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SRIPATUM  
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Chonburi

# The 3<sup>rd</sup> INTERNATIONAL CONFERENCE ON BUSINESS AND BANKING (ICBB)

Pattaya, Thailand, 5 -7 February 2014

PATTAYA *city*

# Conference Program

The 3<sup>rd</sup> International Conference on Business and Banking  
Dusit Thani Pattaya, Thailand, February 5-7, 2014

Date	Time	Program
Wednesday February 5, 2014	13:00-18:30	Registration
Thursday February 6, 2014	08:30-09:00	Opening Ceremony <ul style="list-style-type: none"><li>- VDO Introductions to STIE Perbanas Surabaya &amp; SPUC</li><li>- Welcome Address by SPUC Vice-president (Dr. Busaba Chaijinda)</li><li>- Opening Speech by STIE Perbanas Surabaya Rector (Prof. Dr. Tatik Suryani)</li></ul> Photo session of Organizing Committees
	09:00-10:00	Keynote Speech, "HR Transformation: The New Role of HR to Cope with Change" by Assistant Governor, Bank of Thailand (Dr. Nutavoot Pongsiri)
	10:00-10:10	Presentation of Tokens of Appreciation to Keynote Speaker and Sponsors by Prof. Dr. Tatik Suryani and Dr. Busaba Chaijinda Photo session
	10:10-10:30	Coffee Break
	10:30-12:30	Parallel Session 1 (4 rooms)
	12:30-13:30	Lunch
	13:30-15:30	Parallel Session 2 (4 rooms)
	15:30-16:00	Coffee Break
	16:00-18:00	Parallel Session 3 (4 rooms)
	19:00-21:30	Closing speech by STIE Perbanas's and SPUC's leaders Dinner/Cultural Night/Announcement of the six best papers/Participant testimony
Friday February 7, 2014	08:00-16:00	Pattaya Tour (Optional)



# DOES PROHIBITION OF USURY INFLUENCE BEHAVIOR OF BANK CUSTOMERS IN INDONESIA?



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Islamic banks actually have tremendous market potential in Indonesia, especially after the prohibition of usury was issued by the Indonesian Ulema Council (MUI) in 2004. However, growth in market share of Islamic banks is always lower than the expected target. This study analyzes the influence of usury laws on the behavior of bank customers in Indonesia, especially on the decision making as an economic agent. Descriptive statistics analysis tools used to discover and explain the behavior of bank customers when choosing a bank, in the face of rising interest rates with other banks, and when informed prohibition of bank interest (usury). Questionnaires were distributed to 141 respondents. It was found that customers still choose conventional banks. The choice of a bank based on the factors: the confidentiality of customer data is in a bank, a fast and efficient service, and facilities on line between branches. The provision of feedback of information (about the rise in interest rates at other banks) divides customers into two groups: loyal and disloyal customers. Information of interest prohibition has significantly lowered the amount of desire on the interest rate, to be at a normal rate of return. There is still a customer credit and other banking services are interesting to study.

**Key words:** Islamic bank, usury, consumer behavior, normal rate of return.

