



# Analysis of the Factors Influencing Public Decision to Use Conventional Banks from the Perspective of Islamic Banking

Marlina\*, Haslindah, Hartas Hasbi

Faculty of Islamic Economics and Business, Institut Agama Islam Negeri Bone

DOI:

<https://doi.org/10.53697/emba.v5i1.2491>

\*Correspondence: Marlina

Email: [marlina6670887@gmail.com](mailto:marlina6670887@gmail.com)

Received: 14-04-2025

Accepted: 27-05-2025

Published: 06-06-2025



**Copyright:** © 2025 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

**Abstract:** This study aims to conduct an in-depth analysis of the factors influencing the community's decision to use conventional banks from the perspective of Islamic banking in Kawerang Village, Cina District, Bone Regency. The main issues addressed in this research are: what factors influence the decision of the people in Cina District, to continue using conventional banks instead of Islamic banks, and what obstacles they face in using conventional banks. This research is categorized as field research employing a qualitative approach, where field data is used to verify theories that emerge during the research process and are continuously refined as the study progresses. Data collection techniques include in-depth interviews, observation, and documentation. The research informants consist of residents of Kawerang Village who continue to use conventional banks rather than Islamic banks. Findings of this study reveal that the residents of Kawerang Village prefer conventional banks over Islamic banks primarily due to their greater familiarity with conventional banking institutions and the easier access to their services. As a result, conventional banks remain the preferred choice for banking transactions in the area.

**Keywords:** Factor, Community, Using, Conventional Bank, Syariah Bank

## Introduction

The banking system in Indonesia adopts a dual banking system, which means that two banking systems operate side by side within one country: conventional banking and Islamic banking. Both systems are regulated under the prevailing laws and regulations. The emergence of Islamic banking began with the enactment of Law Number 10 of 1998, which provided opportunities for general banks to offer Sharia-based services (pangambean, 2023). Islamic banking itself is a financial system operated based on Islamic law principles derived from the Qur'an and Hadith, emphasizing Islamic business ethics such as justice, honesty, and the prohibition of usury (riba), with profit-sharing as its operational foundation (Maulidizen, 2024). Although conventional banking has been more widely known and accepted by the public, Islamic banking continues to develop as an alternative financial service offering an approach grounded in Islamic values (Sundariani, 2023).

The community in Kawerang Village continues to use conventional banks rather than Islamic banks, and most of the villagers distinguish Islamic banks from conventional ones only in terms of halal and haram concepts. The convenience and accessibility of

conventional banks, which typically have numerous branches and facilities, make them easier for the public to use. The low level of understanding about banking means that financial literacy regarding Islamic banking remains relatively limited among Kawerang villagers. Due to a lack of information and knowledge about Islamic banking, people cannot clearly differentiate the financial systems of conventional and Islamic banks (Adriani, 2024). Furthermore, conventional banks focus on profit orientation and operate with value freedoms or principles aligned with societal norms (Nurfuadi et al., 2024).

The existence of two banking systems, namely conventional and Islamic, plays a strategic role in supporting economic stability and growth for both society and the government. Banks as financial institutions are required to maintain performance and public trust to optimally fulfill their functions, especially in mobilizing and distributing funds (Sahri, 2024). The fundamental difference between the two lies in the profit-sharing system: Islamic banks apply the profit and loss sharing principle in accordance with Islamic teachings, whereas conventional banks operate on an interest-based system, which from the Islamic perspective is categorized as *riba* and prohibited (Sari, 2024). These dual banking systems in Indonesia provide more options for the community to choose banks that align with their preferences and needs. Generally, both conventional and Islamic banks serve to meet the diverse financial needs of the public (Mukti & Tulasmi, 2021).

Most of the people, especially in Kawerang Village, Cina District, Bone Regency, still prefer to use conventional banking services to fulfill their financial needs. This is due to the high familiarity of the community with the systems and products offered by conventional banks, which have been present and widely recognized for a long time. On the other hand, the limited understanding of basic Islamic banking principles, such as the prohibition of *riba* and the implementation of profit-sharing systems, is a major factor causing hesitation among the public to switch to Islamic banks. Nevertheless, community views on banking choices vary and are generally adjusted according to individual needs and personal values.

Decision-making is the conclusion of a thought process regarding a problem perceived as a deviation from a planned course by selecting one solution among alternatives. Decision-making is an approach used to systematically address problems so that an appropriate choice can be made (Hayati et al., 2021).

