Islamic Banking (iB) Logo: In Santri Perception to Use Islamic Banking Products in Indonesia

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Abstract: The logo named iB stands for Islamic Banking, popularized as a common identity marker for the Islamic Banking industry in Indonesia. The use of this common identity aims to make people easily and quickly recognize the availability of Islamic Banking services throughout Indonesia. Santri itself can be defined as a cultural "stream" of people within the population of Java who practice a more orthodox version of Islam; they tend to be oriented to the mosque, the Quran and perhaps to Islamic canon law (Sharia). This research aims to determine the santri's perception toward iB's logo especially about the visual symbols and product image, to drive them to use Islamic Banking products. This research also studies the synchronization between the visual symbol of iB's logo and iB's product image in santri's perspective. It is analyzed using regression modelling in SPSS 18 software. The regression analysis technique was performed on the data and results interpreted accordingly. 100 copies of a questionnaire were distributed, 31 usable copies were subsequently collected. The results showed that in general the visual symbol of the iB logo negatively influenced santri's perception to use Islamic Banking products, but the product image of Islamic Banking significantly and positively influenced santri's perception to use Islamic Banking products.

1   INTRODUCTION

Islamic branding has been a growing phenomenon to be studied and discussed among the general public and in academic circles within the past few years. The study and application of the concept of Islamic branding is not only specialized in Islamic countries but has spread all around the world.

Islamic religious brands, or halal brands, are created according to the Islamic principles that guide what is permitted, not only in the food industry but also in cosmetics, pharmaceuticals, logistics, clothing, finance, hospitality and banking (Minkus-McKenna, 2007). In Islam there is a strong concept of encouraging the Muslim faithful to work towards creating one global ummah (Arabic for nation or community) (Wilson, Beck & Bamossy, 2013).

Nowadays the Islamic banking is growing faster because of the interest free system and many developed countries have started to look at it as the alternative to their conventional banking system. In the last few decades the Islamic banking has developed very rapidly in many different economies

and has been established in these economies as one of the most influential alternatives to the conventional banking system, which is based on interest transaction (Ahmad & Haron, 2002).

With this issue, the Islamic branding concept needs to be applied in Islamic banks to differentiate their services, brand, and marketing effort from conventional banks. Islamic banks should come up with convincing and shariah compliant solutions to overcome those rising problems and convince the public (Jalil & Rahman, 2014).

Furthermore, Islamic branding itself can be applied by using a conceptual logo because it can describe the visualization, philosophy, concept, product image and identity. The logo can also describe characteristics, personality and corporate culture as well.

The term Islamic branding could be used to describe brands as "Islamic" in three different ways (Alserhan, 2011):
(1) These brands are Shariah-compliant, i.e. Islamic brands by religion.
(2) They originate from an Islamic country, i.e. Islamic brands by country of origin.

(3) Their target is the Muslim consumer, i.e. Islamic brands by destination.

On the other hand, Islamic branding means giving an Islamic name to the product or to comply with the objectives of shariah (*maqasid al-shariah*) while producing any products or offering any services (Jalil & Rahman, 2014).

As one of the most salient visual elements of a brand (Wallace, 2001), logos facilitate the identification of the brand and its differentiation from competing alternatives (Janiszewski & Meyvis, 2001; MacInnis, Shapiro, & Mani, 1999).

The logos can be reflected as its visual symbols, which may personalize a brand and provide customers with a sense of connection better than brand names alone do, possibly because symbols are an effective means of communicating information to people (MacInnis et al., 1999), and to the extent that they are perceived as richer and more tangible representations of a firm than words or names are, symbols work better for brand differentiation (Swartz, 1983).

Symbols with an appealing visual design can help brands become more salient and vivid in individuals' minds, hence facilitating favorable attitude formation and memory retrieval (Fischer et al., 1991; Henderson & Cote, 1998), and eliciting strong affective and behavioral responses (Bloch, 1995). Symbols more easily signify a brand's benefits and transcend language barriers than text or names. Therefore, brand logos that incorporate visual symbols should be more effective than purely brand name-based logos at offering self-identity/expressiveness benefits, representing a brand's functional value, and providing aesthetic appeal (Park, Eisingerich, Pol & Park, 2013).

