



Y & Z Generation Customers' Decision to Have Hajj Savings Products

Shelva Khairanihisan¹, Ozka Muhammad Fajrin²,
Aas Nurasyiah³, and Firmansyah Firmansyah⁴

Universitas Pendidikan Indonesia, Bandung, Indonesia

shelva.sk@gmail.com

Abstract. Most hajj savings products are owned by the elderly, and only a few are owned by young people. The waiting period for the departure of the pilgrimage takes quite a long time. Therefore this hajj savings is most effective for Gen Y and Z or those in productive age. This study looks at the description and influence of the level of religiosity, level of income, and level of relationship marketing on the decisions of Y and Z generation customers to have hajj savings products in Islamic banks. The grand theory used in this study is a consumer decision theory, according to Kotler and Keller (2016: 194), namely consumer decisions on how individuals, groups, and organizations choose, buy, use, and use goods, services, ideas, or experiences to satisfy their needs and want. The method used in this study is a quantitative descriptive method with the Structural Equation Modeling-Partial Least Square (SEM-PLS) method. The analysis tool used is SmartPLS. The population used in this study is the Muslim Y and Z generation who have hajj savings in Islamic banks with a minimum number of 150 respondents using purposive sampling. The results of this study show the influence and significance of religiosity, income, and relationship marketing on the decision to have hajj savings in the Y and Z generation. This research implies that religiosity, income, and relationship marketing are essential in the Y and Z generation customers' decision to have hajj savings.

Keywords: Decisions, Hajj Savings, Income, Islamic Banks, Relationship Marketing, Religiosity.

1 Introduction

The pilgrimage is an obligation for every Muslim, wherever they are. To overcome the overflow of pilgrims from various parts of the world, the Arab government provides a limited quota for the pilgrimage to each country. According to the website of the Ministry of Religion of the Republic of Indonesia (2022), the government, together with the DPR, set the Hajj Pilgrimage Travel Expenses (BPIH) at Rp81,747,844.04, but what is charged or paid directly by the pilgrims on average is agreed to be Rp39,886,009. The costs are fixed in detention of the agreed hajj financial benefits value at IDR 41,053,216.24 per pilgrim. The value of this benefit comes from investment returns in the management of the Hajj funds.

Hajj travel costs charged to pilgrims have been regulated in Presidential Decree Number 5 of 2022 concerning Costs for Organizing the Hajj Pilgrimage in 1443 Hijriah/2022 AD, Sourced from Hajj Travel Expenses, Benefit Values, and Efficiency Funds. Hajj

Travel Expenses (BPIH) is usually the primary reference for the community to decide whether to perform the pilgrimage.

Therefore, the Indonesian government, in 2021, through the Directorate General of Hajj and Umrah Management (PHU) of the Ministry of Religion, entered into a Cooperation Agreement (PKS) with 30 Bank institutions that accept Hajj Travel Expense Deposits (BPS-BPIH) for registration, cancellation, repayment, or pilgrim accommodation.

Based on the variety of Islamic and regional development banks included in the BPS-BPIH, Muslims can freely choose the BPS-BPIH, which can help save their funds. However, based on data from the SISKOHAT page, most applicants came through Bank Syariah Indonesia. It was recorded that, until the end of 2022, hajj applicants through Bank Syariah Indonesia reached 3,488,391 registrants. Many factors can cause hajj applicants to decide to save the BPIH at a particular Islamic bank.

Religiosity. Religiosity is the source of everything that becomes a guide or reference for individuals seeking the truth to worship someone. In the Islamic perspective, according to Syaltut (1994), religiosity in Islamic teachings consists of three parts, which are *aqidah* (faith and belief), *sharia* (religious law that influences worship and *muamalah*), and *morals* (morals). The importance of religiosity has been explained by several aspects that must be fulfilled as a guide to living a righteous life to be happy both in this world and the hereafter (Salim et al., 2022).

