

ANALYSIS OF THE INFLUENCE OF DIGITAL MARKETING AND RISK PERCEPTION ON CUSTOMER DECISIONS IN USING SHARIA BANKING MOBILE APPLICATION

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Keywords: Sharia-Based Mobile Banking, Digital Marketing, Customer Decision, Perceived Risk

Mobile banking is a digital service product provided by banks to facilitate daily transactions. In Indonesia, there is sharia-based mobile banking. However, there are still many customers who have not utilized digital mobile banking services. This is partly influenced by digital marketing promotions that have not been optimal. Not only that, the increasing risk of cybercrime makes customers have a negative perception of the use of mobile banking and prefer to use an automatic teller machine. The study seeks to determine whether risk perception and digital marketing have an impact on consumers' decisions to utilize mobile banking. This study employed a quantitative methodology and gathered data from a sample of 100 participants. The normality test, multicollinearity test, heteroscedasticity test, and hypothesis test (t test, f test, and R2 test) are the data analysis procedures employed. The study's findings demonstrate a favorable relationship between perceived risk and digital marketing's ability to influence consumer choices. The results of the test for coefficient of determination yielded an R2 value of 0.75, or 75%. Customers' decisions to utilize mobile banking are influenced by digital marketing outcomes and risk perception, while the remaining percentage is explained by factors other than the independent variables employed in the study.

1. INTRODUCTION

Digital media is the primary communications platform for people, organizations, businesses, and governments. Digital media is an important source of capital for industry players, including the banking sector [1]. Increasingly tight competition in the banking world is pushing the financial services industry to improve the quality of digital services for customers. Banks must be able to continue to innovate and develop their digital banking systems to make old customers feel at home and attract new customers, especially millennials [2]. In the current era, many banking companies have launched digital banking products, one of which is mobile banking, which continues to innovate to provide the best service for customers. Bank Indonesia data records that there will be around IDR 52 trillion in digital transactions via mobile banking in 2022. This value will experience growth of 29% yoy (year on year). This proves that mobile banking in Indonesia is growing rapidly [2]. Only with the internet can bank transaction services now be more easily accessed quickly, precisely, and accurately. Mobile banking provides many benefits for customers by allowing them to make transactions anywhere and anytime.

Populix, a company providing research and database services, released a survey in 2022 that showed that mobile banking and e-wallets are the two financial applications most frequently used by all age groups. In detail, 91% of them have and use a mobile banking application on their respective smartphones. This survey also shows that the areas that use mobile banking most often are in the Jabodetabek area [3]. Not only that, this survey shows the ranking of the mobile banking applications most used by respondents. Meanwhile, the mobile banking application from sharia banking is in fifth place, namely BSI Mobile, with a percentage of only 9%. This shows that Islamic banking is still quite far behind conventional banks in terms of mobile banking use. Based on information obtained from SWA Online (Capital Markets and Investment Media), data



shows that mobile sharia users reached almost five million, an increase of 39% yoy. However, this is still below 40% of total customers in 2022. According to the President and Director, in 2022, the number of customers will be 17.78 million. This is one of the challenges in being able to encourage customers to use the digital services provided, namely mobile banking[4].

Apart from changes in people's behavior, who are increasingly starting to use digital-based payments such as mobile banking, another factor that can encourage an increase in customers using mobile banking is marketing carried out by banks, both face-to-face and via digital, or what is usually called digital marketing. How could it not be? Digital media users continue to increase every year [5]. The use of digital media is now increasing very quickly and has not stopped as information technology continues to develop. Based on research released by We Are Social, in 2022 there will be 204.7 million Indonesians connected to the internet, and social media use will reach 190 million users. With current technological developments, smartphones can be owned at relatively low prices, resulting in an increase in internet users [6]. Other data explains how long the average Indonesian uses digital media. Internet usage lasts an average of 8 hours, 36 minutes every day. This shows that people actively use the internet via smartphones, and the number of target markets (market share) for banking, especially new mobile banking users, can increase. Based on the internet user data above, researchers see that the opportunity for sharia banks to attract people to use mobile banking is still very large. Moreover, digital technology currently plays a very important role in people's daily lives [7].