Hidjarawati's research (2023) examined the reasons why Muslim communities in North Luwu prefer Bank Rakyat Indonesia (BRI) over Bank Syariah Indonesia (BSI). Using a descriptive quantitative approach, the study found that factors such as administrative convenience, credibility, and collateral significantly influenced the community's decision to choose BRI as a financial institution compared to the Sharia-based BSI (Hidjarawati, 2023).

Based on the above description, this study relates to previous research by focusing on factors influencing community decisions. However, it differs in its research object; this study investigates the factors affecting the community's decision to use conventional banks from the perspective of Islamic banking in Kawerang Village, Cina District, Bone Regency. In contrast, the prior research focused on factors influencing the Muslim community in North Luwu in choosing Bank Rakyat Indonesia over Bank Syariah Indonesia.

Therefore, the researcher aims to identify the factors that influence the decision of Kawerang Village residents, Cina District, Bone Regency, to continue using conventional banks rather than Islamic banks, as well as the obstacles faced by the community in using conventional banks.

## **Methodology**

The type of research used in this study is descriptive qualitative field research. Qualitative research employs objects in their natural setting without manipulation, so conditions before and after the study tend to remain stable or unchanged (sugiyono, 2017). The approach applied in this study is descriptive and analytical, which involves describing or portraying an event, social condition, or phenomenon under investigation. The analysis aims to interpret and compare the research data results meaningfully (waruwu, 2023). The research was conducted in Kawerang Village, Cina District, Bone Regency, South Sulawesi, Indonesia, with data collection carried out from January to April 2025. Data used in this study (Abdurrahman & Muhidin, 2011) consist of two types: (1) primary data and (2) secondary data. The research subjects were the residents of Kawerang Village, while the object or target of the study was to find solutions to a particular problem (Lasiyono, 2024) research location is Kawerang Village, Cina District, Bone Regency. Furthermore, the data collection techniques in this study comprised: (1) Observation, which involves directly observing human activities and their physical environment naturally and continuously, allowing the researcher to obtain accurate field facts (Hasanah, 2017). (2) Interviews, defined as face-to-face conversations between the researcher and informants to gather information through direct communication (fadhallah, 2021). The data analysis techniques consist of three stages: (1) Data reduction, which includes summarizing and selecting relevant data; (2) Data presentation, which involves systematically organizing the collected data to make it easier to understand (sugiyono, 2017), and (3) Conclusion drawing or verification, which entails making conclusions and verifying the data obtained (Susanto et al., 2024).

## **Result and Discussion**

### **Result of the Community in Kawerang Village, Cina Subdistrict, Bone Regency, to Continue Using Conventional Banks Rather Than Islamic Banks**

To identify the factors influencing the community in Kawerang Village, Cina Subdistrict, Bone Regency, to continue choosing conventional banks over Islamic banks, the researcher conducted interviews with several local residents as research informants.

#### **A. Product**

Based on interviews with Mrs. Rosmiati, Musdalifah, Herianti, Nurfadillah, and Andi Guntur, it was found that a lack of understanding about Islamic banks is one of the factors leading the community to continue using conventional banks rather than Islamic ones. The people in Kawerang Village, Cina Subdistrict, Bone Regency, are generally more familiar with conventional banks than Islamic banks. Musdalifah stated that she is more accustomed to products offered by conventional banks, as Islamic banking products are not widely promoted in her area, resulting in limited community

understanding of the profit-sharing system used by Islamic banks. Similarly, Herianti explained that her family is not yet familiar with Islamic banking principles such as profit sharing and lacks knowledge about the products offered by Islamic banks, thus continuing to transact with conventional banks.

Interviews with Nurfadilah and Andi Guntur further revealed that product factors contribute to the community's preference for conventional banks. Nurfadilah expressed that discussions about Islamic banks rarely occur in her environment, while Andi Guntur admitted feeling more comfortable using conventional banking products due to long-term familiarity, which simplifies daily transactions.

## **B. Service**

Service quality significantly influences the public's interest in choosing a bank for their transactions. Based on the interviews, it can be concluded that service and ease of access are crucial factors in the community's decision to use conventional banks. In Cina Subdistrict, Bone Regency, the presence of conventional banks near residential areas, along with easy access to facilities such as ATMs and BRILink agents, makes conventional banks more preferable. Meanwhile, the limited access to Islamic banking services discourages people from switching from the conventional banks they have been using for daily transactions.

