International Journal of Advanced Research in Social Studies

The Influence of Market Segmentation on the Selection of Services at Bank Syariah Indonesia: A Case Study of Palembang City

ALYSHA CHIKA YURI[1)], YUSLELI HERAWATI[2)*], M. YUSUF[3)]

[1, 2,3]*Sriwijaya State Polytechnic, Indonesia*

[1] alyshachelle@gmail.com, [2]leli_kosim@yahoo.com, [3]yusuf@polsri.ac.id

Submitted : 20 September 2022 Accepted : 20 Desember 2022

Published : 30 Desember 2022

ABSTRACT

This study was conducted to analyze the influence of market segmentation on service selection at Bank Syariah Indonesia (BSI) in Palembang City. A quantitative approach was used through data collection using questionnaires distributed to potential customers. Segmentation criteria included demographic and psychographic variables. Multiple regression analysis was applied to identify significant factors influencing potential customers' service selection. The results showed that demographic factors such as age and income, as well as psychographic aspects such as lifestyle and social class, significantly influenced banking service selection. These findings suggest that BSI can improve its marketing strategy by focusing on targeted market segments to better meet the needs of potential customers in Palembang.

Keywords: Market Segmentation, Service Selection, Bank Syariah Indonesia

INTRODUCTION

Islamic banks are financial institutions that adhere to Islamic sharia principles. In Indonesia, Islamic banks first emerged in the early 1990s with the establishment of Bank Muamalat Indonesia. One of the largest Islamic banks today is Bank Syariah Indonesia (BSI), which is the result of a merger between PT Bank BRI Syariah Tbk, PT Bank Syariah Mandiri, and PT Bank BNI Syariah.

This study aims to analyze the influence of market segmentation based on demographic and psychographic characteristics on the choice of Islamic banking services in Palembang. Palembang, as a major city, offers a potential market for the development of Islamic banking services. Understanding the factors influencing potential customers in choosing Islamic banking services is crucial for designing effective marketing strategies.

This study used a quantitative method with multiple linear regression analysis to identify the relationships between the variables studied. Demographic data included age, gender, education, and income, while psychographic data included lifestyle, social class, and beliefs. The analysis showed that Islamic lifestyle and religious values significantly influence the choice of Islamic banking services.

DOI: https://doi.org/10.5281/zenodo.16734740

This research is expected to provide a practical contribution to BSI in developing services that are more suited to local market needs, as well as a theoretical contribution to the academic literature on market segmentation in the context of Islamic banking in Indonesia.

LITERATURE REVIEW

a. Market Segmentation

Market segmentation is a strategy that directs marketing resources to predetermined segments by grouping consumers based on shared needs or characteristics. According to Haque et al. (2021), the benefits of segmentation include the ability to design responsive products and identify business opportunities. Sumartana et al. (2022) add that segmentation is also crucial for maximizing marketing strategies and influencing product development.

Market segmentation can be conducted at three levels: segment, niche, and individual marketing. This process involves surveys and analysis to form groups based on demographic, geographic, and psychographic characteristics. Effective segmentation must be measurable, accessible, and sufficiently profitable, as well as assist in responding to market trends, particularly in the banking sector.

b. Prospective Customers

According to Yusmad (2018), prospective Islamic bank customers are divided into four categories: individuals, companies, government and international institutions, and banking institutions. Prospective individual customers must submit complete identity documents, including name, address, place and date of birth, and information on the source and purpose of funds. Meanwhile, companies, both small and large, must attach a deed of establishment, business license, and relevant financial statements.

Government and international institutions must provide the name of an authorized party and a letter of appointment to represent them in dealing with Islamic banks. Banking institutions are required to provide their deed of establishment, business license, and power of attorney for authorized parties in dealing with Islamic banks.

c. Selection of Bank Services

According to Budiono (2022), customers are the key to achieving profitability, with their satisfaction and loyalty crucial. Marketing today focuses on maximizing customer satisfaction, which is considered a source of profit. Understanding customer preferences helps banks determine their habits and tendencies when choosing services.

Kotler, in Budiono (2022), explains "Models of Buyer Behavior," which encompass factors such as the marketing mix, consumer psychology, and the purchasing decision process. By understanding customer behavior, banks can transform them into loyal customers, from potential customers to those who recommend the bank to others.

METHODS

DOI: https://doi.org/10.5281/zenodo.16734740

This study uses a quantitative approach to investigate market segmentation and preferences for Islamic banking services at Bank Syariah Indonesia, specifically in Palembang City. This approach is supported by primary data collection through questionnaires distributed to potential customers. The data are then analyzed using statistical software such as Excel and SPSS to identify the relationship between market segmentation variables and the choice of Islamic banking services. This study aims to provide in-depth insights for improving marketing strategies in the Islamic banking industry. This methodology was chosen to ensure the validity and reliability of the data obtained and to produce reliable findings in both academic and practical contexts.

