

DETERMINATION OF INCREASING SMES'S INTENTION TO USE SHARIA BANKING SERVICES: SME'S PERSPECTIVE IN MALANG

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Abstrack

The research aims to determine the influence of Shariab financial literacy, Islamic branding, and religiousness on the interests of SMEs in the use of Shariab banking services. Knowledge of Shariab finance, the application of Islamic branding, and the understanding of religiousness can influence the interest of Small Enterprise perpetrators in the Big Market of Malang City in banking services. Good financial literacy of the Shariab, an Islamic understanding of branding, and a high level of religiosity are expected to make SMEs a qualified perpetrator. This research uses a descriptive quantitative approach that uses primary and secondary data. The sample used in this study was 165 respondents of Small Enterprises offenders in the Big Market of Malang City—data obtained from questionnaires distributed offline to respondents who have qualified. The data obtained was then processed with the help of statistical software, which is SPSS version 24. The analysis used in this study is the measurement of validity and realiticity, the fulfilment of classical assumptions, the analysis of double linear regression, and the test of hypotheses. The results of this study are based on a regression test, i.e., partially, the variable of Shariab financial literacy has a significant influence on the interest in using Sharia banking services, vriable Islamic branding partially has a positive and significant influence on variable dependency, i.e., interest in using Shariab banking services, and eligosity variables have a partially positive and significant influence on the dependent variables, i.e., interest in using Sharia banking services. The conclusion of this study is that partially the variables of financial literacy Shariab, Islamic branding, and religiousness have a positive and significant influence on the dependent variable i.e. interest in using Sharia banking services.

Keywords: Islamic Branding, Intentions, Sharia Banking Service, Sharia Financial Literacy, Religiosity

INTRODUCTION

Indonesia is known to use two systems of financial services: conventional financial services and Shariab financial services, both of which have grown into financial industries that help the country's economy. Many financial institutions offer products or services based on Islamic Shariab, so the Shariab financial industry is increasing. Sharia banking can be an alternative to the financing system because Sharia banks use the system for earnings instead of the interest system. The Sharia financial industry is expected to be a solution so people no longer use financial practices that lead to interest, debt, and chariots. However, the Sharia financial industry, to this day, still has a low market share (Salim *et al.*, 2021).

The growth of market share or shares of Sharia banking in Indonesia can be seen in the results of the OJK report in the snapshot of (OJK, 2021) which reached 6.52%; the figure has increased from the previous year, that is, 2020, to 6.51% (Otoritas Jasa Keuangan, 2020). Look at the market share of Sharia banking at 6.52% compared to conventional banking at 94.1%. You can see from the comparison that the Sharia banking market is still far behind traditional banks. From the presentation, it is stated that Indonesian society still needs to be open to the presence of Sharia banking. The majority of the population in Indonesia adheres to the Islamic (Muslim)

religion. The Muslim community is increasing in each period, which can encourage them to use halal products and services by Islamic Shariah. However, the fact that people are more inclined to use conventional banking products and services, coupled with the low interest of entrepreneurs in using Sharia banking, is a challenge for all parties in the Sharia financial industry. The initial action to be taken is to instil awareness of sound financial management in companies to encourage society to use Shariah Finance's products and services. One of them is to use micro, small, and medium-sized enterprises (SMEs) to foster public interest in the use of the products and services of Shariah financial services (Wijanarko & Rachmawati, 2020).

In developing countries such as Indonesia, micro, small, and medium-sized enterprises (SMEs) can decide whether to use Sharia or conventional finance. Micro, small, and medium enterprises (SMEs) are productive enterprises that need to be developed to support macro- and microeconomic development in Indonesia. Micro, small, and medium enterprises have also been recognized to help economic growth and become a measure of socio-economic development (Purwaningsih & Suwanan, 2023).

The Muslim community in Indonesia accounts for 87% of the population, but only a few are open to Sharia finance. The Sharia's low financial literacy supports this. Financial literacy is the knowledge, skills, and ability to manage financial resources based on the Islamic Shariah (Rachmatulloh & Solekah, 2021). This financial literature is the science and knowledge about finance that can be passed on to each individual, as well as the ability to manage financial resources based on Islamic shariah (Hadijah & Aisyah, 2022). A high understanding of micro, small, and medium-sized enterprises (SMEs) to finance in all its aspects can easily improve their well-being and indirectly increase the interest of micro, small, and medium-sized enterprises in their choices of sharia banking (Alimi & As'ad, 2023). Research conducted by some researchers, such as Ubaidillah, (2018) and Fauzi, (2020) stated that the variable of financial literacy of Shariah had a positive influence on interest in becoming a shariah bank customer.

