

ABSTRACT

The banking system in force in Indonesia consists of conventional banking and Islamic banking. The systems run by conventional banks uses interest, while Islamic banks use a profit sharing system. The majority of Indonesia people embrace islam so Islamic banks have a fairly high target market. This study aims to analyze the influence of religiosity, service quality, corporate image, location, and margin/profit sharing factor on the preferences of students Diponegoro University in the use of Islamic banking savings.

The Population in this study were student active students of the Faculty of Economics and Business Diponegoro University. The sampling technique of non-probability sampling is purposive sampling, for samples from the population that meet the requirements. Data was collected using primary data by distributing questionnaires to 100 respondents from students of the Faculty Economics and Business Diponegoro University study program Islamic Economics. The research method used binary logistic regression analysis.

The results of the study partially show that the religiosity, service, corporate image, and location variables have a significant effect on the preferences of students Faculty Economics and Business Diponegoro University in using Islamic banking savings. Meanwhile, margin/profit sharing have not significant effect on the preferences of students Faculty Economics and Business Diponegoro University in using Islamic banking savings. The results of study simultaneously have a significant influence on the preferences of students Faculty Economics and Business Diponegoro University in use Islamic bank savings.

Keywords: *Islamic banks, Conventional banks, Religiosity, Service, Corporate Image, Location, Margin profit sharing.*