

Consumer Knowledge and Decisions Becoming Customer Islamic Microfinance Institutions

*Pengetahuan Konsumen dan Keputusan Menjadi Nasabah Lembaga
Keuangan Mikro Syariah*

Intan Qurratulaini

ABSTRACT

This study aims to determine the effect of consumer knowledge about Islamic banking on the decision to become a customer at a Sharia Microfinance Institution (LKMS). A research method is a quantitative approach, where data is obtained through questionnaires (questionnaires), interviews, and documentation. After the data was obtained, the researcher analyzed it using regression analysis. Partial calculation results show that consumer knowledge about Islamic banking influences the decision to become a customer. One of the toughest challenges that many LKMS are now facing is the many accusations that LKMS is just conventional financial institutions with a sharia label added. LKMS consumers, becoming customers only want to secure their money or because of the profit-sharing offered by LKMS so that they can facilitate their economic path, besides that, they are also interested in the Islamic label or sharia system developed by the LKMS but in detail, they do not understand the process of implementing the sharia, but whether One's knowledge of sharia in the LKMS is a factor in the decision to become an interesting customer for further investigation.

Keywords: LKMS, BMT, consumer knowledge

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh pengetahuan konsumen tentang perbankan syariah terhadap keputusan menjadi nasabah pada Lembaga Keuangan Mikro Syariah (LKMS). Metode penelitian dengan pendekatan kuantitatif, di mana data diperoleh melalui kuesioner (angket), wawancara dan dokumentasi. Setelah data diperoleh, peneliti analisis dengan menggunakan analisis regresi. Hasil perhitungan secara parsial diperoleh hasil bahwa pengetahuan konsumen tentang perbankan syariah berpengaruh terhadap keputusan menjadi nasabah. Salah satu tantangan paling berat yang kini banyak dihadapi LKMS adalah banyaknya tuduhan yang mengatakan LKMS hanya sekedar Lembaga Keuangan konvensional yang ditambah label syariah. Konsumen LKMS, menjadi nasabah hanya ingin mengamankan uangnya atau karena bagi hasil yang ditawarkan LKMS sehingga bisa memperlancar jalan perekonomian mereka, selain itu mereka juga tertarik dengan label Islam atau sistem syariah yang dikembangkan LKMS namun secara rinci mereka tidak memahami proses pelaksanaan syariah tersebut, namun apakah pengetahuan seseorang tentang syariah yang ada di LKMS menjadi faktor keputusan menjadi nasabah menarik diteliti lebih lanjut.

Kata Kunci: LKMS, BMT, pengetahuan konsumen



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1. Introduction

The general role of Baitul Maal Wat Tamwil (BMT) is to provide guidance and funding based on the sharia system. This role emphasizes the importance of sharia principles in the economic life of the community. As Islamic Financial Institution (LKMS) that is in direct contact with the lives of small people who have sufficient knowledge and materials, BMT has an important task in carrying out the mission of Islam in all people's lives.

Consumer knowledge is all information that consumers have about various kinds of products and services, as well as other knowledge related to these products and services and information related to their functions as consumers. As quoted by Antonio (1999) divides consumer knowledge into three types of knowledge, namely: Product Knowledge, Purchase Knowledge, and Usage Knowledge. Currently, most people only see that the added value of Islamic banks is more lawful and safer, more promising for the good of the hereafter, and also more oriented to helping each other compared to conventional banks. This is true, but Islamic banks also have worldly advantages because their products are no less competitive with conventional banks, and the profit-sharing offered is also no less profitable than interest (Antonio, 1999).

With the low level of public understanding of Islamic understanding, especially banking problems and even the wider economy, Islamic banking must continue to develop and improve its performance. With the rapid growth which is marked by the increasing number of conventional banks which eventually establish sharia units, this proves that Islamic banks do have high competence.

It was found that MFIs have been successful in providing interest-free microfinance services in India. Sanghamam's performance is the chosen industry benchmark in line with the performance of India's microfinance industry. However, several issues such as potential liquidity risk, lower penetration in poorer sections of the population, Shariah issues in the method of determining service fees on loan requests, and in the structure of group savings schemes and profit-sharing business loans have been highlighted (Mohammed and Waheed, 2019).

Al-Awlaqi and Aamer (2019) found that there was a prolonged decline in the productivity scores of Microfinance Institutions (MFIs) in Yemen. The study highlights MFIs operating in rural areas to increase MFI productivity. In contrast, they found no significant difference in productivity, either between microfinance banks and non-governmental organizations or between Islamic and non-Islamic MFIs.

According to Tafsir (2004), "knowledge is all that is known as according to the Qur'an when the man is in his mother's womb he knows nothing. Then it is born, then begins the process of knowing until final adulthood.

Nasution (1991) in his book Philosophy of Religion explains the notion of knowledge according to two theories, namely: the first according to the theory of realism, knowledge is a picture, an actual copy of what is in the real world, knowledge is true and in accordance with reality. The second according to the theory of idealism, knowledge is mental processes or psychological processes, and this is subjective. Meanwhile, according to Alwi (2008) in the Big Indonesian Dictionary, consumers are users of manufactured goods (materials, clothing, food, etc.), recipients of advertising messages, and service users (customers and so on).

BMT Kanindo Syariah Singosari branch, which was established in 2001, is one of the Islamic financial institutions that continues to apply sharia financial services as a basis in running its institutional business so that until now it has become one of the BMTs trusted by the public in Pandanaran Semarang and its surroundings so that from year to year the number of consumers at BMT Kanindo Syariah Singosari branch and to date the number of customers has reached 830 customers (Informant 1). The sharia system was developed by BMT Kanindo Syariah Singosari branch by maintaining the prohibition of usury on all types of transactions, carrying out business activities on the basis of equality, fairness, and openness, while also promoting halal investment and entrepreneurs.