Another factor in the need for Sharia banking market share is Islamic branding. A good strategy is needed to conduct a Shariah financial institution approach to the public. Islamic branding is one of the marketing strategies that uses an Islamic identity or a Shariah system to show the validity of production and its operation. Economic practitioners see increased Muslim enthusiasm for halal products, so Islamic branding becomes more accessible to develop. Islamic branding seeks to draw in Muslim customers by evoking empathy and Sharia principles through consumer behavior and marketing materials (Nugraha & Solekah, 2021). It is appropriate for Muslims to be more selective in choosing the financial system they will use, that is, by paying attention to various aspects so that it can be assured that the product conforms to the Islamic Shariah. The use of Islamic branding strategies will have a major impact on product selection decisions, including in choosing products and services from Shariah financial services (Leanita, 2022).

Several studies discussing the influence of Islamic branding on interest in using Shariah banking have different results, as in the study conducted by Ernayani, (2023) which states that Islamic variable branding has a positive and significant influence on interest in using shariah financial products. In Riyani, (2020) entitled "The Impact of Islamic Branding, Religiosity, and Reputation on Interests in

Muamalat Bank" (Case Study on Muamlat Bank based in Tangerang City), stated that Islamic branding variables have a significant influence on interests. In a study conducted Akib & Nur, (2023) the results showed that Islamic branding did not significantly influence public interest in becoming a customer in the BSI branch of Gowa.

On the other hand, religiousness is also an important factor in influencing the interest of micro, small, and medium-sized enterprises (MSMEs) in using Shariah financial products and services. The role of religiousness can influence the way of life and also the behavior of a person. Applying Islamic values has an influence on the interest in using products that conform to the Islamic sharia. This is in line with a study conducted by Kurniawan, (2020) which states that religiousness has a positive and significant influence on the interests of saving SMEs offenders in the sharia bank. As for the study conducted by Suprihati *et al.*, (2021) religiousness has no significant influence on public interest in saving in Sharia cooperation.

There's the biggest market in the Malang city, called the Big Market of the Malang City. This big market in the Malang city is a traditional market where there are several groups of traders from all walks of life. The market is in JL. Major Market, Kel. Sukoharjo, C. Klojen, and Kota Malang. The merchants there sold in the fields that they had rented and the merchandise that was on the side of the street (Wijaya *et al.*, 2022). As one of the components of society, micro, small, and medium-sized enterprises (SMEs) are market shares that must be considered by Sharia banking to use Sharia products and services. The majority of the merchants in the Big Market of Malang City are Muslims, but are they already using a system based on Shariah in their economic transactions? The results of an interview on September 22, 2023, stated that micro, small, and medium-sized enterprises (MSMEs) in the Big Market of Malang City use conventional banks instead of using Shariah banks. There are twenty sources of micro, small, and medium enterprises (MSMEs) in the big market, and among them are sixteen who use traditional banks, two who use shariah banking, and two UMKMs who use BMT. Micro, small, and medium enterprises (MSMEs) in the big market of Malang have not fully used Islamic banking services due to several reasons. If the results of the interview are more familiar with conventional banks, more understanding with conventional banks, and still the rarity of Islamic Bank ATMs, according to micro, small and medium enterprises (MSMEs) in pasar besar Malang, there is still a lack of Sharia financial literacy and Islamic branding around the place, this is evidenced by the number of Micro, Small and medium enterprises (MSMEs) that use conventional banks even though the majority of traders are Muslims.

Based on this background, the main issues that will be discussed in this study are whether Islamic Financial Literacy, Islamic branding, and religiosity affect the interests of Micro, Small, and medium enterprises (SMEs) in the Malang large market in using Islamic banking services. The aim that it wanted to achieve was to know the influences of financial literacy, Islamic branding, and religiousness on the interests of micro, small, and medium-sized enterprises (SMEs) in the big market of Malang City.

