

The Influence of People's Knowledge on their Interest in Saving in Islamic Banks

Putri Nuraini

The Faculty of Islamic Studies, Islamic University of Riau, Indonesia
Corresponding Author Email: putrinuraini@fis.uir.ac.id

Mohammadtahir Cheumar

Sultan Abdul Halim Mu'adzam Shah International Islamic University (UniSHAMS), Malaysia
Email: tahir@unishams.edu.my

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Abstract

This study discusses in depth the importance of the influence of people's knowledge on their interest in saving in Islamic banks, because the knowledge about the interest in making transactions in Islamic banking includes the information about products, services, mechanisms and activities of Islamic banks influencing people's interest in saving in Islamic banks. The type of the study is field research with a quantitative descriptive approach, this study applies a survey method in which the primary data is carefully collected through questionnaires. The sample of the study consists of 200 respondents, namely the people in Bengkalis Regency, Riau, Indonesia. The data analysis technique of the study is simple linear regression analysis with data processing performed by SPSS software Version 22. The hypothesis testing is through the partial analysis (t-test) and the coefficient of determination test (R²). The main findings of the study show that there is a significant influence between knowledge and interest in saving at Islamic banks. This is proven by the t-count value of the knowledge variable (X) of 12.239 and the t-table value of 1.972, so it is known that: $t\text{-count} > t\text{-table}$ ($12.239 > 1.972$) with a significance level of $0.000 < 0.05$. Furthermore, the Coefficient of Determination (R²) value is 0.431. It means that 43.1% of the variable of people's interest in saving in Islamic banks is influenced by the knowledge variable, while the remaining 56.9% is influenced by other variables not examined in this study. For further study, it is suggested to examine other variables such as religiosity, excellent service and attitude.

Keywords: Knowledge, Interest in Saving, Islamic Banks.

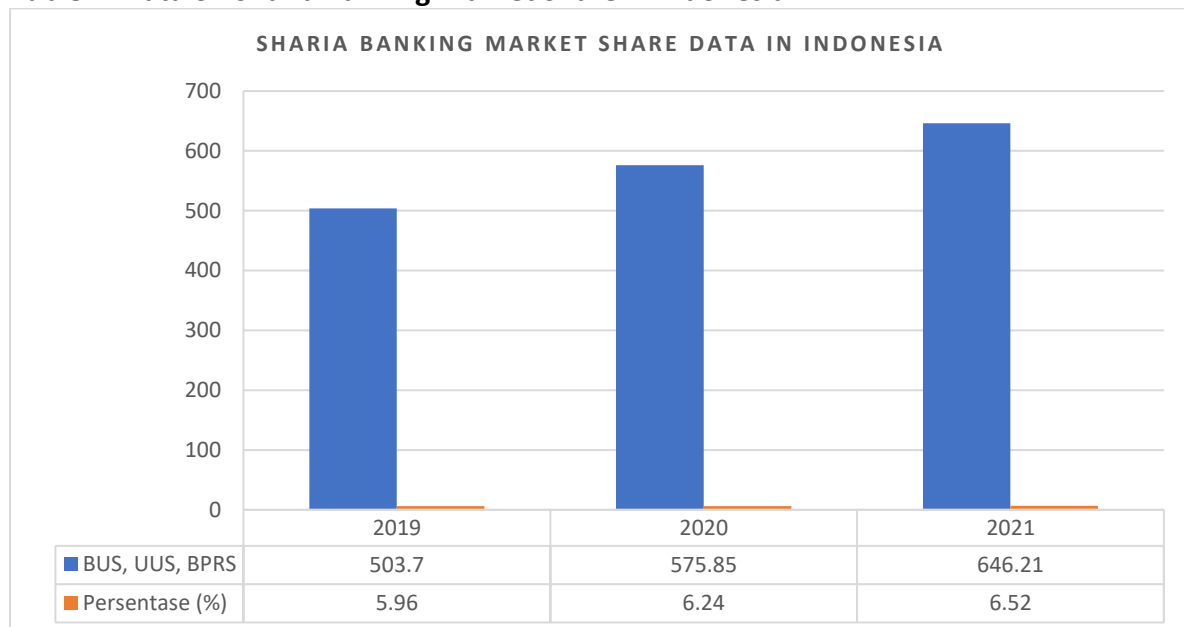
Introduction

The development of the Indonesian Islamic banking system is under the Indonesian Banking Architecture (In Indonesian, it is called API which stands for Arsitektur Perbankan Indonesia)

with two banking systems to provide a more perfect alternative banking service for the people of Indonesia. The Islamic and traditional banking system synergistically support the collection of people's money to increase the financial capacity of the national economic sectors. The development of Islamic banking aims to provide maximum benefits for society and provide optimal influence on the country's economy. Islamic banking is a sub-sector of the Islamic finance industry. Its function is to collect funds, distribute funds, and provide banking services to its customers. In practice, the Islamic banking industry refers to sharia principles which are regulated and supervised by several institutions and teams. Among others, the National Sharia Council of the Indonesian Ulema Council, the Financial Services Authority, and the Sharia Supervisory Board which are internal to the Company (National Committee on Sharia Finance, 2018).