"The profit-sharing system developed at BMT Kanindo Syariah Singosari branch is more transparent and easy to understand by customers because every profit obtained by customers is based on the conditions of the business run by members, fluctuating business profits from members make the installment process more flexible and full of kinship in On the way, this makes it more convenient for members to save at BMT Kanindo Syariah Singosari branch. "

When customers who save have not benefited from profit sharing, then the BMT Kanindo Syariah Singosari branch provides clear and transparent guidance to members about the fluctuating system of every business carried out by their relatives who do financing, so that there is awareness from members of this reality and is intended as deeds of worship and thus avoid usury. In addition, infaq and alms distributed to the closest people make the management of zakat, infaq and alms from customers to customers, so as to improve the lives of customers.

Various narrow views of the community on the problem of usury, not understanding the community about the existence and values contained in the Islamic banking sharia system, it is necessary to socialize Islamic banking and its underlying philosophy both to the public, ulama' and bankers, because more people understand the sharia system developed by banking Islam such as BMT Kanindo Syariah Singosari branch makes its own attraction to become a customer.

From the background above, the researcher is interested in knowing how much influence consumer knowledge about Islamic banking has on the decision to become a customer at LKMS.

2. Literature Review and Hypothesis Development

2.1 Consumer Knowledge

2.1.1 Definition of Consumer Knowledge

According to Kamus Besar Bahasa Indonesia (KBBI), knowledge is everything that is known. Mudiri (2004) said that knowledge also means the result of knowing activities, namely the disclosure of reality into the soul so that there is no doubt about it. Doubt" is an absolute condition for the soul to be said to "know". Meanwhile, according to Tafsir (2004), "Knowledge is all that is known as according to the Qur'an, when the man is in his mother's womb he does not know anything. Then it is born, then begins the process of knowing until final adulthood.

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actual copy of what is in the real world, knowledge is true and following reality. The second according to the theory of idealism, knowledge is mental processes or psychological processes, and this is subjective.

Truth is the correspondence between knowledge and its object. However, because an object often has many aspects, the truth is very difficult to cover all aspects of the object. Therefore it is also difficult to encompass the whole truth or to express true knowledge about all aspects of a particular object. It often happens that human knowledge is only following one or a few aspects of the object so that the truth that can be achieved is limited, namely as wide and as far as the agreement between the known aspects and the object (Nawawi, 1993).

2.1.2 Types of Consumer Knowledge

The types of knowledge should be ordered according to their form and according to the eternal order of reality, on the following scale:

1. Theological knowledge,
2. Philosophical knowledge,
3. Knowledge of the Other, both collectively and individually,
4. Knowledge of the world of birth,
5. Technical knowledge and
6. Scientific knowledge.

Regarding this knowledge, Rasyidi's description of the level of knowledge is as follows: We must know how we think about something when we face various things that we want to know. The first kind is knowledge of objects. The second kind is knowledge of the minds of other people. The third kind is knowledge of our mind. The fourth kind is knowledge about values and universals (lectures). The fifth kind is knowledge of God.

"Indeed, all kinds of knowledge are astonishing," wrote Rasjidi, "but knowledge about God is the most astonishing." According to Endang Saifuddin Ansari, knowledge is divided into four types:

1. Ordinary knowledge, namely knowledge of ordinary, everyday things, which we will call hereafter: knowledge;
2. Scientific knowledge, namely knowledge that has certain systems and methods, hereinafter referred to as science;
3. Philosophical knowledge, which is a special kind of "science", which tries to answer questions that are not answered by the ordinary sciences, which we will later call: philosophy;
4. Theological knowledge, namely religious knowledge, knowledge of religion, knowledge of notification from God.

2.1.3 Consumer Knowledge Source

Epistemology includes the sources of means and procedures for using the means to achieve (scientific) knowledge, while the sources of knowledge are the senses, reason, and heart.

1. Senses
the sense of smell that can absorb other aspects of physical objects that cannot be seen, heard, or felt, namely "smell" which can distinguish between fragrant and cold, soft,

smooth, and rough. Regarding the function of the senses as a source of knowledge, among others, as a means of adaptation to the environment and as a means of survival (survival) examples of the eye are very useful for observing dangers that may threaten life such as being hit by a motor vehicle, burned by fire or falling into a ditch and with that we can take necessary actions to save ourselves, the ear is also very useful to avoid similar dangers, for example hearing a car horn when the eyes for some reason cannot see it, the sense of taste to avoid eating things that are rotten or poisonous, so that the senses do not only as a source of knowledge but also needed to avoid danger or in other words, the five senses are instruments for survival (Kartanegara, 2002).

Al-Gazali in his book *Miskah al-Anwar* as quoted by Abu Seyyed Hossein Nasr views reason as more worthy of being called light than the senses, in other words, the reason is more worthy of being called a source of knowledge than the senses, for example, with our senses we can see. half of the moon seen in this case is the one who can perfect the shape of the moon as a ball and for this reason, we can also know that a pencil in a glass filled with water is straight even though it looks.

2. Intellect

Intellect in language has the meaning of being bound or binding, namely binding humans with At first, by Muslim philosophers reason is divided into 2 senses of practice and theoretical reason, in this case, the theoretical reason is related to knowledge while practical reason is related to ethics, here will be discussed privileges or advantages and disadvantages of reason as a supplier of knowledge tools.

Rumi once said, "reason may master a thousand and one branches of knowledge, but about his own life he knows nothing". Intellect is indeed very useful as a source of knowledge but only as an intellectual skill or intelligence. Intellect is often powerless when faced with the emotional side of humans, when faced with love issues, for example, the mind can't say anything, our minds will be stuck and the tongue will be mute, in other words, the mind does not understand the essential experience, namely the experience we feel is not conceptualized (Nasr, 1986).