METHODS

Type of research

According to (Sugiyono, 2017) quantitative research is research that uses a

specific population and sample, data collection with research instruments, and the analysis of statistical data to test the hypothesis that has been established. Descriptive approaches are defined by the methods used to describe or analyze the research results but are not used to draw a broader conclusion. The study uses data collection techniques by disseminating questionnaires and interviews to UMKM perpetrators who have been designated as samples of the research. The research instrument in this study is a questionnaire that contains questions made to obtain the information required from respondents.

Population, Sampel, and Sampling Techniques

The population in this study is the UMKM offender in the Big Market of Malang City who has not yet had a Sharia bank savings account. The number of samples in this study is determined based on the minimum sample result for the structural equation model (SEM) according to (Hair *et al*, 2017) using the minimal sample size or the number of indicators multiplied by 5. The minimum sample calculation is $33 \times 5 = 165$. The measurement of the Islamic branding variable uses four indicators including basic financial knowledge, abilities, attitudes, and beliefs. Measurement of Islamic Branding Variables using Four Indicator Reference Research (Parida, 2018) i.e., brand importance, brand familiarity, consumer confidence, and halal label. Religiousness variable measurements use five indicators that refer to research, including beliefs, practices, experiences, knowledge of religion, and consequences. Measuring interest variables uses four indicator references (Tiyas, 2021) attention, interest, desire, and action.

Operational Definition of Variabel

The definition of each variable in this study can be explained as follows:

1. Islamic financial literacy
Sharia financial literacy is related to the ability of micro, small, and medium enterprises (MSMEs) to apply their knowledge of finance and the ability to manage financial resources in accordance with Islamic Sharia (Rahim et al., 2016)
2. Islamic Branding
sensitive branding with regard to Islamic law, emphasizing the ultimate goal of reaching Muslim consumers, starting from sensitive Islamic law and ending with a consistent Islamic law throughout all spheres of human life, including character, law, and religion. Describe the principles of the Islamization of trade, distinguishing it from global trade that could penetrate Muslim markets or harm Muslim consumers (Lestari, 2017)
3. Religiosity
Religiosity according to Glock. C. Y & Stark, (1965) is a system that includes symbols, beliefs, values, and behaviors that focus on something that is lived into something meaningful (ultimate meaning).
4. Interests
According to Edy, (2020) interest is because, namely, the driving force that forces a person to pay attention in certain situations or activities and not in others, or interest as a result.

The operational variables in this study are presented in table 1.

Table 1
Operational Definition Of Variables

| Variable | Indicators | Item |
|---------------------------|---------------------|---|
| Sharia Financial Literacy | Basic Knowledge | <ul style="list-style-type: none"> • Knowing about Sharia finance • Studying about Sharial finance • Learn about sharia financial products and services. |
| | Ability | <ul style="list-style-type: none"> • Able to manage finance in accordance with Sharia Academies. |
| | Attitude | <ul style="list-style-type: none"> • Take decisions to use Sharia banking services carefully. |
| | Confidence | <ul style="list-style-type: none"> • Confidence in the use of Sharia Banking services. |
| Islamic Branding | Brand importance | <ul style="list-style-type: none"> • The use of trademarks related to Shariah indicates the validity of a product and service. • Use of trademark related to shariah reflects Islamic companies because the majority of their shares are owned by Muslims. • The color variation on the logo of the sharia bank trademark is more attractive than other banks. |
| | Brand familiarity | <ul style="list-style-type: none"> • Do not feel alien to the existence of Islamic banking. • Promotion of Islamic banks active in urban areas only. |
| | Consumer confidence | <ul style="list-style-type: none"> • A sense of satisfaction and trust in a product makes you feel no need to try another product. • Before using Islamic banking services, first ask people who already use Islamic banking services. • The products offered by Islamic banking are not inferior to those of other banks. |
| | Halal Label | <ul style="list-style-type: none"> • The use of halal labels can increase the confidence of the Muslim community in the selection of products and services in Islamic banks. |
| Religiosity | Beliefs | <ul style="list-style-type: none"> • The Qur'an is the best source of guidance. • Sure to do Prayer 5 times will be given ease in living life.. |
| | Religious practice | <ul style="list-style-type: none"> • As a Muslim you always avoid acquiring riba. |
| | Experience | <ul style="list-style-type: none"> • In the use of bank services you prefer to use Islamic banks. |
| | Religious knowledge | <ul style="list-style-type: none"> • If you have free time take the time to gain knowledge from various sources. • like to follow Islamic studies. • Helping fellow Muslims who are in legal trouble is mandatory. |
| | consequences | <ul style="list-style-type: none"> • Always try to be honest in everyday life. • The religion of islam provides peace and tranquility. • Regret after committing a sinful act. |
| Interest | Attention | <ul style="list-style-type: none"> • Using banking services in accordance with their own wishes. • Using banking services to prepare for the future. |
| | Interest | <ul style="list-style-type: none"> • Using Islamic banking services because the products and services are attractive. • Using Islamic banking services because they can choose according to what is needed. |