Income. Income is the second factor chosen by the author because income is one of the personal factors influencing consumer behaviour, especially consumer decisions about owning hajj savings products in Islamic banks. Income is a vital material resource for consumers because it allows them to finance their consumption activities (Sumarwan, 2017). The definition of income contained in Statement of Financial Accounting Standards (PSAK) No. 23 paragraph 6 is the gross inflows of economic benefits that would arise from the normal activities of the enterprise during a period when those inflows would generate equity, except from investor activities. (Rini, 2021).

Relationship Marketing. It is a social factor influencing consumer decisions in buying or choosing services. These social factors can be through the social conditions of consumers, such as from small groups and families, as well as the social roles and status of these consumers. The purpose of this relationship marketing can be to build mutually satisfying long-term relationships with key factors in obtaining and retaining business (Setiawan et al., 2020).

Decision. According to Kotler and Armstrong (2012: 157), purchasing decisions refer to the final purchasing behaviour of consumers, both individuals and households, who buy goods and services for personal consumption. This is also driven by a quote from Kotler and Keller (2009: 240), which states that purchasing decisions are consumers forming an intention to buy the most preferred brand. In the Marketing Management book written by Kotler (1995:70), there are four indicators of purchasing decisions,

which are (1) Stability in a product, (2) Habits in buying products, (3) Providing recommendations to others, and (4) Repurchasing.

Fig 1 shows the stages of the consumer decision-making process according to Kotler & Armstrong (2016) as follows:

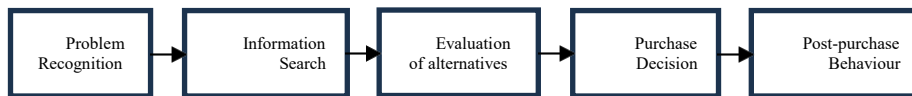


Fig. 1. Purchasing Decision Process

Hajj saving. Islamic banking, according to Law No. 21 of 2008, is a bank that carries out its business activities based on Sharia principles and according to its type, consists of Sharia commercial banks and Sharia people's financing banks. The functions and roles of Islamic banks are listed in the preamble to accounting standards issued by AAOIFI (Accounting and Auditing Organization for Islamic (quoted by Sudarsono (2008)), which are 1) Investment Management; 2) Investors; 3) Providers of Financial Services and Payment Traffic; 4) Social Services. Sharia banking products are generally divided into three categories: fund-raising products, fund distribution products, and other banking service products. Products for raising funds in Islamic banks include demand deposits, savings, or time deposits. The principles used in this product are the principles of Wadi'ah and Mudharabah. Meanwhile, fund distribution products are divided into four categories based on their intended use: 1) Purchase and Sale Principles, 2) Lease Principles, 3) Profit Sharing Principles, and 4) Financing with complementary contracts. In other banking products, it can be concluded that banking services where Islamic banks receive rewards for banking services are beyond their primary function (Otoritas Jasa Keuangan, 2017).

2 Methodology

The research method used in this study is quantitative. The quantitative method is a scientific method in which data is in the form of numbers that can be processed and analyzed through mathematical or statistical calculations (Sekaran & Bougie, 2017). This research uses a quantitative method because it uses a survey method by taking several samples from the population and using a questionnaire as a data collection tool. Questions are grouped by numbers.

The sample is part of the population (Sekaran & Bougie, 2017). The samples taken in this study were customers who owned hajj savings at Islamic banks throughout Indonesia. The sampling technique refers to the non-probability sampling technique, where each member of the population is not given the same opportunity to be selected as a member of the sample. The type of sample used in this study is purposive sampling.

Purpose sampling is sampling limited to certain types of people who can provide the desired information, either because they only have it or because they meet certain

criteria determined by the researcher (Sekaran & Bougie, 2017). The developed instrument will be measured using a semantic differential scale. The semantic differential scale is used to assess respondent's attitudes towards certain brands, advertisements, objects, or people. This semantic differential scale can measure the interval between two points. Any number can be added to or subtracted from the number scale, but it retains the magnitude rather than the difference (Sekaran & Bougie, 2017).