The developmental potential of Islamic banking in Indonesia is very high. This development can be seen from the market share of Islamic banks in Indonesia in 2021 of 6.52% and in the last 3 (three) years it has increased by 0.28% annually. Even though there is an increase every year, this increase has not reached the potential that can be achieved by Islamic banks.

Table 1: Data on Sharia Banking Market Share in Indonesia



Source: Financial Services Authority, 2022

Interest is a source of motivation that encourages people to do what they want if they are free to choose (Mardiana et al., 2021). People's interest is the behaviors of people that they want to choose, use and consume or even provide a product. Meanwhile, according to Saleh, (2021) interest is the tendency to pay attention to and act on people, activities or situations that are the objects of interest with pleasure, or pay attention to activities consistently with the feelings of liking. One of the fundamental factors in society towards the people's interest in saving is the income factor of the people itself. Many people have different income levels so that their interest in saving individually is also different. In addition, there are also other factors that influence it, such as service quality, religiosity and knowledge.

In discussing about knowledge, to increase people's knowledge, of course, Islamic banks strive to provide the best information in detail and easily understood by many people. Bukit Batu district is located in Bengkalis regency, Riau Province, Indonesia, with predominantly Muslim community. Of course, knowledge of Islamic banking is needed so that it can become

a basis for using Islamic banking. Low understanding of Islamic banking is one of the results of a lack of socialization carried out on Islamic economic principles and systems. Thus, it influences people's knowledge on Islamic banks. So, an important task that must be carried out by Islamic bank managers is to increase the socialization of the Islamic banking system through mass media actively, so that the people's knowledge about Islamic banking is not only limited to the banks that use profit sharing systems. This method is one way to provide knowledge about Islamic banking, the better the knowledge about Islamic banking, the higher the possibility to use Islamic banking products and services.

Literature Review

Knowledge

Knowledge is an experience stored in human consciousness (Mujaddid & Nugroho, 2019). Knowledge is information, it can be obtained through various media, such as television, internet, advertisements in magazines, newspapers, radio, brochures, bulletins and even through one's experience. According to Rosyid & Saidiah (2016), knowledge of an Islamic Bank product influences the students' and teachers' interest in saving. A good perception of Islamic Banks can be achieved with socialization and promotion mix. The knowledge of the benefits, goodness, advantages of Islamic Bank products will increase the interest in saving both customers and non-customers in dealing with Islamic banking. The knowledge on Islamic banking includes information about products, services, mechanisms and activities of Islamic banks and influencing people's interest in saving in Islamic banks (Shome et al., 2018).

In the context of Islamic banking, product knowledge is very important because conventional and Islamic banking products have several fundamental differences. The customers must know that, in Islam, the public interest is prioritized. Therefore, the interest rate in Islamic banking is prohibited because it only provides benefits for one party. As an alternative, a profit-sharing scheme is offered by considering public interest as a whole.

People's knowledge about Islamic banking greatly influences the attitude of the community towards the products offered so that their knowledge about banking is getting better. Knowledge is an action related to someone's mindset that influences interest. If a customer knows about the Islamic banking, it is likely that he will save in an Islamic bank. Some of the results of studies that examine the knowledge factor on the interest in saving are Rosyid & Saidiah, (2016) showing that there is an influence of banking knowledge on the students' and teachers' interest in saving in Islamic banks. Then, according study conducted by Hati et al., (2020) which states that the product knowledge significantly influences the customer intentions to invest in Islamic bank deposits. A study conducted by Nugraheni & Widyani, (2021) states that the knowledge influences the intention of Muslim students to save in Islamic banks. Furthermore, a study conducted by Rudi Haryono, (2022) states that the results of the analysis show that there is a positive influence of the knowledge variable on the interest in saving in Islamic banks, which the population of the study is the people of Jambi City who have already had accounts in Islamic banks.

Knowledge Dimension

According to Kotler et al., (2009), the customer behavior patterns are influenced by their knowledge and the level of knowledge that the consumers have to process, evaluate and make decisions with new information. The indicators of knowledge are as follows:

1. Knowledge of product characteristics or attributes. A customer or prospective customer will view a product based on the product characteristics. For prospective customers if they

want to save their funds or assets, they must know the type of investment, type of savings, ratio and so on.

2. Knowledge of product benefits. The prospective customers who have used Islamic banks, to invest their funds or money by opening a savings account, must already know the benefits and advantages that they will get.
3. Knowledge of product satisfaction, providing satisfaction to customers by providing good service and maximum satisfaction to prospective customers.