| | |
|--------|---|
| Desire | <ul style="list-style-type: none"> Using Islamic banking services because the location is easy to reach. Using Islamic banking services because of encouragement from education or work and others. |
| Action | <ul style="list-style-type: none"> Using Islamic banking services because the information presented is clear. Using Islamic banking services because you want to register for Hajj. |

Source: Data Processing, 2024

Data Analysis Techniques

The instruments were tested with validity, reliability, and classical assumption tests. Using the SPSS analytical tool, double linear regression was used to evaluate the acquired data.

RESULT AND ANALYSIS

Result

In this study, the general picture of respondents is divided into three groups, namely, according to gender, age, and bank used. The distribution of respondents by gender can be seen in Table 2.

Table 2

Distribution of Respondents by Gender

| No | Type Gender | Total | Percentage |
|----|-------------|-------|------------|
| 1 | Male | 55 | 33% |
| 2 | Female | 110 | 67% |
| | Total | 165 | 100% |

Source: Data Processing, 2024

According to Table 2, the majority of respondents in this study are female, with 110 (67%) respondents and 55 (33%) respondents being male. It can be concluded that respondents of female sex have a higher level of interest in using sharia banking services than respondents of male sex. It can be concluded that respondents of the female gender have a higher level of interest in using sharia banking services than respondents of the male gender.

Based on the age of the distribution of respondents, it can be seen in table 3

Table 3

Distribution of Respondent by Age

| No | Age | Total | Percentage |
|---------------|------------|------------|-------------|
| 1 | 17-25 | 39 | 23% |
| 2 | 26-35 | 65 | 40% |
| 3 | 36-50 | 49 | 30% |
| 4 | >50 | 12 | 7% |
| Jumlah | 165 | 165 | 100% |

Source: Data Processing, 2024

According to Table 3, the age of the most respondents in the study was 26 to 35 years, or 40%. Respondents from 17 to 25 years old were 23%. 36 to 50 years was 30%, and over 50 years had the lowest number of respondents, 7%.

The distribution of respondents Based on Bank Used can be seen in table 4.

Table 4
Respondent Distribution Based on Bank Used

| No | Bank Used | Total | Percentage |
|--------------|-----------------------------|------------|-------------|
| 1 | Bank Central Asia (BCA) | 55 | 33,2% |
| 2 | Bank Rakyat Indonesia (BRI) | 48 | 28,6% |
| 3 | Bank Mandiri | 46 | 28% |
| 4 | Bank Negara Indonesia (BNI) | 11 | 7% |
| 5 | Bank Tabungan Negara (BTN) | 4 | 2,4% |
| 6 | Bank Permata | 1 | 0,8% |
| Total | | 165 | 100% |

Sourch: Data Processing, 2024

Based on Table 4, it can be concluded that the largest number of banks used by respondents is the Central Bank of Asia with 33,2%.

At the stage of distributing the questionnaire, it is necessary to test first, in order to ensure that the instrument used is able to measure what is to be measured, This test includes validity and reliability tests. The validity test is performed to determine whether or not a questionnaire for each variable is valid. The results of the validity test can be seen in table 5.