The increasingly widespread use of information technology devices has led to changes in marketing practices in the business industry. Digital media applications such as Instagram, YouTube, WhatsApp, websites, Twitter, and so on are now competing to be able to provide complete communication facilities[8]. This helps business activists, including banks, use digital marketing, and later this social media application will provide facilities to display products in full. Digital marketing is significantly more effective than traditional types of promotion because it gives businesses more exposure to customers who are actively shopping for their goods or services. Digital marketing is a type of business that uses digital media, such the internet, to market and promote a brand. Nearly all marketers around the world today employ digital marketing as a common tactic. This is the result of the development of digital technology, which has made the internet a very promising market. Customers will be persuaded to use these features if a well-thought-out digital marketing strategy is presented highlighting the advantages and services of mobile banking. By creating a campaign that uses mobile banking to meet customers' daily transaction needs, reduce energy, costs, and time, and is more profitable than using traditional banks [9].

The use of digital media with visual-based marketing (photos and videos) that focuses on consumers to attract new users, such as product information and video tutorials, with the addition of interesting content, will increase consumer awareness of using mobile banking. Through a variety of digital marketing strategies, one of the key objectives of digital marketing is to promote businesses, create preferences, and boost sales traffic. So, banks, including sharia banks, must be more aggressive in marketing this mobile banking facility so that people are more interested and immediately make a decision to use it [10]. In previous research conducted at Sharia Bank, it could be determined that the marketing strategies used to offer service products were direct marketing and advertising. Direct marketing involves a direct approach to customers who have not used the mobile banking application; usually, customer service will offer customers directly (face-to-face selling) to download the mobile banking application after opening a new account. This is done so that customers can immediately register and activate mobile banking. Meanwhile, advertising carried out by banks includes advertisements on TV and brochures, as well as advertisements carried out on social media such as Instagram, Twitter, and WhatsApp [11].

Mobile banking is a banking service that allows customers to carry out banking transactions such as money transfers, bill payments, and checking balances via the application.



However, the use of mobile banking cannot be free from security risks such as loss of access or misuse of data by irresponsible parties. Risk is a state of uncertainty that a person considers when deciding whether or not to carry out an online transaction. So risk perception is the perception of uncertainty and undesirable consequences from using a product or service. The degree of trust is significantly influenced by risk perception. A person's level of trust increases with lower risk perception, and vice versa. The company reportedly experienced a data leak in May 2023 that was perpetrated by a number of Lock Bit Hacker Gangs. This ransomware group claims to have leaked customer data, including company data, to dark sites or the dark web. In the news released by CNN Indonesia, according to the Corporate Secretary, customer data is safe. He said that the bank ensures that customer data and funds are safe and secure during transactions and hopes that customers remain calm. Even so, customers still feel worried about the risks they face [12].

Each customer certainly has their own assessment of the benefits and risks they will experience if they use the mobile banking application, because this all depends on how much information they have and the experience, situation, and conditions the customer experiences. Apart from that, it also depends on the customer's ability to minimize the risks they will accept. Many customers feel that the mobile banking application has very high benefits and usability, so the perceived risk is lower. There are also those who think that the risk is high but that it will be very useful in urgent situations, so this can encourage customers' decisions to use mobile banking applications for financial transaction activities[13] [14].

2. METHODS

The research methodology is a way to gather information that will be used to analyze it and generate conclusions to address the issues at hand. This study used a quantitative methodology. A survey will be employed as the research method. In surveys, samples from a population are taken, and the answers to questionnaires are utilized as the main source of data collecting. 1,500 registered clients are included in the population of this study. The purposive sampling approach, a non-probability sampling methodology, was used to conduct the sampling, which was based on the population mentioned above. 100 respondents made up the 100 samples that were used. The author employed the questionnaire method to gather research information. In this study, a questionnaire was sent to customers who use mobile banking to answer the questions presented in the questionnaire. This research uses a closed questionnaire. A closed questionnaire is one where the answers have been provided in such a way that the respondent only needs to determine the available alternative options. This closed question contains a Likert scale that measures an individual's opinion about a social phenomenon whose operational definition has been determined by the researcher. Instrument testing is carried out with the aim of ensuring that the measuring instrument used is valid and reliable. Therefore, in this research, it is necessary to test the instrument. Apart from that, this instrument test is also designed to check for questions that are less objective, unclear, unstable, or confusing. The analysis used in this research is multiple linear regression.

