PRODUCT DIFFERENTIATION AND BRAND AWARENESS STRATEGIES IN INCREASING INTEREST IN BECOMING SHARIA BANKING CUSTOMERS

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Abstract: Islamic banking is a type of financial institution whose activities are based on sharia principles which aim to be free from usury. In the development of attracting people to become sharia banking customers, there are obstacles, especially in the marketing sector. So, an appropriate marketing strategy is needed, so that sharia banking can be accepted by the public. In this research, as a form of sharia banking to win the competition, a product must be created that is different from similar products, this difference is called product differentiation. Apart from that, companies need to raise public awareness of their existence with a positive and innovative impression through the products they offer. This research uses descriptive quantitative research with a sample size of 100 people. The results of this research show that together product differentiation and brand awareness influence interest in becoming a customer; (2) product differentiation has a positive effect on purchasing interest; (3) brand awareness has a positive effect on purchasing interest.

Keywords: *product differentiation strategy, brand awareness, purchase interest*

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1. Introduction

Indonesia is one of the countries with the largest population in the world. The population in the country has continued to increase over the last decade. Based on data from the Central Statistics Agency (BPS, 2023), Indonesia's population has increased again to 278.8 million people, where this figure has increased by 1.1% compared to 2022, namely 275.77 million people.

The development of sharia banking in Indonesia is experiencing quite rapid development, this is marked by the existence of sharia banks in Indonesia, which even some conventional banks are also enlivening by opening branches at sharia banks. Based on Sharia Banking Statistics data from the Financial Services Authority (OJK, 2023), there are several Sharia banks as follows:

Tabel 1. Sharia Commercial Banks

No	Name of Sharia Commercial banks	KPO/KC	KCP/UPS
1	PT Bank Aceh Syariah	27	132
2	PT BPD Riau Kepri Syariah	21	144
3	PT BPD Nusa Tenggara Barat Syariah	12	28
4	PT Bank Muamalat Indonesia	80	139
5	PT Bank Victoria Syariah	2	-

6	PT Bank Jabar Banten Syariah	11	60
7	PT Bank Syariah Indonesia, Tbk	155	946
8	PT Bank Mega Syariah	30	35
9	PT Bank Panin Dubai Syariah, Tbk	10	-
10	PT Bank Syariah bukopin	13	10
11	PT BCA Syariah	15	61
12	PT Tabungan Pensiunan Nasional	16	-
13	PT Bank Aladin Syariah, Tbk	1	-

Source: OJK, 2023

With Indonesia's population continuing to grow every year, where the majority of Indonesian people are Muslim, in reality sharia banks have not been able to dominate the market in Indonesia because they see that the public's interest in becoming customers of sharia banks is still lacking. In terms of the largest Sharia banking Top Brands in Indonesia, namely Bank Muamalat, Indonesian Sharia Bank and BCA Syariah, the following is the top brand index data for Indonesian Sharia banking:

Table 2. Sharia Banking Top Brand Index

No.	Brand	2019	2020	2021	2022	2023	Ket.
1.	Bank Muamalat	4.70 %	3.30	4.20	9.70	4.10	
2.	Bank Syariah Indonesia (BSI)	-	-	-	61.50	60.10	TOP
3.	BCA Syariah	-	11.20	12.60	16.30	20.80	TOP

Source: www.topbrand-award.com, 2023

From table 1.2 above, it can be seen that Bank Muamalat Indonesia, through the top brand index from 2019 to 2023, has the smallest index value compared to other Sharia banks. Based on the data above, it can be seen that Bank Muamalat has experienced a decline in its index from year to year. In facing increasingly tight competition among sharia banks in Indonesia, each bank certainly has its own marketing strategy to increase the number of customers. Likewise with Bank Muamalat Indonesia, which should have a strategy to improve its position. Marketing strategy is a step that must be taken in marketing banking products or services aimed at increasing sales by Bank Muamalat. In marketing strategy, there needs to be review activities and strategy development that are appropriate to market developments and the market environment. Thus, a marketing strategy must be carried out by the company to get value from every opportunity or chance in the target market.