Table 5
Validity Test Results

| No | Variabel | Item | r-count | r-table | Description |
|----|---------------------------------|-------|---------|---------|-------------|
| 1 | Sharia Financial Literacy | X1.1 | 0,923 | 0,148 | Valid |
| | | X1.2 | 0,848 | 0,148 | Valid |
| | | X1.3 | 0,923 | 0,148 | Valid |
| | | X1.4 | 0,810 | 0,148 | Valid |
| | | X1.5 | 0,837 | 0,148 | Valid |
| | | X1.6 | 0,944 | 0,148 | Valid |
| 2 | Islamic Branding | X2.1 | 0,799 | 0,148 | Valid |
| | | X2.2 | 0,610 | 0,148 | Valid |
| | | X2.3 | 0,703 | 0,148 | Valid |
| | | X2.4 | 0,835 | 0,148 | Valid |
| | | X2.5 | 0,718 | 0,148 | Valid |
| | | X2.6 | 0,736 | 0,148 | Valid |
| | | X2.7 | 0,795 | 0,148 | Valid |
| | | X2.8 | 0,652 | 0,148 | Valid |
| | | X2.9 | 0,873 | 0,148 | Valid |
| 3 | Religiosity | X3.1 | 0,692 | 0,148 | Valid |
| | | X3.2 | 0,722 | 0,148 | Valid |
| | | X3.3 | 0,820 | 0,148 | Valid |
| | | X3.4 | 0,458 | 0,148 | Valid |
| | | X3.5 | 0,791 | 0,148 | Valid |
| | | X3.6 | 0,783 | 0,148 | Valid |
| | | X3.7 | 0,835 | 0,148 | Valid |
| | | X3.8 | 0,839 | 0,148 | Valid |
| | | X3.9 | 0,846 | 0,148 | Valid |
| | | X3.10 | 0,830 | 0,148 | Valid |
| 4 | Intention | Y1.1 | 0,612 | 0,148 | Valid |
| | | Y1.2 | 0,898 | 0,148 | Valid |
| | | Y1.3 | 0,763 | 0,148 | Valid |

| | | | |
|------|-------|-------|-------|
| Y1.4 | 0,769 | 0,148 | Valid |
| Y1.5 | 0,875 | 0,148 | Valid |
| Y1.6 | 0,876 | 0,148 | Valid |
| Y1.7 | 0,453 | 0,148 | Valid |
| Y1.8 | 0,922 | 0,148 | Valid |

Sourch: Data Processing, 2024

Based on Table 5, it can be concluded that the independent variable (shariah financial literacy, Islamic branding, and religiousness) and the dependent variable (interest in using shariah banking services) have a r-calculated value > 0.148 . Then, it can be said if the question item is valid.

The results of the reliability test can be seen in table 6.

Table 6
Reliability Test Result

| Item | Cronbach's Alpha | N of Items |
|----------------------------|------------------|------------|
| Islamic Financial Literacy | ,942 | 6 |
| Islamic Branding | ,891 | 9 |
| Religiosity | ,858 | 10 |

Sourch: Data Processing, 2024

Based on Table 6, if the Cronbach's alpha value of each variable is greater than 0.6 (>0.6), then it can be said that the items on the respective variable are consistent or reliable and can be used as a research instrument.

Before hypothesis testing, regression requirements are tested including normality test, multicollinearity test and heteroscedasticity test. Normality testing is used to see if the data is normally distributed or not. Based on data processing, the results of the normality test were obtained as seen in table 7

Table 7
Normality Test Result

| | | Islamic Financial Literacy | Islamic Branding | Religiosity | Intension |
|----------------------------------|----------------|----------------------------|---------------------|---------------------|-------------------|
| N | | 165 | 165 | 165 | 165 |
| Normal Parameters ^{a,b} | Mean | -2,4649 | 6,2214 | 1,2883 | 0,1684 |
| | Std. Deviation | 20,76562 | 33,48037 | 45,43648 | 27,49594 |
| Most Extreme Difference | Absolute | ,053 | ,056 | ,052 | ,068 |
| | Positive | ,039 | ,056 | ,052 | ,068 |
| | Negative | -,053 | -,038 | -,044 | -,051 |
| Test Statistic | | ,053 | ,056 | ,052 | ,068 |
| Asymp. Sig (2-tailed) | | ,200 ^{c,d} | ,200 ^{c,d} | ,200 ^{c,d} | ,060 ^c |

Sourch: Data Progressing, 2024

Based on table 7, the significance value for the variables Islamic Financial Literacy, Islamic Branding and Religiosity was 0.200 and the interest variable was 0.060. Based on this, it is known that all significance values of each variable in this study > 0.05 . This means that all the data in this study variable are normally distributed.