Interviews with Musdalifah, Herianti, and Nurfadilah indicate that their decisions to use conventional banks are more influenced by habit and familiarity rather than service quality alone. They feel comfortable and accustomed to the accessible services provided by conventional banks in their neighborhoods.

## **C. Location**

According to the interviews, the residents of Kawerang Village, Cina Subdistrict, Bone Regency prefer conventional banks mainly due to the inconvenient locations of Islamic banks. Conventional banks are easier to access from their homes. Herianti said, "I frequently use conventional banks for daily transactions, and although I have an Islamic bank account, I rarely use it because the bank's location is far." Likewise, Andi Guntur mentioned, "I use conventional banks because BRILink agents are widely available, which makes my transactions easier anywhere." The availability of convenient access points such as ATMs and BRILink agents around their homes leads the community in Kawerang Village to predominantly continue using conventional banks for everyday transactions.

## **Obstacles Faced by the Community in Kawerang Village, Cina Subdistrict, Bone Regency When Using Conventional Banks**

### **A. Cost**

Costs are a significant consideration for the residents of Kawerang Village when using banking services, both conventional and Islamic. From the interviews, Rosmiati revealed that administrative fees on savings accounts pose a challenge, especially given her small balance, causing her funds to deplete quickly. She also felt uneasy after her ATM card was swallowed by the machine, which made her cautious during transactions.

Musdalifah mentioned interbank transaction fees as a challenge, though it did not deter her from continuing to use conventional banks. Conversely, Nurfadilah and Andi Guntur viewed costs as a normal and acceptable expense. Therefore, despite some concerns about fees, these issues are not the primary reasons for the community, such as Rosmiati and Musdalifah, to switch from conventional to Islamic banks.

### **B. Accessibility**

Based on interview results, the people of Kawerang Village do not experience accessibility problems when using conventional banks. Herianti and Rosmiati expressed comfort in conducting transactions due to the widespread availability of ATMs and the proximity of bank offices. Musdalifah also noted that the presence of conventional banks in her area greatly facilitates transactions. Nurfadilah added that conventional banks make it easier for her to manage banking needs without access issues. Andi Guntur emphasized the strategic locations of conventional banks, which help residents handle urgent banking matters. Thus, accessibility is not a hindrance for them when using conventional banks daily.

### **C. Security and Trust**

Interviews with the residents of Kawerang Village, Cina Subdistrict, Bone Regency, indicate that security and trust present challenges when using conventional banks. Nurfadilah expressed feelings of fear and anxiety but still entrusted her savings to conventional banks. Similarly, Andi Guntur reported concerns about security and trust, which make him apprehensive when using banking services. Therefore, security and trust issues are significant obstacles faced by the community in Kawerang Village when using conventional banks.

## **Discussion**

### **Analysis of Factors Influencing the Community in Kawerang Village, Cina Subdistrict, Bone Regency to Continue Using Conventional Banks Instead of Islamic Banks**

The lack of understanding and literacy about the principles of Islamic banking is a major factor. Most residents of Kawerang Village, Cina Subdistrict, Bone Regency, have limited knowledge about Islamic banking, and many do not understand the difference between conventional and Islamic banks, where the latter uses a profit-sharing system and avoids interest (*riba*). Insufficient socialization and education mean that the community has not received adequate information about the benefits and mechanisms offered by Islamic banks.

#### **A. Location Factor**

Based on interviews and field findings, advancements in banking technology have helped people conduct transactions more easily, especially in Kawerang Village, Cina Subdistrict, Bone Regency. Residents find conventional banks more accessible due to their locations and the presence of facilities like ATMs and BRILink agents, which reach even remote village areas. Meanwhile, Islamic banks are still concentrated in urban centers and have yet to expand infrastructure and information dissemination to rural areas evenly. This situation makes it difficult for residents to access services such as

deposits or withdrawals, as they must visit distant Islamic bank branches. Several informants, including Rosmiati, Musdalifah, Herianti, and Nurfadilah, stated that Islamic banks are not available near their homes, whereas conventional banks are easy to find and use. Hence, location becomes a dominant factor influencing the community's decision to continue using conventional banks, as easy access is considered more important than the banking system offered (Hayati et al., 2021).