Consumers are one of the most important chains in the sharia banking industry, because consumers are the desired targets for a service industry to run its business. In the world of banking, consumers have a wide choice of commodities that they want to invest in according to each individual's economic capabilities. Apart from that, the majority of Indonesia's population is Muslim, which is a very potential market for sharia banking services to become larger. Factors accepted by consumers become considerations and input in deciding each of their wishes, including choosing a bank as a place to invest money owned by consumers, especially in sharia banks which have their own appeal for consumers.

In marketing Bank Muamalat's products, it applies various marketing strategies that are tailored to existing market opportunities. There are various factors that influence interest in becoming a customer, one of which is that product differentiation has a significant effect on

purchasing interest (Susanto & Rahmi, 2013). Differentiation according to (Philip Kotler, 2002:4) is the action of establishing a set of meaningful differences to differentiate a company's offerings from its competitors. Apart from product differentiation, Brand Awareness also influences purchasing interest (Pradana et al., 2015) saying that Brand Awareness simultaneously has a significant influence on purchasing interest. Brand Awareness according to (Shimp, 2003:11) is the ability of a brand to appear in consumers' minds when they are thinking about a particular product category and how easily the name appears.

2. Research Method

The research method used in this research is a quantitative method. The population in this study is prospective Bank Muamalat customers in Kuningan Regency whose number is unknown. The sampling technique in this research is convenience sampling. The data analysis technique uses multiple linear regression analysis with the help of the SPSS version 25 application. In this study, the population is large and the population size is unknown. So, the number of samples is determined using the Bernoulli formula as follows:

$$n \geq \frac{Z \cdot \frac{a}{2^2} \cdot p.q}{(e)^2}$$

Information:
n = Number of samples
Z = Square of the confidence interval
p = Estimated proportion of success
q = Estimated proportion of failures or 1-p
α = Level of accuracy
e = Error rate

In this research, an accuracy level (α) of 5% and (α) confidence level of 95% were used to obtain:
Z value = 1.96
Error rate (e) = 5%
Probability of correct questionnaire q (accepted) = 0.5
Probability of incorrect questionnaire p (rejected) = 0.5
Calculation:

$$n \geq \frac{(1,96)^2.0,5.0,5}{0,1^2} = 96,04$$

In this study, the number of respondents used based on the calculation above was 96.04 respondents and rounded up to 100 respondents.
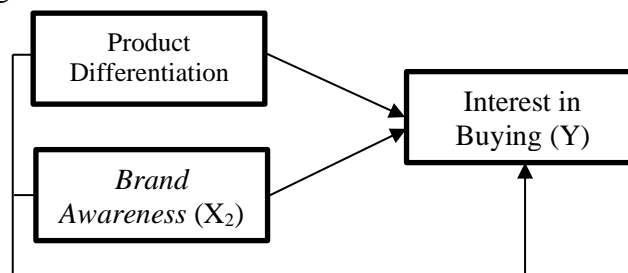The research paradigm carried out is:

Figure 1. Research Paradigm

The hypothesis of this research is as follows:

H1: Product differentiation and Brand Awareness simultaneously influence interest in becoming a customer at Bank Muamalat Indonesia in Kuningan Regency.

H2: Product differentiation has a positive effect on interest in becoming a customer at Bank Muamalat Indonesia in Kuningan Regency.

H3: Brand Awareness has a positive effect on interest in becoming a customer at Bank Muamalat Indonesia in Kuningan Regency

The research method explains the design of activities, scope or objects, main materials and tools, places, data collection techniques, operational definitions of research variables, and analysis techniques.

3. Results and Discussion

3.1. Results

Descriptive Analysis

Descriptive statistical analysis techniques that can be used are presenting data in the form of tables or frequency distributions and cross tabulations (crosstabs). The results and division of categories from the descriptive analysis of each variable:

1. From the results of descriptive analysis processing, it can be seen that product differentiation (X1) is 68.82% and this is included in the high category, with an interval of 68% - 100%.
2. From the results of descriptive analysis processing, it can be seen that brand awareness (X2) is 31.32% and this is included in the low category, with an interval of 0% - 33%.
3. From the results of descriptive analysis processing, it can be seen that buying interest (Y) is 38.14% and this is included in the medium category, with an interval of 34% - 67%.