3 Result and Discussion

Composite Reliability and Cronbach's alpha are tests used to measure a measurement model's internal consistency or reliability; the value must be above 0.70. Composite Reliability is also an alternative test to Cronbach's alpha, but the results show that it is more accurate than Cronbach's alpha.

	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
K	0,900	0,918
P	0,775	0,848
RM	0,807	0,861
R	0,884	0,905

Table 1. Composite Reliability and Cronbach's Alpha

All latent variables in this study can be considered reliable, and the model built has a good level of reliability, as shown by the test results in Table 1, which shows the results of SmartPLS processing for each latent variable. In Table 2, the p-value can be used to check hypothesis testing in SEM-PLS. If the p-value is less than 0.05, the hypothesis is accepted, and vice versa (Hair et al., 2019).

	<i>Original sample (O)</i>	<i>T statistics (O/STDEV)</i>	<i>P values</i>
Income -> Decision	0,111	2.453	0.014
Relationship Marketing -> Decision	0,213	3.134	0.002
Religiosity -> Decision	0,333	4.569	0.000

Table 2. Path Coefficient

Based on Table 4, the results of the output path coefficient, the significance level of the religiosity level variable has a t-statistic of $4.569 \geq 1.96$. In addition, the p-value for the variable level of religiosity is 0.000, less than 0.05. Therefore, the level of customer religiosity positively influences the customer's decision to have a hajj savings product at an Islamic bank. This is in line with research conducted by Irfani et al. (2020), Parastika et al. (2021), and Kamil et al. (2022). However, this research differs from those conducted by Nurmaeni et al. (2020) and Andriani et al. (2021).

The significance level of the income level variable has a t-statistic of $2.453 \geq 1.96$. In addition, the p-value for the income level variable is 0.014, which is less than 0.05. Therefore, the customer's income level positively influences the customer's decision to have a hajj savings product at an Islamic bank. This is in line with research conducted by Bakar and Pantawis (2020), Edy et al. (2020), Landang et al. (2021), and Dinata (2022). However, this does not align with research conducted by Fitriyah (2016) and Suprpto and Puryanadani (2020). Meanwhile, the level of relationship marketing has a t-statistic of $3.134 \geq 1.96$. In addition, the p-value for the relationship marketing level variable is 0.002, which is less than 0.05. Therefore, the level of customer relationship marketing positively influences the customer's decision to have a hajj savings product at an Islamic bank. This is in line with research conducted by Purwati et al. (2019), Simamora et al. (2019), and Setiawan et al. (2020). However, there are differences in the research by Manik (2018). The results of the descriptive analysis show that the percentage value of the customer's religiosity level is in the high category and has a stronger influence on the customer's decision to have a hajj savings product. This means that respondents have a very good level of religiosity regarding beliefs, religious knowledge, experiences, and consequences.

4 Conclusion

The results of the descriptive analysis show that the percentage value of the customer's religiosity level is in the high category. This shows that respondents have a very good level of religiosity regarding beliefs, religious knowledge, experience, and the consequences of deciding to have hajj savings in Islamic banks. Furthermore, the income level is in the high category. This shows that respondents are aware of salary, work, and costs incurred in daily life, whether they can set aside their income to have hajj savings or not. Then, the level of relationship marketing is in the high category. This is based on the awareness of Generation Y and Generation Z customers that communication is a reliable information medium. Finally, the level of customer decisions is in the high category. This indicates that the respondent has a very good level of decision-making regarding knowledge of a matter, information search, evaluation of alternatives, purchasing decisions, and ultimately post-purchase behaviour.

The religiosity variable positively affects the decisions of Generation Y and Generation Z customers to have hajj savings products. As a solid driving factor, the religiosity variable is important in customer decision-making regarding hajj savings. The income variable has a positive and significant influence on customer decisions. Respondents with adequate income tend to be more able and motivated to have Hajj savings as part of their financial plan. The relationship marketing variable positively affects the decisions of Generation Y and Generation Z customers to have hajj savings products.