The results of the multicollinearity test can be seen in table 8

Table 8
Multicolinearity Test Result

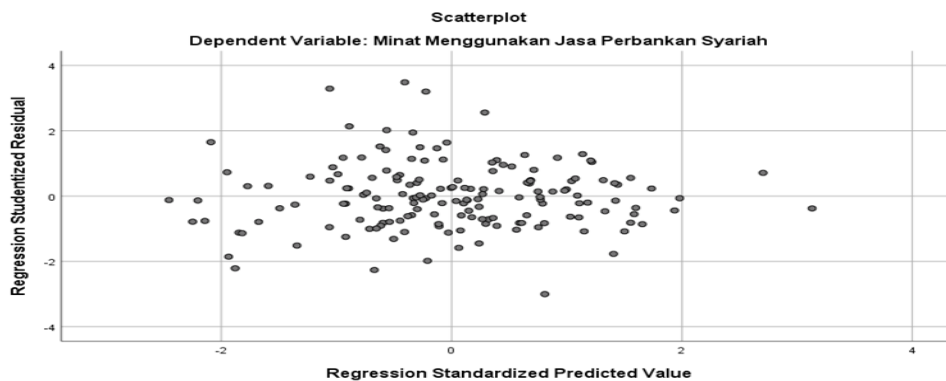
| Model | Collinearity Tolerance | Statistics VIF |
|----------------------------|------------------------|----------------|
| Islamic Financial Literacy | 0,968 | 1,033 |
| Islamic Branding | 0,954 | 1,048 |
| Religiusitas | 0,985 | 1,016 |

Sourch: Data Processing, 2024

Based on Table 8, the known tolerance values for this study model are 0.968, 0.954, and 0.985. Based on the tolerance value requirement, it can be said that this study is free of symptoms of multiclinerity. The VIF value is 1,033, 1,048, 1,016. From the multicollinearity test, if a VIF value >10 occurs, then it can be said that the multi-linearity-free condition is fulfilled.

The results of the heteroscedasticity test can be seen in figure 1..

Figure 1
Heteroscedastisity Test Result



Sourch: DataProcessing, 2024

Based on Figure 1, it can be seen that the points spread above and below zero on the Y axis also have no clear pattern. So, it can be said that the research model on this regression model does not exhibit symptoms of heteroskedasticity.

After all the regression prerequisites are met, the next step is to conduct multiple regression analysis with the results as can be seen in table 9.

Table 9
Linear Regression Test Results

| Model | Unstandradized Coefficients | | Sig |
|---------------------------|-----------------------------|------------|-------|
| | B | Std. Error | |
| constant | -12,948 | 4,577 | 0,005 |
| Sharia Financial Literacy | ,269 | ,069 | ,000 |
| Islamic Branding | ,385 | ,078 | ,000 |
| Religiosity | ,480 | ,118 | ,000 |

Sourch: Data Progressing, 2024

Based on Table 8 above, it can be determined if the result of the double linear regression test yields the mathematical values of the regression tests as follows:

$$Y = -12,948 + 0,269 X_1 + 0,385 X_2 + 0,480 X_3$$

Based on the equation above, it can be inferred that:

1. Konstanta (a) = -12,948
 Where, when the financial literacy of Shariah (X₁), Islamic branding (X₂), and religiousness (X₃) is equal to zero (without change), then the interest in using the shariah banking services (Y) is -12,948.
2. Sharia Financial Literacy Regression Coefficient (X₁) = +0,269
 Where positive or equal regression coefficients of 0.269. If the level of Sharia financial literacy increases by one unit, then the interest in using Sharia banking services by UMKM in the Major Market of Maang City (Y) will also increase by 0,269.
3. Islamic Branding Regression Coefficient (X₂) = +0,385
 Where the positive or directional regression coefficient is 0.85. If the Islamic branding rate increases by one unit, then the interest in using Shariah banking services by UMKM in the Big Market of Malang City will also increase by 0.385.
4. Religiosity regression coefficient (X₃) = 0.480
 Where a positive or directional regression factor is 0.480. If the level of religiousness increases by one unit, then the interest in using Shariah banking services by UMKM in Psar Besar Kota Malang will also increase by 0.480.

Hypothesis testing in this study can be explained as follows:

The influence of Sharia financial literacy on the interests of UMKM in using Sharia banking services

Based on table 9, it is known that the significance value of the Sharia Financial Literacy variable is $0.000 < 0.05$ which means that Ho is rejected and Ha is accepted so that it can be explained that the sharia financial literacy variable has a significant effect on interest in using Sharia bank services.