Normality Test Results

The results of the normality test using the SPSS application were obtained as follows:

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Predicted Value
N		100
Normal Parameters[a,b]	Mean	38.1600000
	Std. Deviation	2.46875275
Most Extreme Differences	Absolute	.075
	Positive	.056
	Negative	-.075
Test Statistic		.075
Asymp. Sig. (2-tailed)		.184[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: research data output results, SPSS 25

Based on the results of the normality test using the One Sample Kolmogorov-Smirnov test on the variables Product Differentiation Strategy (X1), Brand Awareness (X2), and Purchase Interest (Y), it is known that the significance value is 0.184 > 0.05, so it can be concluded that the residual value is normally distributed.

Multicollinearity Test Results
The results of the multicollinearity test using the SPSS application were obtained as follows:

Table 4. Multicollinearity Test

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	14.035	4.360		3.219	.002		
	Strategi Diferensiasi Produk	.282	.067	.455	4.204	.000	.640	1.563
	Brand Awareness	.150	.161	.101	.932	.354	.640	1.563
a. Dependent Variable: Minat Beli								

Source: research data output results, SPSS 25

Based on table 3.2, the results of the multicollinearity test show that the Product Differentiation (X1) and Brand Awareness (X2) variables have a VIF (Inflation Factor) value of 1.563 < 10 and a tolerance value of 0.640 > 0.1, so it can be concluded that there are no symptoms of multicollinearity between the independent variables.

Heteroscedasticity Test Results
The results of the heteroscedasticity test using the SPSS application were obtained as follows:

Table 4. Heteroscedasticity Test

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	5.441	2.851		1.909	.059		
	Diferensiasi Produk	-.021	.044	-.061	-.483	.630	.640	1.563
	Brand Awareness	-.031	.106	-.037	-.290	.773	.640	1.563
a. Dependent Variable: Abs_RES								

Source: research data output results, SPSS 25

Based on table 3.3, the results of the heteroscedasticity test using the Glejser test show that the Product Differentiation variable has a sig value of 0.630 > 0.05 and Brand Awareness has a sig value of 0.773 > 0.05, so it can be concluded that there are no symptoms of heteroscedasticity.

Linearity Test Results

The results of the linearity test using the SPSS application were obtained as follows:

Table 5. Product Differentiation Linearity Test with Saving Interest

ANOVA Table			Sum of Squares	Df	Mean Square	F	Sig.
Minat Menabung * Diferensiasi Produk	Between Groups	(Combined)	784.581	27	29.059	1.464	.102
		Linearity	588.955	1	588.955	29.665	.000
		Deviation from Linearity	195.626	26	7.524	.379	.996
	Within Groups		1429.459	72	19.854		
	Total		2214.040	99			

Source: research data output results, SPSS 25

From table 3.4, the results of the linearity test between product differentiation (X1) and interest in saving (Y) from the output results above, the deviation from linearity value sig is obtained. is $0.996 > 0.05$.

Multiple Linear Regression Test Results

The results of the multiple linear regression test using the SPSS application are:

Table 6. Multiple Linear Regression Test

Coefficients[a]		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	14.035	4.360		3.219	.002		
	Diferensiasi Produk	.282	.067	.455	4.204	.000	.640	1.563
	Brand Awareness	.150	.161	.101	.932	.354	.640	1.563
a. Dependent Variable: Minat Beli								

Source: research data output results, SPSS 25

From table 3.5, the results of the multiple linear regression test show the regression results of Product Differentiation and Brand Awareness on Purchase Interest:

$$Y = 14.035 + 0.282 \, X1 + 0.150 \, X2$$

The regression equation can be explained as follows:
1. A constant of 14.035 means that without being influenced by Product Differentiation and Brand Awareness, the Purchase Interest value is 14.035.
2. A coefficient of 0.282 means that if each unit point difference in Product Differentiation value will increase Purchase Interest by 0.282 at a constant of 14.035.
3. A coefficient of 0.150 means that if each unit point difference in Brand Awareness value will increase Purchase Interest by 0.150 at a constant of 14.035.