On 2 July 2007 Bank Indonesia, as a central bank in Indonesia, introduced the circular on "Islamic Banking" (iB) Logo with specific visual symbols.

In that logo, there is a form of geometric ornament that become the main element. The shape of the ornament reflects the search for perfection that reflects balance, order, mathematical precision and continuous change to the completeness.

Figure 1: Islamic Banking Logo in Indonesia

Reported from the page Sharianomics, Wednesday (1/7), the colors used on the iB logo also have a deep meaning. The blue color symbolizes professionalism and integrity. The orange color represents a friendly color, reflecting a friendly and humble person. The green color symbolizes growth and white color reflects a transparent and clean system embracing sharia principles.

The iB logo also has the Beyond Banking tagline (More Than Bank). iB is present as an icon of the Islamic Banking industry (sharia banking) in Indonesia offering more diverse banking products and services with more varied financial schemes. Thus, each individual with its distinctive financial needs can find the solution in iB.

On the other hand, visual symbols in logos are a part of a product image. Sutisna (2005, 80) mentioned that the indicators in the product image include: (1) Brand, symbols or symbols the corporation gives to its products as differentiators from other products. (2) Quality, that is, the whole of the characteristics of a product in terms of its ability to meet a predetermined need. (3) The feature, which is a competitive means for differentiating a corporate's product from a competitor's product. (4) Design, which is the totality of features that affect the appearance, taste, and functionality of the product based on customer needs.

Product image significantly and positively affects perceived quality and performance expectation. At the stage of purchase, the product image is not a determinant of the purchase intention, but it significantly and positively affects the price that participants are willing to pay for the product. In the post-purchase stage, product image does not directly affect the participants' satisfaction, but product image with product consumption performance significantly affects satisfaction. When the consumption performance is good, the product image has a significant and positive effect. When consumption performance is bad, product image significantly declines (Chen-Yu & Kincade, 2001).

This paper builds on extant research by examining the visual symbol of iB's logo and product image of Islamic Banking on santri's perception to use Islamic Banking products

Perception itself can be defined as a basis for comprehending the individual differences as for how the individual perceives something will influence how he/she behaves. The perceptions have a very close relationship with the attitude. It deals with the use of knowledge to understand a person's surroundings. The attitude, on the other hand, is the feeling of a way of thinking about something based on their perception (Pickens, 2005). In other terms, the attitude is a feeling, belief, or opinion of approval or disapproval towards something. It is predisposition or the conception to respond cognitively, emotionally, or behaviorally to a particular object, person, or situation in a particular way (A'yun, 2017).

The santri or students' attitude is a reflection of their perception that can guide and set their sights on their learning activities (Artini, 2010). The students' learning activities and styles are related to the perception of learning and often determine their decisions to conduct many aspects of classroom activities such as the interaction, presentation, engagement, attention, discussion, and assessment (Zhu & Wang, 2014).

Therefore, to investigate the influence of santri's perception of using Islamic Banking towards visual symbols in iB's logo and product image of Islamic Banking, the researchers proposed the following research questions:

Q1: Is there a relationship between visual symbols of iB's logo and santri's perception to use Islamic Banking products?
Q2: Is there a relationship between product image of Islamic Banking and santri's perception of using Islamic Banking products?

Based on those questions, the hypotheses are as follows:

H1: Visual symbols of iB's logo have a positive influence on santri's perception of using Islamic Banking products.
H2: Product image of Islamic Banking has a positive influence on santri's perceptionof using Islamic Banking products.
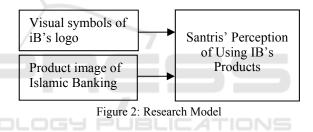
Those variables are categorized into symmetrical relationship variables, because they are indicators of the same concept and they are not influenced or caused by each other (Narbuko & Achmad. 2015).

2 RESEARCH METHODOLOGY

2.1 Method of Data Collection

The santri from "Pondok Pesantren Nurul Jadid" in Paiton-Probolinggo, East Java were surveyed using a questionnaire. A total of 100 questionnaires were distributed, and 31 valid cases have been selected for data analysis, as response rate was 31%. A questionnaire containing structured questions and all variables were measured using a 5-point Likert scale in which 5 represented strongly agree and 1 is strongly disagree to determine the relationship and perception of santri in using Islamic banking products and their concept of the Islamic Banking (iB) Logo employed in this study. The identities of the respondents were kept confidential, so were the data. Statistical techniques used in this research are "regression analysis" with SPSS 18.