RESULTS AND DISCUSSION

This study involved 100 respondents to analyze the influence of demographic and psychographic segmentation on the choice of Bank Syariah Indonesia (BSI) services. Data were collected through questionnaires distributed offline and online, and the characteristics of Respondents were asked to provide an overview of their identities. The results are as follows:

a. Respondent Data Based on Gender

Respondent data based on gender who filled out the questionnaire from a total of 100 respondents are as follows:

Table 1
Respondent Data Based on Gender

Gender	Frequency (people)	% (Presentation)
Man	43	43%
Woman	57	57%
Amount	100	100%

Based on gender, respondents in this study consisted of 43 men (43%) and 57 women (57%).

b. Respondent Data Based on Age

Respondent data based on age who have completed the questionnaire from a total of 100 respondents is as follows:

Table 2
Respondent Data Based on Age

Age	Frequency (people)	% (Presentation)
20-24	39	39%
25-29	61	61%
Amount	100	100%

Based on age, respondents in this study aged 20-24 years were 39 (39%) and those aged 25-29 years were 61 (61%).

c. Respondent Data Based on Occupation

DOI: https://doi.org/10.5281/zenodo.16734740

Respondent data based on occupations that have filled out the questionnaire from a total of 100 respondents are as follows:

Table 3
Respondent Data Based on Occupation

Work	Frequency (people)	% (Presentation)
ASN	8	8%
Private employees	68	68%
Businessman	4	4%
Students	20	20%
Amount	100	100%

Based on the type of work in this study, 8 (8%) worked as ASN, 68 (68%) worked as private employees, 4 (4%) were entrepreneurs, and 20 (20%) were students.

d. Respondent Data Based on Income

Respondent data based on income who have completed the questionnaire from a total of 100 respondents is as follows:

Income	Frequency (people)	% (Presentation)
< Rp. 2,000,000	17	17%
Rp2,000,001 – Rp. 4,000,000	55	55%
Rp4,000,001 – Rp. 6,000,000	25	25%
Rp6,000,001 – Rp. 8,000,000	1	1%
> Rp. 8,000,000	2	2%
Amount	100	100%

Based on the respondents' monthly income, 17 (17%) had income below Rp2,000,000, 55 (55%) between Rp2,000,001–Rp4,000,000, 25 (25%) in the range of Rp4,000,001–Rp6,000,000, 1 (1%) between Rp6,000,001–Rp8,000,000, and 2 (2%) above Rp8,000,001.

1. Normality Test

Data normality testing aims to determine whether a sample has a normal distribution. In a linear regression model, this assumption is evident from the normally distributed error values. A good regression model has a normal or near-normal distribution, so it can be tested statistically. Data normality testing is performed using the Kolmogorov-Smirnov test in SPSS. According to Ghozali (2016), the basis for decision-making based on probability (asymptotic significance) is:

1. If the probability > 0.05, then the distribution of the regression model is normal.
2. If the probability < 0.05, then the distribution of the regression model is not normal.

DOI: https://doi.org/10.5281/zenodo.16734740

2. Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to simultaneously determine the effect of several independent variables on the dependent variable. In this study, the dependent variable is the prospective customer's choice of bank services, while the independent variables include demographics and psychographics. The goal is to identify the extent of influence of each independent variable and determine which variable is most significant. The regression model used can be expressed as the following equation:

$$Y = a + b1X1 + b2X2 + e$$

Information:

Y = Bank Service Selection

a = Constant Number

X1 = Demographic Segmentation

X2 = Psychographic Segmentation

e = Error.

Table 5

Multiple Linear Regression Test Results

Variables	Regression Coefficient (B)	Std	t	Sig
		error	Count	
(Constant)	0.982	0.702	1,400	0.165
X1 Demographics	0.479	0.068	7,084	0.000
X2 Psychographics	0.265	0.085	3.128	0.002

The results of the multiple linear regression analysis show that the demographic variable has a regression coefficient of 0.479 and is significant (p = 0.000), meaning it has a positive effect on the choice of banking services. Meanwhile, the psychographic variable also shows a positive effect with a coefficient of 0.265 and is significant (p = 0.002). The constant of 0.982 is not significant (p = 0.165), indicating that the choice of banking services is significantly influenced by both independent variables.

2. Coefficient of Determination (R2)

The multiple determination coefficient (R2) is used to assess the extent to which a regression model is able to explain variation in the dependent variable. In this study, R2 indicates the percentage of variation in prospective customers' bank service choices that can be explained by the independent demographic and psychographic variables. The following is a summary table of the resulting regression model:

Table 6

Results of the Coefficient of Determination (R2) Test

R	R Square	Adjusted R Square	Standard Error of the Estimate
0.832a	0.693	0.686	1,480

DOI: https://doi.org/10.5281/zenodo.16734740

The table shows an R value of 0.832, indicating a strong relationship between the independent and dependent variables. An R Square (R2) of 0.693 means that 69.3% of the variation in Prospective Customers' Bank Service Selection can be explained by Demographic and Psychographic variables. An Adjusted R Square of 0.686 indicates a strong model, with a standard error of 1.480 indicating a relatively low level of error in model predictions.

