

The Effect of *Riba* Avoidance and Product Knowledge on the Decision to Become a Customer of Islamic Banks



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ABSTRACT: The objective of this study is to find out the impact of *riba* avoidance motivation and product knowledge towards decision to be Islamic banks customers. Previous studies found that Muslim societies chose Islamic banks because they are interest-free. However, other studies also found that most Islamic banks customers do not have sufficient knowledge about Islamic bank products. Using the quantitative method, this study surveyed the effect of *riba* avoidance and product knowledge towards intention becoming Islamic bank costumers. There were thirty respondents who were chosen accidentally. Questions were distributed manually to the Islamic banks' customers. Our study found that *riba* avoidance and product knowledge significantly affect the decision to become a customer of Islamic banks in Palu City. This is proven by the sig-F value of 0.000, which is smaller than Alpha 0.05. At the same time, partially, the motivation to *riba* avoidance and product knowledge has a significant effect on the decision to become a customer of Islamic banks. Our findings highlight that Islamic banks should focus on providing more free *riba* products to attract more Muslim customers. In addition, customers' knowledge of Islamic banks' products should also become the banks' focus for improvement.

KEYWORDS: *Riba* avoidance, product knowledge, costumers, Islamic banking

I. INTRODUCTION

A bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public (Welim & Erwin Rasjid, 2020). As in Law no. 21 of 2008 concerning Islamic Banking Chapter 1, article 1 and paragraph 7 states that a Sharia Bank is a Bank that carries out its business activities based on Sharia principles and by type consists of Sharia Commercial Banks and Sharia People's Financing Banks. Prior to the enactment of Law no. 21 of 2008, has Law no. 7 of 1992 concerning Banking. However, the Act has not provided a sufficiently solid legal basis for the development of Islamic Banks because it has not explicitly stated the word Sharia principles in the Bank's business activities (Alam & Miah, 2021).

The development of Islamic banking in Indonesia has been accompanied by the development of the Islamic finance industry. The development of the banks was initiated by the inspiration of the Indonesian people, who are predominantly Muslim, to have an alternative Islamic banking system. Islam prohibits the practice of *muamalah*, which contains and can lead to usury (Şimşek, Bayındır, & Ustaoglu, 2017). A bank that does not use interest is established according to the basic principles of Islamic teachings. Most scholars think that bank interest is usury (Kamla & Alsoufi, 2015). Thus, a Bank is established that uses an operating system that does not incur interest on its customers or is commonly referred to as Banking based on Sharia principles (Islamic Banking). Prior to the promulgation of the Law on Sharia Banking which emphasized the prohibition of *riba*, in the Qur'an, many mentions were made of the prohibition of *riba*. For example, the Qur'an verses Al-Baqarah/2:275 says as follows:

"Those who eat the Ribâ (Usury) will not rise from their graves except as one rise who Satan is beating into insanity. That is because they say: "Trading is only like usury; however, Allah has made trading lawful and forbidden usury." To whomsoever then the admonition has come from his Lord, then he desists (from usury), so what has already passed (usury he had taken before) is for him, and his affair belongs to Allah; and whoever returns (to usury), these are the inmates of the Fire; they shall abide in it forever."

This verse emphasizes the difference between buying and selling transactions and *riba*. Furthermore, the verse shows that *riba* will destroy the welfare of a nation. Allah also commands that believing Muslims stay away from usury practices or the like because *riba* practices can lead to misery in both the world and the hereafter (Abbasi, Hollman, & Murrey, 1989).

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Islam prohibits the existence of *riba*, but in practice, the business activities, products, and services of Islamic banking, which are conceptually not based on interest, are poorly understood by the public (Fathonih, Anggadwita, & Ibraimi, 2019). In addition to the above case, some people have understood what a Sharia Bank is but are still unfamiliar with the products available to them, thus causing people to be reluctant to use the products offered but only interested in people who want to save by avoiding the element of *riba*.

With the prohibition of *riba* by the Qur'an, a Muslim is imposed to make any transactions involving *riba*. Therefore, a Muslim feels compelled to do or leave something that might harm or benefit him from this motivation. Motivation comes from the Latin *movere*, which means "to move." Motivation is a willingness to expend a high level of effort in achieving organizational goals conditioned by the ability of efforts to meet individual needs (Urđan & Schoenfelder, 2006).