Interest

In the great Indonesian Dictionary, interest is defined as a high inclination of the heart towards a passion or desire. According to Shah, (2004), interest is a positive attitude from someone towards something that is done with feelings of pleasure and enthusiasm so that they can accept it without letting it go. So it can be stated that the interest is a high tendency or activity or a great desire for something as an interpretation of the feeling of liking that arises from its activity.

Several studies examining about interest such as Hati et al., (2020) stating that product knowledge significantly influences customer intention to invest in Islamic bank deposits through two channels. The first is through perceived quality, and the second is simultaneously through perceived quality and perceived risk because perceived quality has a significant influence on perceived risk but it does not have a significant impact on saving intentions. Then, a study conducted by Rokhani & Nurkhin, (2021) which the results of the study show that the knowledge have a positive and significant influence on students' interest in saving in Islamic banks.

Factors Influencing Interest

The factors that influence the emergence of interest according to Crow, (1984) are namely:

1. Individual needs: it refers to needs that arise from within the individual, namely factors related to physical drives, motives, or defend oneself from hunger, fear, pain, as well as the urge to be curious that arouses interest in conducting a study and so on.
2. Social motives: it leads to adjustment to the environment in order to be accepted and recognized by the environment or activities to meet social needs, such as working, gaining status, getting attention and appreciation.
3. Emotional or feelings: interest that is closely related to feelings or emotions, success in activities driven by interest will bring pleasure and strengthen existing interest, otherwise failure will reduce the individual's interest.

Method of the Study

This is a quantitative descriptive study by using a survey method which the primary data are collected through the questionnaire. The quantitative method is a method of analyzing numerical data or numbers that are processed using statistical methods (Suranto, 2019). The population of the study is the community in Bukit Batu District, Bengkalis Regency, Riau Province, Indonesia. The instrument of this study is the questionnaire. The process of developing the questionnaire must be in accordance with the objectives of the study. The questions are developed from an extensive literature review of various journals and books. The questionnaire of the study is the results of previous studies and has undergone improvements and modifications in words and statements. The sampling technique of the

study is simple random sampling. The number of samples is 200 respondents from the total population.

Validation Test

Validity is the truth and validity of the research instrument. Every research always examine its validity of the instrument. A measuring instrument is considered qualified if the instrument is valid.

Reliability Test

The reliability test of the instrument can be done externally and internally. External testing can be done by test-retest (stability), equivalence, and a combination of both. Internally, it can be tested by analyzing the consistency of the elements in the instrument using certain techniques.

The Coefficient of Determination Test (R²)

The coefficient of determination is used to provide the extent to which the level of correlation between the dependent variable (Y) and the independent variable (X) which influences the dependent variable. Basically, to measure how far the ability of a model to describe the variation of the dependent variable (Y). The value of the coefficient of determination is between zero and one. To determine the value of the coefficient of determination is stated using the Adjusted R-Squared value.

Partial Test (t-test)

The t-test is conducted to determine the influence of each independent variable on the dependent variable. The t-test is used to partially test each variable. The results of the t-test can be seen in the coefficients table in the sig (significance) table. If the probability value of t or significance <0.05, then it can be stated that there is an influence of the independent variable on the dependent variable partially. However, if the probability of the t value or significance is > 0.05, then it can be stated that there is no significant influence of the independent variable on the dependent variable.

Simple Linear Regression Analysis

This study is used to identify the contribution of an independent variable to the dependent variable. According to Sugiyono, (2018), the standard simple linear regression formula is as follows:

$$Y = a + b X$$

Information :

Y : Subject in the predicted dependent variable

a : Price Y, when price X = 0 (constant price)

b : Directional number or regression coefficient

X: Subject on the independent variable that has a certain value

Results and Discussion

Demographic Analysis

The number of respondents of the study is 200 respondents, they are the people in Bengkalis Regency, Riau Indonesia. The majority of respondents are male with a presentation of 60%, and the majority are aged 36-45 years (74%). The most recent education of these respondents is undergraduate (84%), stratum two (S2) 10% and high school 6%. The majority of respondents have worked 1-50 years of 19.5%, 6-10 years of service 75.5% and 11-20 years of service 5%.