The implications of this research can help Islamic banks carry out better market segmentation related to Generation Y and Z customers. By understanding the factors of

Religiosity, income, and the importance of relationship marketing, banks can identify the needs and preferences of potential customers in these segments. Of course, this can help design more effective marketing strategies for attracting and retaining Generation Y and Z customers to have Hajj savings products.

References

1. Ayu Purwati, A., & Kristanto, K. (2019). *Procuratio: Jurnal Ilmiah Manajemen The Effect of Brand Image, Product Differentiation, and Relationship Marketing Strategy on Purchasing Decision of Toyota Brand Cars In Pekanbaru (Case Study On Toyota Agung Harapan Raya)* (Vol. 7, Issue 3)
<http://www.ejournal.pelitaIndonesia.ac.id/ojs32/index.php/PROCURATIO/index>
2. Bakar, V., & Pantawis, S. (2020). Pengaruh Pendapatan terhadap Permintaan Properti Komersial dan Keputusan Investasi di Kota Semarang. *Journal of Economics and Banking*, 2.
3. Dalima Landang, R., Widnyana, W., Sukadana, W., Ekonomi, F., Bisnisuniversitas, D., & Denpasar, M. (2021). Mahasiswa Fakultas Ekonomi Universitas Mahasaraswati Denpasar. *Jurnal Emas*, 2.
4. Erica Maryati Manik, & Eka Prasetya, D. (2018). Pengaruh Citra Perusahaan dan Relationship Marketing Terhadap Keputusan Pembelian Konsumen PT. Astra Internasional-Medan. *Jurnal Riset Manajemen & Bisnis (JRMB)*, 3(2). Fitriyah, F. (2016). Pengaruh Pendapatan, Dana Talangan Haji dan Religiusitas terhadap Keputusan Nasabah Mendaftar Haji (Studi pada BNI Syariah Tulungagung). In *Jurnal NUSAMBA* (Vol. 1, Issue 1).
5. Irfani, A. (2020). Faktor-Faktor yang Mempengaruhi Keputusan Nasabah dalam Memilih Tabungan Haji (Studi Komparatif pada Bank Aceh dan Bank Syariah Mandiri di Kabupaten Aceh Selatan). In *Journal of Sharia Economics* | (Vol. 1, Issue 2).
6. Kemal, T. E., Mauladi, F., & Efendi, Y. (2020). *Analisis Faktor Pendapatan dan Gaya Hidup Terhadap Keputusan Pembelian Barang Elektronik pada UD. Dewi Sri Elektronik Lamongan*.
7. Kotler, P., & Armstrong, G. (2018). *Principals of Marketing*.
8. Nurmaeni, R., Hasanah, S., & Widowati, M. (2020). Analisis Pengaruh Hedonisme, Religiusitas, Motivasi, dan Promosi terhadap Keputusan Menabung pada Bank Syariah (Studi Kasus Pada PT Bank BRI Syariah, Tbk Kantor Cabang Pembantu Majapahit Semarang). *Journal Tabarru' : Islamic Banking and Finance*.
9. Parastika, P., Hartini, T., & Amri, U. (2021). Pengaruh Religiusitas dan Pengetahuan terhadap Keputusan Menabung di Bank Syariah dengan Minat Sebagai Variabel Intervening. *Jurnal Intelektualita: Keislaman, Sosial Dan Sains*, 10(1), 177–187. <https://doi.org/10.19109/intelektualita.v10i1.8609>
10. Pardamean, N. (2022). Peran Mediasi Motivasi Kerja Pada Pengaruh Komitmen Organisasi Dan Lingkungan Kerja Terhadap Kinerja Pegawai Pada Kantor Dinas Ketahanan Pangan Dan Peternakan Provinsi Sumatera Utara. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, 5(1), 572–585. <https://doi.org/10.36778/jesya.v5i1.635>

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