3. RESULTS AND DISCUSSION

It is known that in the study, there were 100 respondents. The largest number of respondents were in the 22–26-year age range (52 people), then the average job of respondents was private employees (35 people), and all respondents had used mobile banking for more than one year. The data taken has also been distributed normally. The normality test carried out shows a sig value of $0.169 > 0.05$, so the data tested is normally distributed. In the multicollinearity test, it can be seen that the tolerance value is $0.719 > 0.10$ and the VIF value is $1.391 < 10$, so that the independent variable does not have multicollinearity. Then the Glejser test can conclude that the significance value of variable X1 is $0.695 > 0.05$ and sig. X2 is $0.156 > 0.05$, so it is stated that the residual value of the X1 and X2 variants is homogeneous, or it can be said that heteroscedasticity does not occur.



The calculation results show that the digital marketing and risk perception variables influence customer decisions to use mobile banking. The following conclusions can also be drawn from these results: The constant (α) of -3.188 indicates that without the digital marketing and risk perception variables, the average customer decision to use mobile banking would decrease by -3.188. It is known that the two significance values of the two independent variables X1 and X2 (digital marketing and risk perception) are < 0.05 , so it can be concluded that the two independent variables X1 and the digital marketing regression coefficient (X1) value of 0.213 state that if the digital marketing variable increases by one, it will increase customers' decisions to use mobile banking by 21.3%. The risk perception regression coefficient value (X2) of 0.523 states that if the risk perception variable increases by one, it will increase customers' decisions to use mobile banking by 52.3%. According to the findings of the partial test (t), the t-table value is 1,988, the t-count X1 value is 5,642, and the t-count X2 value is 10,829 respectively. Because H_0 is rejected and H_1 is accepted because both t-counts exceed the t-table, it may be inferred that the influence of digital marketing and risk perception significantly influences customer decisions to use mobile banking.

According to the results of data analysis using the coefficient of determination test, digital marketing and risk perception have a 74.9% and a 25.1% influence on customers' decisions to use mobile banking, respectively, depending on factors other than the independent variables used in the study. In addition, the results of the test for multiple linear regression indicate that X1 and X2 have regression coefficients of 0.213 and 0.523, respectively. This means that for every 1% increase in digital marketing and risk perception, there will be an increase in customer decisions of 0.213 and 0.523. Then, because it has a positive value, the conclusion is that the higher the use of digital marketing and risk perception, the greater the customer's decision to use mobile banking. Promotions carried out using digital marketing can help a company promote and market the products and services it offers. Additionally, digital marketing can open up markets that were previously inaccessible owing to constraints on time, communication channels, or location. This has been utilized by banks to invite old and new customers to use mobile banking services. Facts on the ground also state that most customers are influenced by digital marketing promotions to use mobile banking. They feel that mobile banking is very helpful in their daily lives, such as for online shop payments or just transfers between banks and other banks.

The company also explains on its official website that it is necessary to implement digital marketing in sharia banking. Digital marketing is really needed in the field as a marketing medium that is applied to websites and social media. So that in the future, you can monitor marketing staff to manage marketing strategies using digital media very quickly. Apart from the influence of digital marketing, there are other things that influence customers' decisions to use mobile banking services, namely risk perception. Apart from considering the benefits obtained, customers should also consider the risks that arise as a result of using mobile banking services. Transaction risk from mobile banking services is something that is highly considered when carrying out online transactions. Perceived risk is the uncertainty faced by customers when they are unable to see the possibilities that will occur as a result of their decision-making. Facts on the ground also state that there are still many customers who perceive the risks they face when using mobile banking, one of which is security. Based on this, the risk perception regarding customers' decisions to use mobile banking is that customers will be faced with possibilities that will occur when using mobile banking services, such as financial risks, product and service risks, psychological risks, security risks, and time risks. So, the bank must minimize the risk of using mobile banking. If the actions taken by the bank to minimize the risk are implemented, it will have a positive impact on customer interest in using the services offered. Customer trust in the services offered will influence the customer's interest in utilizing the service.

4. CONCLUSION

Customers' decisions are positively influenced by digital marketing and risk perception, thus the more effectively these strategies are used, the more customers will utilize mobile banking. The degree to which digital marketing and risk perception have an impact on consumer decisions. Using mobile banking has an influence of 75%, while the rest percentage is explained by other variables outside the independent variables used in this research. To integrate research results, it is recommended that further research further strengthen the research by using other methods, such as qualitative methods (interviews, observations), apart from quantitative methods. With the rapid development of technology in the banking industry, it must be accompanied by customer awareness when sorting information. Therefore, it is hoped that with the presence of mobile banking, customers will be able to use it wisely and make the best use of the available features.

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