Validity test

Validity Test of validity measurement is carried out using the Corrected Item-Total Correlation formula with a significant level of 5 ($\alpha=0.05$), it means that an item is considered valid if it has a significant correlation with the total score. If $r\text{-count} > r\text{-table}$, the statement item is declared valid. If $r\text{-count} < r\text{-table}$, the statement item is declared invalid. A complete validity testing results can be seen in the following Table 2:

Table 2: Validity Test Results

Variable	Statement	r-count	r-table	Decision
Knowledge	X1.1	0,831	0,139	Valid
	X1.2	0,716	0,139	Valid
	X1.3	0,772	0,139	Valid
	X1.4	0,842	0,139	Valid
	X1.5	0,879	0,139	Valid
	X1.6	0,700	0,139	Valid
	X1.7	0,865	0,139	Valid
	X1.8	0,833	0,139	Valid
	X1.9	0,819	0,139	Valid
	X1.10	0,651	0,139	Valid
Interest	Y.1	0,847	0,139	Valid
	Y.2	0,856	0,139	Valid
	Y.3	0,863	0,139	Valid
	Y.4	0,721	0,139	Valid
	Y.5	0,732	0,139	Valid
	Y.6	0,886	0,139	Valid
	Y.7	0,825	0,139	Valid
	Y.8	0,861	0,139	Valid
	Y.9	0,858	0,139	Valid

Source: Processed Data 2023

If $r\text{-count} \geq r\text{-table}$, then the statement item is declared valid. The value of $r\text{-table}$ can be seen in table r with the equation $N-2 = 200 - 2 = 198 = 0.139$ (see $r\text{-table}$ on df 198). And from the table above, it is obtained that the value of $r\text{-count}$ for all statements $> r\text{-table}$ (0.139). It means that all of the statement items are valid.

Reliability Test

The reliability test of the study applies the Cronbach Alpha technique that the instrument can be stated to be reliable if it has a reliability coefficient of > 0.60 . A complete reliability testing results can be seen in the following table 3 :

Table 3: Reliability Test Results

Variable	Cronbach's Alpha	Limit	Decision
Knowledge	0,934	0,6	<i>Reliable</i>
Interest	0,943	0,6	<i>Reliable</i>

Source: Processed Data 2023

Based on table 3 above, it can be seen that each variable has cronbach's alpha > 0.60 . Thus the variables of knowledge and interest in saving are declared reliable.

Determination Coefficient Test (R²)**Table 4: Test Results for the Coefficient of Determination (R²)****Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,656a	,431	,428	4,94128

a. Predictors: (Constant), Knowledge

b. Dependent Variable: Interest

Source: Processed Data 2023

Based on Table 4, the R² value is 0.431 or 43.1%. It means that 43.1% of people's interest in saving in Islamic banks is influenced by their knowledge.

Simple Linear Regression Analysis**Table 5: Simple Linear Regression Test Results****Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,082	1,584		7,628	,000
	Knowledge	,611	,050	,656	12,239	,000

a. Dependent Variable: Interest

Source: Processed Data 2023

Simple Linear Regression Equation:

$$Y = a + \beta X_1 + e$$

$$Y = 12.082 + 0.611 X_1 + e$$

The meaning of the regression equation above is:

1. The constant value (a) is 12.082. It means that if people's knowledge is assumed to be zero (0), then their interest in saving in Islamic banks is 12.082.
2. The regression coefficient value of the knowledge variable is 0.611. It means that for every increase in people's knowledge of 1 unit, it will increase their interest in saving in Islamic banks by 0.611 and vice versa.
3. Standard error (e) is a random variable and it has a probability distribution that represents all factors that have an influence on people's interest in saving in Islamic banks but are not included in the equation.

Partial Test (t-test)

From table 5, it is known that the results of the t-test which state that the significance value is $0.000 < 0.05$, so it can be concluded that the knowledge variable influences the interest variable. Then the t-value of the knowledge variable (X) is 12.239 and the t-table value is 1.972, it can be seen that: $t\text{-count} > t\text{-table}$ or $12.239 > 1.972$. It shows that H_a is accepted and H_o is rejected with a significant level of 0.05, and the value (Sig) is $0.000 < 0.05$, so it means that statistically there is a positive and significant influence of the people's knowledge on their interest in saving.

Conclusion

This study aims to investigate the influence of people's knowledge on their interest in saving in Islamic banks of the people in Bukit Batu district, Bengkalis regency, Riau province. Based

on the results of hypothesis testing, it can be explained as follows, the results of the study indicate that the people's knowledge has a positive and significant influence on their interest in saving in Islamic Banks of the people in Bukit Batu District, Bengkalis Regency, Riau province, Indonesia. So, the higher the people's knowledge, the higher their interest in saving in Islamic banks. The results of the study are also supported by Rosyid & Saidiah's study, (2016) which shows that there is an influence of banking knowledge on students' and teachers' interest in saving in Islamic banks. Then the results of this study are also supported by the study of Hati et al., (2020); Nugraheni & Widayani, (2021) which show that there is an influence of knowledge on the intention to save in Islamic banks and also a study conducted by Rokhani & Nurkhin, (2021;) Rudi Haryono, (2022). Further study can also be conducted on the community of student category, and it is also interesting to study it from the perspective of other variables such as religiosity, motivation and others.

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