3. Heart

To cover the shortcomings of human reason, God is equipped with intuition or heart (*qalb*) so that all the traps of knowledge for humans will be complete. When the mind is unable to understand the area of human emotional life, the heart can then understand it. A trained heart will be able to understand someone's feelings just for example by hearing a voice or looking into his eyes.

When the mind only dwells on the level of consciousness, the heart can break through to the unconscious or the unseen realm in the language of religion, so that it can experience non-sensory experiences, and can even communicate with supernatural beings such as angels, jinn, and even God himself as experienced by the prophets. Like the radar of the human heart, sometimes it can pick up signals from the sky so brightly, no matter how dim the light is from the point of view of reason. The human heart can feel existential experiences without any spatial generalizations or tendencies and can recognize objects more intimately and directly.

Knowledge of the heart is existential knowledge or knowledge based on experience, it is also called presence knowledge because the object is seen as present in a person's self or soul and this cannot be understood by reason, the mind may only understand love through the mouth or theories but the heart understands it directly not through theory but the heart explores it so that he knows because he has felt it does not know through speech.

2.2 *Baitul Maal wa Tamwil* (BMT)

2.2.1 Definition of BMT

Baitul Maal wa Tamwil (BMT) consists of three words, namely *Baitul*, *Maa* and *Tamwil*. Literally/ *lughawi baitul* means house, *maal* means wealth and *tamwil* means property development. Baitul Maal Wa Tamwil (BMT) is a development of economic concepts in Islam, especially in the financial sector. The term BMT is a combination of Baitul Maal and Baitut Tamwil. Baitul Maal is a financial institution whose activities are managing non-profit (social) funds. Sources of funds are obtained from *zakat*, *infaq*, and *sadaqah*, or other halal sources. Then the funds are channeled to *mustakhiq*, who are entitled or for good.

Meanwhile, *Baitut Tamwil* is a financial institution whose activities are to collect and distribute public funds and have a profit motive. The collection of funds is obtained through third-party deposits and the distribution is carried out in the form of financing or investment that is carried out based on sharia principles.

However, within the framework of BMT management, functionally this institution plays a role in several things as follows: first, assisting the *baituttamwil* in providing cash for the allocation of non-commercial financing of *Qardh al-Hasan*. Second, providing a reserve for the write-off of non-performing financing due to the business bankruptcy of the *baituttamwil* customer who is in charge of *al-gharim* Third, with his real work in efforts to improve the social welfare sector such as providing scholarships, health benefits, donations for the construction of public and religious facilities, and others, he can assist *Baituttamwil* in the success of promoting products for raising funds (funding) and distributing them to the public (lending).

Thus, it is necessary to emphasize that be called a BMT, a de facto financial institution must have 2 business units simultaneously in the field of ZIS management and Islamic banking. If one of them is not present, then it is not called BMT but *Baitut Maal* or *Baituttamwil* only. Both are a system in the BMT container that works in synergy and cannot be separated from each other.

2.2.2 The Objectives of BMT

The objectives of establishing BMT as an Islamic financial institution are (Sudarsono, 2004):

1. Directing the economic activities of the people to convert to Islam, especially those related to banking, to avoid the practices of usury or other types of business/trade that contain elements of *gharar* (deception), where these types of business are other than prohibited in Islam, has also harmed the economic life of the people.
2. To create justice in the economic field by distributing income through investment activities, so that there is no huge gap between the owners of capital and those who need funds.

3. To improve the quality of life of the people by opening up greater business opportunities, especially the poor, which is directed towards productive business activities, towards the creation of business independence.
4. To tackle the problem of poverty, which is generally the main program of developing countries. The efforts of Islamic banks in alleviating poverty are in the form of fostering customers who are more prominent like togetherness from a complete business cycle such as consumer development programs, working capital development programs, and joint business development programs.
5. To maintain economic and monetary stability. With the activities of Islamic banks will be able to attend to the economic warming caused by inflation, avoiding unfair competition between financial institutions.
6. To save the dependence of Muslims on non-Islamic banks.

2.2.3 BMT products

1. *Musyarakah*

Musyarakah is a cooperation agreement between two or more parties for a particular business in which each party contributes funds with an agreement that the profits and risks will be shared following the agreement. According to Imam 'Ala Aldin 'Ali bin Muhammad bin Ibrahim Al Baqdadiy (1995), scholars agree that association in inheritance matters is permissible.

Musharakah is divided into 4:

a. *Shirkah 'inan*:

Each party provides a portion of the total funds and participates in the work but the portion of the funds does not have to be the same. Both parties share in the profits and losses as agreed between them.

b. *Syirkah mufawadhah*:

The main requirement of this *syirkah* is the equality of the funds given, work, responsibilities, and debt burden to be shared by each party.

c. *Syirkah amal*:

Cooperation of two people of the same profession to accept work together and share the benefits of that work.

d. *Shirkah Wujuh*

Cooperation between two or more people who have good reputation and prestige and are business experts. They buy goods on credit from a company and sell the goods for cash. They share in profits and losses based on guarantees to suppliers provided by each partner. This type of contract does not require capital because it is purchased on credit based on the guarantee, so this contract is commonly referred to as *musharaka* receivables.

2. *Mudharabah*

Mudharabah is a business cooperation agreement between two parties in which the first party (*shahibul mal*) provides all (100%) capital, while the other party becomes the manager.

Mudharabah business profits are divided according to the agreement stated in the contract, while the loss is borne by the owner of the capital as long as the loss is not due to the negligence of the manager.

