

## **Syariah banking: consumers expectation and perception towards SMS banking**

### **Abstract**

The Syariah Bank system is currently facing strong competition not only from other Islamic Banks but also from well-established conventional banks that offer Islamic products and services via Short Message Service (SMS) banking technology. It is a technology-enabled service permitting banks to operate selected banking services over the customers' mobile phone using SMS messaging. This study aims to examine Syariah Banking consumers' expectation and perception towards SMS Banking in Bintan Island Indonesia. A total of 111 respondents provided complete responses with 95.5% of them familiar with both Islamic and commercial bank transactions and also understand that SMS facilities can be used for banking transaction (65.8%). A small group of them has used their mobile phone for SMS Banking. These findings can be a signal and reference for financial institutions, Syariah Banks in particular, to understand and focus their marketing strategies on these aspects.