Hypothesis Test Results

The results of hypothesis testing using the SPSS application are:

F Test

Table 7. F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
		ANOVAª				
1	Regression	603.366	2	301.683	18.168	.000ᵇ
	Residual	1610.674	97	16.605		
	Total	2214.040	99			
a. Dependent Variable: Minat Beli						
b. Predictors: (Constant), Brand Awareness, Diferensiasi Produk						

Source: research data output results, SPSS 25

Based on the analysis results, it is known that the Sig value. is 0.000. Because the Sig value. $0.000 < 0.05$ and it is known that the value of Fcount > Ftable $(18.168 > 3.090)$ then according to the basis for decision making in the F test it can be concluded that H0 = 0 which means there is no influence (rejected) and Ha ≠ 0 which means there is influence (accepted) , meaning that there is a simultaneous influence between product differentiation (X1) and brand awareness (X2) on interest in becoming a customer (Y).

t Test

Table 8. t Test

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
		Coefficientsª						
1	(Constant)	14.035	4.360		3.219	.002		
	Diferensiasi Produk	.282	.067	.455	4.204	.000	.640	1.563
	Brand Awareness	.150	.161	.101	.932	.354	.640	1.563
a. Dependent Variable: Minat Beli								

Source: research data output results, SPSS 25

4,204 products with a significant level of 0.000 and by using a level of α = 0.05 or 5% it can be concluded that Product Differentiation has a positive effect on Interest in Becoming a Customer. Next, tcalculate Brand Awareness 0.932 with a significant level of 0.354 and with df1 (number of variables – 1) = 3-1 = 2, and df2 (n-k-1) = 100-2-1 = 97, ttable value using the level α = 0, 05 or 5% is 1.661 so that tcount > ttable $(0.932 < 1.661)$ and the sig value $(0.354 < 0.05)$, then H0 is accepted and Ha is rejected, so it can be concluded that Brand Awareness has no positive effect on Interest in Becoming a Customers.

3.2. Discussion

The research results explain that product differentiation and brand awareness strategies for interest in becoming customers have an F test calculation with a value of 18.168 and a significance of 0.000, which means that the hypothesis is accepted. When viewed from the sig

value <0.05 or 0.000 <0.05. This means that the previously formulated hypothesis stating that "product differentiation and brand awareness simultaneously influence interest in becoming a customer" is accepted or proven, then H0 is rejected and Ha is accepted. This can be a consideration for Sharia banking managers, especially Bank Muamalat Indonesia, who must provide a product differentiation strategy that can attract potential customers to become Bank Muamalat Indonesia customers. One strategy that can be implemented is by presenting the role of customers by involving the experience of customers who have used products at Bank Muamalat Indonesia for a long time. Apart from that, the strategy for managing product innovation and customer financial services is also a differentiation strategy as a form of product that helps customers manage risk and can potentially generate profits in various market conditions. Technology and security can also be one of Bank Muamalat's product differentiation strategies, where Bank Muamalat can offer services that integrate data with artificial intelligence to help analyze customer data and predict trends and offer personalized services.

The Influence of Brand Awareness on Interest in Becoming a Customer

The significant value obtained is 0.354 which means that the hypothesis is rejected. If we look at the sig value of 0.354, it is known that sig <0.05 or 0.354 > 0.05. This means that the previously formulated hypothesis stating that "brand awareness has a positive effect on interest in becoming a customer" is accepted or proven, then H0 is accepted and Ha is rejected. From this value, what Bank Muamalat can do to increase brand awareness can be done by understanding the uniqueness of the products or services offered to customers using brand value. Maximizing the potential of social media is also a form of promotion that can directly target customers. This can be done by promoting a tagline or logo that attracts customers' attention, building a website that is attractive and applicable to customers, creating events that are in line with trends and carrying out relevant Co-Branding.

4. Conclusion

Based on the results of research and discussion with data processing using SPSS, the conclusions that can be given are as follows:

1. Product differentiation and brand awareness simultaneously influence interest in becoming a customer at Bank Muamalat Indonesia in Kuningan Regency.
2. Product differentiation has a positive effect on interest in becoming a customer at Bank Muamalat Indonesia in Kuningan Regency.
3. Brand awareness does not have a positive effect on interest in becoming a Bank Muamalat Indonesia customer.

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