2.2 Research Model

Figure 2: Research Model

3 RESULTS

According to the analysis requirements and data type, regression analysis techniques have been applied. Regression test was applied to find the influence correlation between independent variable (variable x) and dependent variable (variable y). This research is using multiple linear regression analysis by testing three variables. The three variables tested are: the position and form of sharia IB logo (variable x1), knowledge of service and product reputation of Islamic Banking shariah (variable x2), and decision in choosing Islamic bank products (variable y). The degree of error (α) used is 5% (0.05).

Table 1: Regression Testing

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
(Constant)		8.343	3.638		2.293	030
Visual symbols of iB's logo		.250	.164	.259	1.527	138
Product Image of Islamic Banking		.693	296	.397	2.342	026

Coefficients^a (n=31)

Dependent Variable: Santri's perception of using Islamic Banking products

From Table 1, the significance variable coefficient of x1 is 0.138. The signification coefficient of 0.138 is greater than (0.026α0.05), so the conclusion is that the visual symbols of the iB logo has no significant influence on santri's perception of using Islamic Banking products. However, product image of Islamic Banking products has a significant influence on santri's perception of using Islamic Banking products. Based on the data above, the variable significance coefficient of x2 of 0.026 is smaller than α (0,026 < 0,05).

Table 2: Anova Analysis

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	52.579	2	26.290	5.967	.007^a
Residual	123.356	28	4.406		
Total	175.935	30			

ANOVA^b (n=31)

Predictors: (Constant), visual symbols of iB's logo, product image of Islamic Banking

Dependent Variable: Santri's perception of using Islamic Banking products

Based on Table 2, the signification coefficient of variables x1 and x2 is 0.007. The variable significance coefficients of x1 and x2 are smaller than <0.05). Therefore, the conclusions obtained are the visual symbols of the iB's logo and product image of Islamic Banking have a significant influence on santri's perception of using Islamic Banking products.

R square coefficient is 0.299 (see Table 3). It states that santri's perception of using Islamic Banking products is influenced 29.9% by visual symbols of iB logo and product image of Islamic Banking. The influence is 29.9%, caused by only the variable of product image of Islamic Banking (variable X2) that has a significant influence on the variable santri's perception of using Islamic Banking products (variable Y).

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.547^a	.299	.249	2.099

Based on table 3, the coefficient correlation is 0.547. It means that each variable has a strong relation, it supported the symmetrical relationship variables theory.

4 DISCUSSION AND IMPLICATIONS

The results of this research indicate that the regulator of Islamic Banking needs to consider iB's logo as a more effective and powerful tool in the management of santri's perception than previously thought. That is, iB's logo that is easily recognizable, yet which does not convey the visual symbols and functional benefits, fails to take full advantage of their own potential. This is due to inadequate information about the iB logo by Bank Indonesia (BI) as Indonesian Central Bank. It leads to recommend that BI should promote iB's logo on all of Islamic Bank's advertisements and products.

The promotion of iB's logo should be massively applied in all of the mass media, in pesantren and in all santri's communities as well. It can minimize lack of information about iB's logo among santris especially.

Santri have important roles to promote and spread the concept of Islamic Banking among Indonesian people, because they follow Islamic

values in their daily lives and they have strong Islamic educational backgrounds.

Based on that, santri have a good image about Islamic Banking products, they consider that all of Islamic Banking should operate without a benefit/interest system. They also believe that the interest charged by conventional banks is illegal (*haram*) because it is required by the contract and the existance of extortion. It drives their perspective positively about all of the Islamic Banking products.

We consider several limitations of the present research when interpreting the results. First, the effectiveness of a visual symbol of iB's logo likely depends on multiple design properties of the logo (e.g., color, shapes, and sizes). Because an analysis of specific logo design elements is beyond the scope of the present study, the authors encourage future research that addresses these shortcomings. Second, other elements of brand measurement (e.g., brand identity, brand equity, brand awareness) can be applied for the next research.

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