There are two *mudharabahs*:

a. Mudharabah muthlaqah

Cooperation that has a very broad scope and is not limited by the specifications of the type of business, time, and area of business.

b. Mudharabah muqayyadah

Mudharabah muqayyadah or also known as restricted *mudharabah*/ specified *mudharabah* is the opposite of *mudharabah muthlaqah*. The *mudharib* is limited by the type of business, time and place of business.

3. *Al-Murabahah and Al-Bâi'u Bithaman Ajil*

Bâ'i al-murabahah is the sale and purchase of goods at the original price with an agreed additional profit. In *bâ'i al-murabahah*, the seller must tell the price of the product he is buying and determine a level of profit in addition.

Then viewed from the point of view of *muamalah fiqh*, there is no obstacle for Islamic banking to ask partners for financing in the context of "*murabahah*", Islamic banks can hold transaction documents as collateral until the partner or customer pays off all the installments.

For example, Mr. A, a bookstore entrepreneur, applies for *murabahah* (working capital) financing for the purchase of paper raw materials, amounting to Rp 100 million.

After being evaluated by an Islamic bank, the business is feasible and the application is approved, the Islamic bank will appoint Mr. A as a representative of the Islamic bank to buy with funds and on his behalf then sell the goods back to Mr. A in the amount of Rp. 120 million, with a term of 3 months and paid in full at maturity.

Murabahah generally can be applied to financing products for the purchase of investment goods, both domestic and overseas, such as through a Letter of Credit (L/C). This scheme is the most widely used because it is simple and not too foreign to those who are used to transacting with the banking world in general.

4. *Al-Ijarah and Al-Ta'jiri*

Al-Ijarah is a contract for the transfer of usufructuary rights over goods or services, through payment of rental wages, without being followed by a transfer of ownership (ownership) of the goods themselves. The meaning of "benefit" is useful, namely goods that have many benefits, and as long as they are used the goods are not changed or destroyed. The benefits that are taken are not in the form of substance but are in nature and are paid for rent, for example, a house that is rented/rented a car is rented for a trip.

Meanwhile, *al-tajiri* is an agreement between the owner of the goods and the lessee that allows the lessee to use the goods by paying the rent following the agreement of both parties. After

the end of the rental period, the owner of the goods sells the goods to the lessee at a price agreed by both parties.

5. *Al-Qardh al-Hasan*

Al-Qardh al-Hasan is a soft loan that is given based on a social obligation only, where the borrower is not obliged to return anything except the loan capital and administrative costs.

This *Al-Qardhul al-Hasan* facility is given to those who need short-term consumer loans for very urgent and urgent purposes. In addition, it is also given to small entrepreneurs who lack funds but have very good business prospects.

To avoid usury, administrative fees on *Al-Qardh al-Hasan* loans:

- a. Must be stated in nominal, not percentage
- b. Its nature must be real, clear and definite, and limited to things
- c. necessary for the contract to occur

6. Other Products

In addition to the above products, BMT also provides facilities in the form of the following products:

a. *Al-Kafalah*

Al-Kafalah, namely providing guarantees to customers to guarantee project implementation and fulfillment of certain obligations by the guaranteed party by way of the bank asking the guaranteed party to deposit a certain amount of funds as a guarantee deposit with the *al-wadiah* principle

b. *Al-Hiwalah*

Al-Hiwalah, namely bank services to carry out transfer activities (remittances) or transfer bills. From this activity, the bank will receive a fee in return for:

c. *Al-Ji'alah*

Al-Ji'alah is an agreement in which the first party promises to give a certain amount of compensation to the second party (amil) for a project business/service whose nature and limitations are stated in the agreement.

d. *Al-Wakalah*

Al-Wakalah is a service for depositing money or securities where the BMT has the power of attorney from the entrusting person to manage the money or securities. In this case, the bank will receive a fee in return for its services.

e. *Al-Sharf*

Al-Sharf is the activity of buying and selling a currency with another currency. If what is being traded in the same currency then the value of the currency must be the same and the delivery is also made at the same time.

2.3 The Effect of Consumer Knowledge on Islamic Banking on Decisions to Become a Customer

The level of understanding and meaning of Muslims on the values of dichotomous religious teachings, meaning that the understanding that separates the dimensions of the world and the dimensions of the hereafter, gradually begins to fade. The awareness of some Muslims towards the values of religious teachings is not only limited to *ubudiyah*-ritual matters, but has expanded to *muamalah* issues which have a more social dimension, and become future programs in the economic empowerment of Muslims.

Studying the issue of *muamalah* (BMT) cannot be separated from the discussion of the contract (Mas'adi, 2002) which is the basis or principle that must be adhered to in carrying out *muamalah* activities. Some of the basic principles that must be met in making a contract are; First, the principle of consensual, where the contract must be made on the basis of the pleasure of both parties. Therefore, there is no element of coercion allowed. Second, do not oppress. This principle emphasizes the nature of justice in the profit-sharing ratio and it is not permissible for one of the two parties to feel wronged. Third, the nature of openness (transparent). This principle emphasizes the importance of the same knowledge between the two parties who transact on the object of cooperation, meaning that there is no manipulation of data or conditions of the object of cooperation. Fourth, writing. This principle underscores the importance of documentation that is signed and witnessed by the cooperating parties. It is possible that there is a timeframe relationship. The form of writing varies depending on the form and nature of the collaboration.

The contract or contract agreement must be made by both parties who transact, because the contract is a determinant of whether a transaction is legal or not. Therefore, a contract that contains an element of *juhalah* (obscurity) on the object of the transaction which results in the uncertainty of the price level when the contract takes place, then the transaction is a form of *gharar* (fraud) transaction which is prohibited by Islamic law.