The Impact of Islamic Branding on the Interest of UMKM in Using Sharia Banking Services

Based on table 9, it is known that the significance value of the Islamic Branding variable is $0.000 < 0.05$ which means that Ho is rejected and Ha is accepted, so it can be explained that the Islamic Branding variable has a significant effect on interest in using sharia bank services

The Influence of Religion on the Interest of SMEs in Using Sharia Banking Services

Based on table 9, it is known that the significance value of the religiosity variable is $0.000 < 0.05$ which means that Ho is rejected and Ha is accepted, so it can be explained that the religiosity variable has a significant effect on interest in using bank sharia services

The influence of Islamic Financial Literacy, Islamic Branding, and Religiosity on Interest in Using Islamic Banking services

Based on data processing, simultaneous testing was obtained as seen in table 10.

Table 10

Test F Result

| Model | Surn of Squares | df | Mean Square | F | Sig. |
|------------|-----------------|----|-------------|--------|-------------------|
| Regression | 4342,198 | 3 | 1447,399 | 59,203 | ,000 ^b |

Sourch: Data Progressing,2024

Based on the table 10, it can be seen that the F test shows that the calculated F value is 59.203 with a significance level (GIs) of 0.000. the number is smaller when compared with the degree of significance of 0.05. thus, the independent variables consisting of variables of Islamic financial literacy, islamic branding, and religiosity together (simultaneously) significantly affect the vaibel interest in using Sharia banking services.

Discussion

The influence of Sharia financial literacy on the interests of UMKM in using Sharia banking services

The financial literacy has a t count of 3,905 where it is larger than the t table of 1,654 and the direction of the coefficient is positive and the degree of significance is 0,000 less than 0,05, then it can be said that the financial literature variable of Shariah has a positive and significant relationship to the interests of the SMEs in using the shariah banking services. The results of these statistical calculations indicate that the level of sharia financial literacy owned by micro, small, and medium-sized enterprises (SMEs) is able to influence interest in using sharia banking services. So SME's perpetrators have a strong influence on interest in using Sharia banking services.

Shariah financial literacy can provide a sufficient understanding of how to manage finances well and have a goal of well-being. In this study, micro, small, and medium-sized enterprises (SMEs) respondents are respondents who are at a sufficiently high level or can be called both mastering and understanding about the financial literature of Shariah. So the financial literacy of SME perpetrators can increase interest in using Sharia banking services.

Islamic financial literacy is the knowledge, insight, and information possessed by someone about economics, finance, and Islamic banking. They can distinguish conventional financial concepts from Islamic financial concepts and make the best decisions in managing their finances based on their literacy. This theory is supported by previous research from Ubaidillah, (2018), which states that Sharia financial literacy has a positive and significant effect on people's interest in becoming customers at BSI Gowa Branch, and Fauzi, (2020), which states that Sharia financial literacy variables have a positive effect on interest in becoming customers of Islamic banks.

The Impact of Islamic Branding on the Interest of UMKM in Using Sharia Banking Services

Based on the results of the statistics, the Islamic branding has a count of 4,923, which is larger than the table of 1,654 with a degree of significance of 0.000. If the significance of t is smaller than 0.05, then it can be said that the variable Islamic Branding has a positive and significant relationship to the interest in using Sharia banking services. The results of these calculations indicate that the level of understanding of Islamic branding possessed by micro, small, and medium-sized enterprises (MSMEs) is able to influence interests in using sharia services.

Islamic branding can influence the interest of micro, small, and medium-sized enterprises (MSMEs) in using sharia banking services because the sharia values

shown will increase consumer confidence in sharia financial services. By showing sharia values, we can increase consumer interest in products that conform to sharia principles because sharia products and financial services will be more easily distinguished from conventional. Showing sharia values can increase consumer interest in products that conform to sharia principles, because sharia financial products and services will be more easily distinguished from conventional.

According to Nasrullah, (2015) Islamic branding that has implemented Sharia values has the goal of attracting muslim market share, because the muslim community is a fairly large population in the world. Islamic branding can be one of the efforts of market segmentation carried out by the company in placing its products in the muslim community. Research conducted by Ernayani, (2023) states that the Islamic branding variable has a positive and significant effect on increasing interest in using Islamic financial products. In Riyani, (2020) entitled "The Influence of Islamic Branding, religiosity and reputation on interest in becoming a customer at Bank Muamalat" (a case study on Bank Muamalat located in Tangerang city) states that Islamic branding variables have a significant effect on interest.