#### **B. Service Factor**

Service refers to the assistance and facilitation provided by an organization or bank to its customers (Safitry, 2024). Both product and service factors are key reasons why the people of Kawerang Village prefer conventional banks to Islamic ones. Conventional bank products are better known and understood, making customers feel more comfortable and assisted. Additionally, good service influences their decision to remain loyal to conventional banks. Customers like Rosmiati and Nurfadilah acknowledged their familiarity and satisfaction with conventional banking services, which discourages them from switching to Islamic banks. Satisfactory service is seen as essential in attracting interest and maintaining trust among the community.

#### **C. Product Factor**

The product factor encompasses everything offered to customers or the community, intended to meet their needs and solve problems (Janah, 2024). The residents of Kawerang Village are more familiar with products from conventional banks than those offered by Islamic banks. The limited understanding of Islamic banking products contributes to their lack of interest in using Islamic banks. For example, Rosmiati stated that she knows conventional bank products better, which influences her decision to keep using conventional banks. This study concludes that product factors are among the reasons the community continues to use conventional banks over Islamic banks.

### **Obstacles Faced by the Community in Kawerang Village, Cina Subdistrict, Bone Regency When Using Conventional Banks**

A bank is a financial institution that collects funds from the public as deposits, manages them, and redistributes them through loans or financing. Conventional banks operate on an interest-based system (Listiana, 2021). However, in practice, residents of Kawerang Village face various challenges when using conventional banking services, even though conventional banks remain their preferred choice.

#### **A. Cost**

Cost refers to fees charged to account holders by banks (Ghojali & Suryaman, 2024). Cost is a challenge faced by Kawerang Village residents in using conventional banking services. For instance, Rosmiati and Musdalifah complained about high monthly administrative fees, which burden them due to their limited income and small savings. The economic condition of many residents, who earn low incomes, makes these fees feel heavy and disproportionate to the benefits they receive. This study identifies

cost as the second major obstacle faced by the community when using conventional banks, given their limited finances and savings.

### **B. Accessibility**

Accessibility is the ease with which people can reach, use, or benefit from banking services without difficulties (Safitri & Fasa, 2024). Interview data indicate that Kawerang Village residents do not face accessibility issues when using conventional banks because such banks are present in their area. The availability of various BRILink agents further facilitates everyday transactions. Hence, accessibility is not a barrier for the community; instead, they feel comfortable due to the convenience of reaching conventional banking services.

### **C. Security and Trust**

Security and trust are crucial elements; security means a condition where customers feel safe and free from fear. Building customer trust is vital for banking services because without trust, people will not deposit their funds in banks. Trust involves the confidence customers have in making beneficial decisions (Santalia et al., 2024). Rosmiati, Nurfadilah, and Andi Guntur mentioned feeling unsafe and anxious about potential fraud during transactions. According to the researcher, security and trust are common challenges faced by Kawerang Village residents when using conventional banks. This study finds that security and trust are the most dominant obstacles in their use of conventional banking services.

## **Conclusion**

Based on the results of the research and the discussion above, the following conclusions can be drawn:

1. The factors influencing the decision of the residents of Kawerang Village, Cina District, Bone Regency, to continue using conventional banks rather than Islamic banks are location, service, and product factors. Generally, the community conducts transactions with conventional banks because they are more familiar with the existence of conventional banks compared to Islamic banks. The proximity of conventional banks to Kawerang Village significantly influences the community's continued preference for conventional banks. Likewise, the quality of service provided by conventional banks attracts the residents to use conventional banking services.
2. The obstacles faced by the residents of Kawerang Village, Cina District, Bone Regency, in using conventional banking services include security, trust, and cost issues. The community often feels anxious and fearful regarding their savings accounts due to the increasing number of fraudulent schemes impersonating banks. Meanwhile, accessibility is not considered a barrier for the residents when using conventional banks because conventional banking facilities are available in their residential areas, thus facilitating the use of conventional banking services in their daily lives.