From that basis, public acceptance of BMT products that operate with Islamic principles (Islamic banks) is getting better from year to year, this is indicated by the continued increase in the total number of deposits, total loans and other products used, both by Muslim customers and non-Muslim customers. in Islamic banks. Likewise, support for the Islamic banking system is also getting higher, as can be seen in the use of products offered by Islamic banking, such as accounts/giro and other investment facilities.

The more people have more knowledge (know) about the sharia system, the lower the proportion of people who are inconsistent. Therefore, the movement to understand religion to the public about the Islamic banking system information must be seen as part of the efforts to spread religion, which of course will ultimately have a more complete view of the relation of Islamic sharia in recommending the management and development of assets, and this will have an effect on a person's attitude towards the choice of interest.

2.4 Conceptual Framework

Figure 1 shows the level of consumer knowledge about Islamic banking applied in BMT, both related to the ability to know terms/products in BMT, ability to know the principles developed

in BMT, ability to know the facts of management at BMT will influence the consumer's decision to become a customer. BMT so that self-awareness is formed to become a customer, obeying BMT rules.

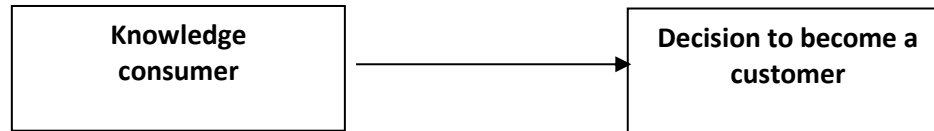


Figure 1 Conceptual Framework

2.5 Hypothesis

A hypothesis is a conclusion that may or may not be true, which still needs to be tested for truth. The hypotheses that will be proposed in this study are:

There is a positive and significant influence between consumer knowledge about Islamic banking on the decision to become a customer at a Sharia Microfinance Institution.

3. Research Methodology

3.1 Scope of Research

This research is quantitative field research that is regression in nature. Field research is research to obtain data that occurs in the field. Regression research is a study that aims to investigate the extent to which variations in one variable are related to variations in other variables (Azwar, 2002). In this case, looking for data whether there is an influence between variables and if there are several close effects, and whether or not the relationship is meaningful. While quantitative means that it emphasizes analysis of numerical data (numbers) obtained by statistical methods. In this study, the discussion will focus on how consumer knowledge about the sharia system affects the decision to become a member of the Singosari branch of BMT Kanindo Syariah.

3.2 Population and Sample

3.2.1 Population

The object of this research is all customers of the BMT Kanindo Syariah Singosari Branch. The total number of customers is 830, hereinafter referred to as the population.

3.2.2 Sample

From a population of 830 customers in 2019, in this study, the author will take a sample of 10%, which is 83 customers. To be representative in sampling, a purposive sampling technique is used, namely the technique of determining samples with certain considerations. In this case, the determination of the sample is directed at respondents who know the sharia system.

3.3 Data collection

3.3.1 Questionnaire method

This method the researcher uses to obtain data related to the X variable, namely consumer knowledge about Islamic banking, and Y variable, namely the decision to become a customer at BMT Kanindo Syariah Singosari Branch. The form of the questionnaire used by the researcher is a closed questionnaire, which is a question that expects a short answer or expects the respondent to choose one alternative answer from each of the available questions.

3.3.2 Interview

The interview method is a technique of collecting data through direct communication between the interviewer (interviewer) and the respondent (subject being interviewed or interviewer). In this study, free guided interviews were conducted, namely, interviews conducted freely in the sense that respondents were given the freedom to answer but within certain limits so as not to deviate from the interview guide that had been prepared (Nawawi and Hadari, 2000).

This interview method was conducted to obtain information on data relating to all things BMT Kanindo Syariah, especially those related to Islamic banking developed by the BMT, while the interviewees were the leaders and several customers of the BMT Kanindo Syariah Singosari Branch.

3.4 Data analysis method

3.4.1 Validity

Validity is a measure that shows the levels of validity or validity of an instrument. An instrument is said to be valid if it can measure what is desired and can reveal data from the variables studied. To obtain the success of the instrument, before the instrument is used as a data collection tool, a trial is carried out. The instrument validity test used an internal validity test technique, namely by testing the suitability between the parts of the instrument as a whole (Sugiyono, 2007).

3.4.2 Reliability

Reliability is a measuring tool with a degree of constancy, a questionnaire is called reliable or reliable if the answers are consistent. To test the reliability of the instrument, the Alpha formula from Cronbach is used as follows:

$$r = \left[\frac{k}{k-1} \right] 1 - \sum \frac{\sigma_b^2}{\sigma_1^2}$$

Notes:

- r = instrument reliability coefficient
- k = number of questions or number of questions
- $\sum \sigma_b^2$ = total item variance
- σ_1^2 = total variances

3.4.3 Descriptive Analysis

Research data is collected, analyzed, and interpreted to test the hypothesis that has been formulated. Where is the way to analyze the results of the research here by using descriptive analysis. This analysis aims to transform the raw data set into a form that is already understood, in the form of more concise information. That is, managers as users easily get a description or picture if the results of the information are converted into the descriptive analysis. Raw data that is quite varied is difficult and less meaningful because researchers must interpret the data for each respondent one by one.

3.4.4 Regression Analysis

Regression analysis is an analysis that aims to determine the effect of one variable on other variables. Hadi (2001) In regression analysis, the influencing variable is called the Independent variable (independent variable), and the affected variable is called the Dependent Variable (the dependent variable). If in the regression equation there is only one independent variable and one dependent variable, then it is called a simple regression equation, whereas if there is more than one independent variable, it is called a multiple regression equation. Because this study uses one independent variable and one dependent variable, the analysis used is a simple regression coefficient.