The Influence of Religion on the Interest of SMEs in Using Sharia Banking Services

Based on the statistical results of the variable religiousness, it has a thitung of 4,076, which is greater than the table of 1,654, with a degree of significance of 0.000. It is said that if the degree of significance of t is less than 0.05, then it can be said that the religiosity has a positive and significant relationship to the interests of SMEs in using sharia banking services. The results of such statistical calculations indicate that the level of religiousness possessed by SME perpetrators is able to influence interest in using Sharia banking services.

Religion has a great influence in all aspects of religious life for the perpetrators of MSMEs, one of which is the desire to save. With the presence of a sharia bank that, in various aspects, is run based on the principle of Shariah, the interest of perpetrators of the MSMEs will increase using sharia banking services because it can carry out some of the actions that are based on religious values. Man was created by God with an instinct for righteousness. It is Allah, the Almighty, the All-mighty. In line with Islamic thinking, judges believe that religious belief is the heart of the dimension of belief. The results of the statistical testing above indicate that the personality of a person can influence interest in using the services of Shariah banking. It can be said that the better the personalities of the perpetrators of SMEs in the Big Market of the City of Malang, the higher the interest in the use of Shariah banking services. This is in line with the research of Parida, (2018) which states that religiosity affects the interest in saving and research conducted by Triuspitorini, (2019) which states that religiosity significantly affects the interest of POLBAN students in saving in Islamic banks

The influence of Islamic Financial Literacy, Islamic Branding, and Religiosity on Interest in Using Islamic Banking services

Based on statistical tests can be known F test shows that the value of F-count of 59.203 with a level of significance (GIs) of 0.000. the number is smaller when compared with the degree of significance of 0.05. Thus, the independent variables consisting of

variables of Islamic financial literacy, islamic branding, and religiosity together significantly affect the dependent variable is the interest in using Islamic banking services. This means that the higher the level of Islamic financial literacy, islamic branding, and religiosity owned by Micro, Small, and medium enterprises (MSMEs), the better the effect on interest in using Islamic banking services.

There are several factors that can affect interest in using Islamic banking services, one of which is Shia financial literacy. Islamic financial literacy aims to enable people to make the right decisions in the financial sphere to maximize their well-being both in terms of personal and social and can also participate in the welfare of the community environment, while understanding the whole of Islamic financial products and services, and can clearly define the differences between Islamic and conventional financial products and services that aim to influence someone's interest in determining their economic goals Rurkinantia, (2021). Another factor is Islamic Branding. Islamic branding can be interpreted as a designation of halal identity for a product or the use of names related to Islam. Islamic branding is important because it allows companies to attract consumers who seek products or services in accordance with the values their Islam, while meeting the needs the increasing market for products or services which is in accordance with Islamic values Ernayani, (2023). The last factor is religiosity. the attitude of religiosity is also a consumer benchmark if their religious consumers would prefer something like a bank that complies with its sharia. Religiosity is one of the factors in the formation of consumers, because muslim society prefers the path that is limited by Allah by not choosing haram goods and not being stingy and greedy, therefore consumer behavior must reflect his relationship with Allah SWT Salim et al., (2021)

This is supported by previous research conducted by Ubaidillah, (2018) with the title the influence of Islamic Branding, Sharia financial literacy and Service Quality on people's interest in becoming customers of Bank Syariah Indonesia (BSI) Gowa Branch (2018) with the results of research on Islamic branding, Sharia financial literacy, and service quality having a positive and significant effect on people's interest in becoming customers at BSI Gowa The Importance Of Financial Literacy In The Development Of Islamic Banking Products. Muslichah & Sanusi, (2019), the results of the study stated that showed the intention of business actors to use Sharia banking products are influenced by religiosity, literacy and attitudes.

CONCLUSION

Based on the exposure and analysis conducted by the researcher, the conclusion of the results of the study is Sharia financial literacy, islamic branding, and religiosity parsial or simultaneous partially positive and significant effect on the dependent variable is the interest in using Islamic banking services.

This research is only limited to the variables of Islamic Financial Literacy, Islamic Branding, and Religiosity in influencing interest in using Islamic bank services. Suggestions for researchers are expected to conduct further research by adding Sharia label variables and satisfaction or loyalty.

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