## References

- Abdurrahman, M., & Muhidin, S. A. (2011). *Panduan Praktis Memahami Penelitian Bidang Sosial*. Pustaka Setia.
- Adriani, A. (2024). Analisis Pengetahuan Masyarakat Tentang Bank Syariah (Studi Kasus Desa Panca Mukti Kecamatan Bagan Sinembah). *Socius: Jurnal Penelitian Ilmu-Ilmu Sosial*, 1(10).
- Fadhallah. (2021). *Wawancara*. UNJ Press.
- Ghojali, I., & Suryaman, M. (2024). Analisis Faktor-Faktor Yang Mempengaruhi Minat Masyarakat Menabung Di Bank Syariah Indonesia: Studi Pada Masyarakat Kota Bandung. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 5(3), 1297–1304.
- Hasanah, H. (2017). Teknik-Teknik Observasi (Sebuah Alternatif Metode Pengumpulan Data Kualitatif Ilmu-ilmu Sosial). *At-Taqaddum*, 8(1), 21. <https://doi.org/10.21580/at.v8i1.1163>
- Hayati, F., Zulvira, R., & Gistituati, N. (2021). Lembaga pendidikan: kebijakan dan pengambilan keputusan. *JRTI (Jurnal Riset Tindakan Indonesia)*, 6(1), 101.
- Hidjrawati. (2023). Faktor-Faktor yang Memengaruhi Masyarakat Muslim Luwu Utara Memilih Bank Rakyat Indonesia Dibanding Bank Syariah Indonesia. IAIN Palopo.
- Janah, S. (2024). Faktor-Faktor Yang Mempengaruhi Preferensi Masyarakat Dalam Memilih Bank Syariah (Studi Kasus Kecamatan Metro Pusat). IAIN Metro.
- Lasiyono, U. (2024). Metode Penelitian Kualitatif. In *Jurnal EQUILIBRIUM* (Vol. 5, Issue January). Mega Press Nusantara.
- Listiana, D. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Masyarakat Muslim Memilih Bank Konvensional Daripada Bank Syariah (Studi Kasus Kecamatan Benai). *Juhanperak*, 2(2).
- Maulidizen, A. (2024). Sistem Perbankan Syariah. *Ekonomi Pembangunan Islam*, 79.
- Mukti, T., & Tulasmi, T. (2021). Analisis Faktor-Faktor Yang Mempengaruhi Nasabah Bank Syariah Tetap Menggunakan Bankkonvensional (Dualisme Akun). *At-Thullab: Jurnal Mahasiswa Studi Islam*, 2(2), 505.
- Nurfuadi, W., Kamilah, K., & Harahap, M. I. (2024). Pengaruh Pengetahuan Perbankan Syariah dan Religiusitas terhadap Minat Mahasiswa Perbankan Syariah untuk

Memilih Bekerja di Perbankan Syariah. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 5(3), 766–778.

Pangambean, Latifah Ayunda Sari. (2023). Faktor penyebab mahasiswa perbankan syariah belum bertransformasi dari bank konvensional ke bank syariah.

Safitri, C., & Fasa, M. I. (2024). Strategi Digital Marketing Dalam Meningkatkan Aksesibilitas Layanan Bank Syariah Di Era 4.0. *Jurnal Intelek Dan Cendekiawan Nusantara*, 1(5).

Safitry, M. G. (2024). Faktor penyebab mahasiswa perbankan syariah angkatan 2019 iain curup belum bertransformasi dari bank konvensional ke bank syariah. *IAIN Curup*.

Sahri, M. Z. (2024). Persamaan dan Perbedaan Bank Konvensional dengan Bank Syariah. *JIBEMA: Jurnal Ilmu Bisnis, Ekonomi, Manajemen, Dan Akuntansi*, 2(1), 50–66.

Santalia, A., Adha, M. A., & Adi, S. P. (2024). Pengaruh Automatic Teller Machine (ATM), Mobile Banking, Keamanan, dan Kepercayaan Terhadap Loyalitas Nasabah Bank Syariah Indonesia. *Jurnal Ekonomi Syariah Pelita Bangsa*, 9(02), 327–340.

Sari, I. P. (2024). Analisis perbandingan kinerja bank konvensional dengan bank syariah yang terdaftar di Bursa Efek Indonesia tahun 2022-2023. *Kompeten: Jurnal Ilmiah Ekonomi Dan Bisnis*, 2(5), 802–807.

Sugiyono. (2017). *Metode Penelitian Kualitatif (ke 3)*. Alfabeta.

Sundariani, F. (2023). Manajemen Strategi Promosi Produk Pembiayaan Perbankan Syariah. *Jurnal Al Wadiah*, 1(2), 76.

Susanto, P. C., Arini, D. U., Yuntina, L., Soehaditama, J. P., & Nuraeni, N. (2024). Konsep Penelitian Kuantitatif: Populasi, Sampel, dan Analisis Data (Sebuah Tinjauan Pustaka). *Jurnal Ilmu Multidisplin*, 3(1), 1–12.

Waruwu. (2023). Pendekatan Penelitian Pndidikn Metode Penelitian Kualitatif. 7(1), 2898.