3.4.5 Testing Hypotheses

1. T .test

To find out whether the influence of consumer knowledge about Islamic banking on the decision to become a customer at BMT Kanindo Syariah Singosari Branch. H_0 cannot be accepted: if $T_{count} > T_{table}$, it means that consumer knowledge about Islamic banking does not partially affect the decision to become a customer at BMT Kanindo Syariah Singosari Branch.

2. F test

To find out consumer knowledge about sharia banking has a simultaneous effect on the decision to become a customer at BMT Kanindo Syariah Singosari Branch. H_0 is accepted: if $F_{count} < F_{table}$, it means that consumer knowledge about Islamic banking has a simultaneous effect on the decision to become a customer at BMT Kanindo Syariah Singosari Branch H_0 is unacceptable: if $F_{count} > F_{table}$ means that consumer knowledge about Islamic banking does not affect simultaneously on the decision to become a customer at BMT Kanindo Syariah Singosari Branch.

3.5 Definition of Operational Variables and Research Measurement

3.5.1 Variable X (Independent Variable)

Table 1 Variables, Definitions, Indicators and Measurement Scales of Research Variables

Research Variables	Definitions	Indicators	Measurement Scales
Consumer knowledge about Islamic banking	Consumer knowledge about sharia banking is the ability possessed by customers of BMT Kanindo Syariah Singosari Branch to understand the concept of sharia in Islamic banking	The ability to know terms/products in the sharia system at BMT. The ability to know the facts of management based on sharia in BMT	Measured using a Likert scale questionnaire

3.5.2 Variable Y (Dependent Variable)

Table 2 Variables, Definitions, Indicators and Measurement Scales of Research Variables

Research Variables	Definitions	Indicators	Measurement Scales
Decision to become a customer	The decision to become a customer is the belief of the customer to be a good customer and follow the rules set by BMT Kanindo Syariah.	Self-awareness to become a customer. Obey the rules of BMT.	Measured using a Likert scale questionnaire

4. Results and Discussion

4.1 Description of Research Variables

Consumer Knowledge of Islamic Banking at BMT Kanindo Syariah Singosari Branch

In detail, the results of the analysis for respondents' responses to each product indicator variable product attributes obtained the following results:

**Table 3 Consumer Knowledge Variables about Islamic Banking Indicators
of Ability to Know Terms/Products in the Sharia System at BMT**

No.	Question Items	SA		A		DA		SDA	
		N	(%)	N	(%)	N	(%)	N	(%)
1	BMT Kanindo Syariah Singosari Branch implements <i>mudhorobah</i> products with a profit-sharing system without any interest rates	48	57.8	30	36.1	5	6.0	0	0.0
2	<i>Murabahah</i> financing developed by BMT Kanindo Syariah Singosari Branch is carried out based on a clear contract	47	56.6	25	30.1	11	13.3	0	0.0
3	At BMT Kanindo Syariah Singosari Branch, implementing <i>Musyarakah</i> products where there is a cooperation agreement between two or more parties for a particular business where each party contributes funds with an agreement that the profits and risks will be shared following the agreement	51	61.4	30	36.1	2	2.4	0	0.0
4	At BMT Kanindo Syariah Singosari Branch, implementing <i>Musyarakah</i> products where there is a cooperation agreement between two or more parties for a particular business in which each party contributes funds with an agreement that the profits and risks will be shared following the agreement to provide all (100%) capital, while the other party becomes the manager. <i>Mudharabah</i> business profits are divided according to the agreement stated in the contract, whereas if the loss is borne by the owner of the capital as long as the loss is not due to the negligence of the manager.	47	56.6	28	33.7	7	8.4	1	1.2
5	At BMT Kanindo Syariah Singosari Branch, <i>murabahah</i> is carried out, where there is a sale and purchase of goods at the original price with an agreed additional profit. In <i>ba'i al-murabahah</i> , the seller must tell the price of the product he is buying and determine a level of profit in addition.	50	60.2	31	37.3	2	2.4	0	0.0
6	At BMT Kanindo Syariah Singosari Branch, implementing the <i>Ijarah</i> product, where the contract of transfer of usufructuary rights to goods or services, through payment of rental wages, is not followed by a transfer of ownership (ownership) of the goods themselves	44	53.0	36	43.4	3	3.6	0	0.0

Continued

7	At BMT Kanindo Syariah Singosari Branch, implementing <i>Qardhul Hasan</i> , where a soft loan is given based on social obligations solely, where the borrower is not obliged to repay anything except the loan capital and administrative costs.	45	54.2	28	33.7	9	10.8	1	1.2
Grand total		332	57.1	208	35.8	39	6.7	2	0.3

Source: Processed data, 2019

Notes: SA = Strongly Agree; A = Agree; DA = Disagree; SD = Strongly Disagree

Based on Table 3, it is known that the variable of consumer knowledge about the indicator sharia system as a whole 57.1% of respondents strongly agree, 35.8% of respondents agree, 6.7% of respondents disagree and 0.3% of respondents strongly disagree stating that the ability to know terms/products in BMT.

Table 4 Variables of Consumer Knowledge about Islamic Banking Indicators of Ability to Know the Facts of Sharia Management System in BMT

No	Question Items	SA		A		DA		SDA	
		N	%	N	%	N	%	N	%
8	At BMT Kanindo Syariah, more emphasis is placed on the principle of kinship than the law when problems occur with members.	42	50.6	31	37.3	10	12.0	0	0
9	At BMT Kanindo Syariah, developing a friendly attitude with members in managing BMT	34	41.0	33	39.8	13	15.7	3	3.6
10	At BMT Kanindo Syariah, prioritizing the principle of openness in managing BMT	45	54.2	26	31.3	12	14.5	0	0.0
11	At BMT Kanindo Syariah, it is managed with honesty and nothing is hidden from customers	47	56.6	28	33.7	8	9.6	0	0.0
12	At BMT Kanindo Syariah, prioritizing the pleasure of customers when conducting transactions	42	50.6	29	34.9	12	14.5	0	0.0
13	At BMT Kanindo Syariah, set aside some percentage of the profit-sharing for social activities	40	48.2	38	45.8	4	4.8	1	1.2
Grand total		250	50.2	185	37.1	59	11.8	4	0.8

Source: Processed data, 2019

Based on the table above, it can be seen that the variable of consumer knowledge about Islamic banking as a whole 50.2% of respondents strongly agree, 37.1% of respondents agree, 11.8% of respondents disagree and 0.8% of respondents strongly disagree to know the facts of managing the sharia system in BMT.

