents' perception of revenue sharing system in Islamic banking. Therefore, the conclusion is that H1, H2 and H4 are acceptable, whereas H3 and H5 are rejected.

The findings of this study have implications for practitioners and policy makers related to Islamic banking in Indonesia. Islamic banking practitioners can establish more comprehensive marketing strategy by taking

into account the demographic aspects of the non-Muslim communities in Indonesia. Marketing communication products of Islamic banking need to be more emphasized on market segmentation for younger generation; therefore, the packaging or the language used must be adapted to the segmentation. With language and packaging tailored for the younger generation segment, it is expected that the presence of Islamic banking in Indonesia can be broadly acceptable by the society and be able to compensate for the presence of conventional banking. In addition to the practitioners, the findings of this study can also be a scientific basis for policy makers (government) related to Islamic banking in Indonesia. In order to enhance the positive perception of Islamic banking community, the knowledge of Islamic banking needs to be introduced systemically through the educational curriculum. This will make the Muslims and non-Muslims have good basic understanding of both Islamic banking and the difference with fundamental conventional banking.

The measurements of non-Muslims perception about the existence of Islamic Banking in Indonesia in this study is limited only on their common knowledge about Islamic Banking products and services. Besides that, this research only places forward the influence of respondents' demography to the perception on revenue sharing system of Islamic Banking. Based on this research limitation, the future research must be able to continue the measurements of non-Muslims perception from the others perspectives, like the clarity of agreement and the suitability between non-Muslims expectations and the reality from operational of Islamic Banking in Indonesia.

Conclusion

Based on the analysis and discussion, the conclusions of this study are as follows.

First, saving product of Islamic banking is more known than any other Islamic banking products. The proportion is comprised of 62.3% respondents who stated knowing the savings product, 39.34% respondents who stated knowing the deposits product, and 36.07% respondents who stated knowing the investment product, 39.34% the respondents who stated knowing the financing products and only 27.87% respondents who stated knowing the insurance products of Islamic banking.

Second, the non-muslims' perception in general about the Islamic banking is seen through several aspects, such as its banking services, products offered, ability to attract attention, reliability, and harmony with the philosophy of the religious affiliation. Overall the proportion in each of these aspects contains 14.75% respondents who stated that Islamic banking has provided better service than conventional banking, 24.59% respondents who stated it offered different products, 45.9% respondents who said Islamic banking has attracted attention, and 22.95% respondents who said Islamic banking is reliable in its operation. In addition, there are 47.54% respondents who stated that the philosophy of Islamic banking does not cause any contradiction related to their religions or their beliefs.

Third, respondents' demography i.e. gender, age, and level of formal education have a significant effect on the perception of revenue sharing system in Islamic banking. Female respondents potentially have more positive perception than males, younger respondents potentially have more positive perception than older respondents and respondents with higher formal educational background potentially have more positive perception than lower formal education respondents. While the respondents' average income per month and profession has no significant effect on the perception of the revenue sharing system in Islamic banking.

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