3. t-test (Partial)

A partial t-test was used to assess whether each independent variable significantly influences the dependent variable, while controlling for the influence of other independent variables in a multiple linear regression model. The t-test results show that the Demographic variable has a coefficient of 0.479 with a t-value of 7.084 and a significance of 0.000, indicating a significant and positive influence on the Selection of Bank Services by Prospective Customers. Likewise, the Psychographic variable with a coefficient of 0.265, a t-value of 3.128, and a significance of 0.002 also has a significant influence. Both variables have a Tolerance of 0.428 and a VIF of 2.337, indicating no multicollinearity problem, so both significantly influence the selection of bank services by prospective customers.

4. F Test (Simultaneous)

The simultaneous F-test is a statistical method used to simultaneously test whether a group of independent variables significantly influences the dependent variable in a multiple linear regression model. The purpose of this test is to test the null hypothesis that the regression coefficients of all independent variables are simultaneously zero. The results of the simultaneous F-test are as follows:

Model	Sum of Square	df	Mean Square	F	Sig.
Regression	478,559	2	239,280	109,255	0.000b
Residue	212,441	97	2,190		
Total	691,000	99			

The F-test table shows the results of the analysis of variance (ANOVA) for the regression model. The F-value of 109.255 with a significance level of 0.000 indicates that the overall regression model is significant in explaining variation in the dependent variable. With a p-value <0.05, we can reject the null hypothesis that all regression coefficients are zero. The total variance explained by the model is 478.559, while the unexplained variance (residual) is 212.441. This confirms that the tested independent variables significantly influence prospective customers' choice of bank services.

CONCLUSION

This study shows that demographic and psychographic segmentation significantly influence the choice of banking services by prospective customers of Bank Syariah Indonesia in Palembang City. Partially, demographic factors such as age, gender, and socioeconomic status play an important role in determining the choice of Islamic banking services. Psychographic segmentation involving customers' lifestyle, personality, and values also influences their decision in choosing banking services. Simultaneously, these two types of

DOI: https://doi.org/10.5281/zenodo.16734740

segmentation jointly influence the choice of banking services, demonstrating the importance of marketing strategies that consider both aspects to attract customers.

REFERENCES

Anugrah, Krishna, & Sudarmayasa, I Wayan. (2020). Service Quality (Accommodation). Gorontalo: Ideas Publishing

Alysha Chika Yuri, Yusleli Herawati, M. Yusuf, The Influence of Market Segmentation on the Selection of Indonesian Sharia Bank Services: A Case Study of Palembang City.

Assauri, Sofjan. (2014). Marketing Management (Basics, Concepts & Strategies). Depok: PT Raja Grafindo Persada

Palembang City Central Statistics Agency. (2021). Population by Age Group (People), 2019-2021. Palembang: Palembang City Central Statistics Agency

Budiono, I Nyoman. (2022). Marketing Management of Islamic Banks. Parepare: IAIN Parepare Nusantara Press

Fauzy, Akhmad. (2019). Sampling Method. South Tangerang: Open University

Ghozali, Imam. (2018). Multivariate Analysis Application with IBM SPSS 25 Program. Semarang: Diponegoro University Publishing Agency

Halim, Fitria, et al. (2021). Service Marketing Management. Medan: Kita Menulis Foundation

Hamid, RS, et al. (2023). Modern Marketing Management (Strategies and Tactics for Business Success). Jambi: PT Sonpedia Publishing Indonesia

Haque, MG., et al. (2022). Marketing Strategy (Concept, Theory, and Implementation). South Tangerang: Pascal Books

Junaedi, IWR., et al. (2022). Marketing Management (Implementation of Marketing Strategy in the Society 5.0 Era). Purbalingga: Eureka Media Aksara

Nuryadi, et al. (2017). Fundamentals of Research Statistics. Yogyakarta: Sibuku Media

Paramita, RWD, Rizal, N., & Sulistyan, RB (2021). Quantitative Research Methods: A Textbook of Research Methodology Education for Accounting & Management Students (Third Edition). Lumajang:

Widya Gama Press Priadana, Sidik & Sunarsi, Denok. (2021). Quantitative Research Methods. Tangerang: Pascal Books

Suharto, Rachmad Budi. (2020). Population Theory. Samarinda: RV Pustaka Horizon

Yusmad, Muammar Arafat. (2018). Legal Aspects of Sharia Banking (from Theory to Practice). Yogyakarta: Deepublish

*DOI: https://doi.org/*10.5281/zenodo.16734740