**Table 5 Decision Variables to Become a Customer Indicator of Self Awareness
to Become a Customer**

No	Question Items	SA		A		DA		SDA	
		N	%	N	%	N	(%)	N	%
14	I'm trying to find out every program run by BMT Kanindo Syariah	48	57.8	30	36.1	5	6.0	0	0.0
15	I made the contract clearly when I made a transaction at BMT Kanindo Syariah	46	55.4	29	34.9	8	9.6	0	0.0
16	I attended the annual members meeting at BMT Kanindo Syariah	40	48.2	30	36.1	13	15.7	0	0.0
17	I am responsible for the mistakes I have made to BMT Kanindo Syariah	53	63.9	23	27.7	7	8.4	0	0.0
18	I asked the Kanindo Syariah BMT officer after saving so that there would be no misunderstandings in the future	42	50.6	34	41.0	7	8.4	0	0.0
19	I support the <i>infaq</i> and alms program held by Kanindo Syariah	44	53.0	31	37.3	8	9.6	0	0.0
20	I carefully read the annual report of BMT Kanindo Syariah, so that there will be no prejudice in the future	47	56.6	30	36.1	6	7.2	0	0.0
Grand total		320	55.1	207	35.6	54	9.3	0	0.0

Source: Processed data, 2019

Based on the Table 5, it can be seen that the decision variable to become a customer as a whole 57.1% of respondents strongly agree, 35.8% of respondents agree, 6.7% of respondents disagree and 0.3% of respondents strongly disagree stating their self-awareness to become a customer.

Table 6 Variables of Decision to Become a Customer Indicator of Complying with BMT Rules

No	Question Items	SA		A		DA		SDA	
		N	%	N	%	N	%	N	%
21	I follow the rules set by BMT Kanindo Syariah	52	62.7	23	27.7	8	9.6	0	0.0
22	I run the rules set by BMT Kanindo Syariah	50	60.2	27	32.5	6	7.2	0	0.0
23	I report income regularly	43	51.8	33	39.8	7	8.4	0	0.0
24	I pay in installments regularly and on time	46	55.4	26	31.3	11	13.3	0	0.0
25	I comply with the mutually agreed profit-sharing rules	48	57.8	24	28.9	11	13.3	0	0.0
26	I will report immediately to BMT Kanindo Syariah when the savings are lost	43	51.8	30	36.1	10	12.0	0	0.0
27	I will apologize if I am late in paying the installments, and not make it difficult for Kanindo Syariah officers and try to pay them	46	55.4	31	37.3	6	7.2	0	0.0
Grand total		328	56.5	194	33.4	59	10.2	0	0.0

Source: Processed data, 2019

Based on the table above, it can be seen that the decision variable to become a member as a whole 56.5% of respondents strongly agree, 33.4% of respondents agree, 10.2% of respondents disagree and 0.0% of respondents strongly disagree with obeying the LKMS rules.

4.2 Validity and Reliability Test

4.2.1 Validity Test

Base on Table 7, it can be seen that each question item has r count > from r table (0.216) and is positive. Thus, the question items are declared valid.

Table 7 Instrument Validity Test Results (Variable X)

Variable	Question Items	Corrected Item Question Total Correlation	r table	Remark
Ability to Know Terms/Products in the Sharia System at BMT	Question 2	0.227	0.216	Valid
	Question 2	0.358	0.216	Valid
	Question 3	0.404	0.216	Valid
	Question 4	0.241	0.216	Valid
	Question 5	0.356	0.216	Valid
	Question 6	0.353	0.216	Valid
	Question 7	0.274	0.216	Valid
Ability Knowing the Facts-Management Facts	Question 8	0.347	0.216	Valid
	Question 9	0.302	0.216	Valid
	Question 10	0.532	0.216	Valid
	Question 11	0.225	0.216	Valid
	Question 12	0.288	0.216	Valid
	Question 13	0.298	0.216	Valid

Source: Processed data, 2019

Table 8 Instrument Validity Test Results (Variable Y)

Variable	Question Items	Corrected Item Question Total Correlation	r table	Remark
Self-Awareness For Become a Customer	Question 1	0.543	0.216	Valid
	Question 2	0.496	0.216	Valid
	Question 3	0.360	0.216	Valid
	Question 4	0.316	0.216	Valid
	Question 5	0.238	0.216	Valid
	Question 6	0.365	0.216	Valid
	Question 7	0.220	0.216	Valid
Obeying BMT Rules	Question 8	0.333	0.216	Valid
	Question 9	0.335	0.216	Valid
	Question 10	0.260	0.216	Valid
	Question 11	0.325	0.216	Valid
	Question 12	0.226	0.216	Valid
	Question 13	0.361	0.216	Valid
	Question 14	0.455	0.216	Valid

Source: Processed data, 2019

From Table 8 it can be seen that each question item has r count > from r table (0.216) and is positive. Thus, the question items are declared valid.

4.2.2 Reliability Test

From the description of table 9, it can be seen that each variable has a Cronbach Alpha > 0.60. Thus, the variables of Consumer Knowledge About Islamic Banking and Decisions to Become Customers in LKMS can be said to be reliable.

Table 9 Instrument Reliability Test Results

Variable	Reliability Coefficient	Alpha	Remark
Knowledge consumer (X)	13 Item Questions	0.669	Reliable
Decision to Become a Customer (Y)	14 Item Questions	0.670	Reliable

Source: Processed data, 2019

4.3 Data Analysis and Interpretation

4.3.1 Coefficient of Determination

The results of the coefficient of determination test mean that other independent variables influence the decision to become an LKMS customer. For this reason, it is necessary to develop further research related to this topic.

Table 10 Simultaneous Influence Test Model Summary

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	506	256	247	3.82191

a Predictors: (Constant), consumer knowledge

Source: Processed data, 2019

4.3.2 Hypothesis testing

1. T-Test

From the Table 11, it can be seen from the results of the regression analysis that the coefficient for the consumer knowledge variable is 0.501 with a constant of 34.700 so that the regression equation model obtained is as follows:

$$Y = 34,700 + 0.501X$$

The results of the analysis were obtained with the help of the SPSS version 17.0 program. The results obtained are "there is an influence of consumer knowledge about Islamic banking on the decision to become a customer at BMT Kanindo Syariah Singosari Branch. The results of the empirical test of the influence of consumer knowledge on Islamic banking, show t count 5.275 and p -value (sig) of 0.000 which is below 5% alpha.

The results of the study above show that the variable of consumer knowledge about Islamic banking has a positive effect on the decision to become a customer at BMT Kanindo Syariah Singosari Branch. The beta value in the Unstandardized Coefficients of consumer knowledge variable shows several 0.506, which means that the magnitude of the influence of consumer knowledge style on the performance of BMT Kanindo Syariah Singosari Branch is 50.6%.

Table 11 T-Test Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1. (Constant)	34.700	6.563		5.287	.000
consumer knowledge	.501	.095	.056	5.275	.000

a Dependent Variable: Decision to Become a Customer

Source: Processed data, 2019

2. F-Test

The Table 12 shows that the results of the F test calculation show a value of 27,830 with a probability level of 0.000 greater than 5% significance. These results indicate that f count > f table. This means that the proposed hypothesis is accepted, namely consumer knowledge has a simultaneous effect on the decision to become a customer at BMT Kanindo Syariah Singosari Branch.

Table 12 F-Test ANOVA(b)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1. Regression	406.520	1	406.520	27.830	.000(a)
Residual	1183.167	81	14.607		
Total	1589.687	82			

a Predictors: (Constant), pengetahuan konsumen

b Dependent Variable: keputusan menjadi nasabah BMT

Source: Processed data, 2019

4.3.3 Interpretation

From the results of the tests carried out, it is proven that knowledge about Islamic banking has a significant influence on the decision to become a customer of BMT Kanindo Syariah. The decision variable to become a customer as a whole 56.5% of respondents strongly agree, 33.4% of respondents agree, 10.2% of respondents disagree and 0.0% of respondents strongly disagree with obeying the BMT rules. The decision variable to become a member as a whole is 55.1% of respondents strongly agree, 35.6% of respondents agree, 9.3% of respondents disagree and 0.0% of respondents strongly disagree with the self-awareness to become a customer at BMT.

The results of the hypothesis which state that consumer knowledge about Islamic banking has a simultaneous effect on the decision to become a customer at BMT Kanindo Syariah is accepted, this is indicated by the results of the ANOVA test or F test. F test which shows a value of 27,830 with a probability level of 0.000 greater than 5% significance. These results indicate that f count

$> f$ table (significance). By looking at the assumptions above, the probability is smaller than 0.05, and the F-count is greater than the F-table, meaning that H_0 is accepted and H_a is rejected.

From the results of the study, it is known that the independent variable is able to explain the dependent variable by 24.7%, while the remaining 75.3% is explained by other variables that are not included in this model (not studied). From the results of the tests carried out, it is proven that consumer knowledge has a significant influence on customers. This is indicated by the results in accordance with the respondents' answers to each question item.

This result is in accordance with Ali Hasan who stated that consumer behavior is a complex psychological response and knowledge that appears in the form of individual behavior that is directly involved in obtaining, using products, and determining the decision-making process in purchasing products (becoming customers). Consumer knowledge about Islamic banking developed at the BMT institution is a determining factor for people to make decisions to become customers. The more people have more knowledge (know) about the sharia system, the lower the proportion of people who are inconsistent. Therefore, the movement to understand religion to the public about the Islamic banking system information must be seen as part of the efforts to spread religion, which of course will ultimately have a more complete view of the relationship between Islamic sharia in recommending the management and development of assets, and this will affect attitudes someone to the choice of interest (Hasan, 2010).

5. Conclusions and Recommendations

Consumer knowledge about Islamic banking affects the decision to become a customer at LKMS, this is indicated by the results of the ANOVA test or F-test. The F-test which shows a value of 27,830 with a probability level of 0.000 is greater than a 5% significance. These results indicate that f count $> f$ table (significance). By looking at the assumptions above, the probability is smaller than 0.05 and the calculated F is greater than the F table. The hypothesis which states that there is a positive and significant influence between consumer knowledge about Islamic banking on the decision to become an LKMS customer is accepted.

Practical recommendations from this study, firstly, should improve good working relationships with each member so that by providing services and implementing the sharia system as well as possible. Second, customers should always improve the implementation of the LKMS rules and regulations and know about the developed sharia banking, so that what is done in participating as a customer there is no doubt whether the transaction is valid or not. The recommendations for further researchers should be to expand the research so that more complete information is obtained about a person's decision to become a customer at an LKSM based on the developed sharia system.

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