Thus, the creation of motivation in a person to avoid *riba* will affect their behavior in making decisions (Bøgh Andersen & Serritzlew, 2012). Consumer behavior is closely related to the decision-making process to use goods or services to satisfy needs. The purchasing decision is the stage of selection made by consumers in making decisions in buying a product.

Several factors behind customers in choosing Islamic banking come from the environment and from the customers themselves. One of the factors that influence customer preferences in using Islamic banking services is the motivation to avoid *Riba*, which is a factor that exists in a person who drives, directs behavior to meet certain goals (Echchabi & Nafiu Olaniyi, 2012). From the results of previous studies, the main factor for customers to maintain relationships with Islamic banks is their adherence to Sharia principles. The customer decides to keep the Islamic Bank with the issue of faith and belief in the prohibition of *riba* for Muslims.

II. LITERATURE REVIEW

A. Understanding the Concept of *Riba*

In the language of usury means additional (*ziyadah*) or means to grow and enlarge (Kader & Mohamad, 2019). *Riba* (usury) is exaggerating the profits (wealth) of one of the parties in the sale and purchase transaction or the exchange of similar goods without providing compensation for the excess (*riba fadl*) (Munro, 2003), or payment of debts that must be repaid by the person who owes more than the amount. The loan in return for the past grace period (*riba nasi'ah*). *Riba* is also defined as an addition taken on the existence of a debt or receivable between two or more parties that have been agreed upon at the beginning of the agreement (HAMID, CRAIG, & CLARKE, 1993). In this case, *Riba* has the same meaning as interest according to the consensus of all Islamic jurists or *fuqaha* without exception. Some of the characteristics of *Riba* in loans include: positive, fixed, and fixed at the beginning; tied to the term and amount of the loan; the payment is guaranteed, regardless of the outcome or purpose of the loan; the existence of legal sanctions and collection (Nurdin Nurdin & Yusuf, 2020).

It is clear that Islam forbids *Riba* and makes it a major sin. Allah SWT forbids usury to take a gradual method (step by step). Related to this, several Islamic arguments prohibit the *Riba* system. However, Allah SWT revealed the treatise on the prohibition of the practice of *Riba* using four stages. First, *riba* will not increase goodness in the sight of Allah SWT. Allah says, *"And something Riba (additional) that you give so that it increases in human wealth, then Riba does not add to the side of Allah SWT. And what you give in the form of zakat which you mean to achieve the pleasure of Allah, then (who do so) it is those who multiply (rewards)."* (Qor'an verse ar-Ruum: 39). Second, Allah SWT has described the punishment for the Jews who like to eat *Riba*. Allah SWT said, *"So because of the injustice of the Jews, We prohibited them (eating) good things (which were previously) lawful for them and because they hindered (humans) a lot from the way of Allah, and because they eat Riba, when in fact they have been forbidden to him, and because they falsely eat people's property. So we have prepared for those who disbelieve among them a painful torment."* (Qor'an verse an-Nisa: 160-161). Third, Allah SWT forbids eating *Riba*, which is doubled. Allah SWT says, *"O you who believe, keep away from eating Riba multiplied and fear Allah SWT so that you get lucky."* (Qor'an verse Ali Imran: 130). Finally, It is emphasized that *Riba* is haram and is declared a forbidden command for Muslims. Allah SWT commands the believers to leave the rest of *Riba*. Allah SWT says, *"O you who believe, fear Allah and leave the remnants (of various types) of Riba if you are believers. So if you do not do it, then know that Allah and His Messenger will fight you. And if you repent, then for you the principal of your wealth, you will not be wronged and not be wronged."* (Q.S. Al-Baqarah: 278-279).

The prohibition of *Riba* can also be found in the hadith of the Prophet Muhammad. There is a prohibition on *Riba* for Muslims in the hadith, which is clearly explained (Ahmad & Hassan, 2007). Some of the hadiths have cursed both the payer and *Riba* recipient (Narrated by Aun Ibn Hanifah, who narrated from his father. Then, the Prophet Muhammad condemns those who receive and give *Riba*, those who record the affairs of *Riba*, and are witnesses, and then he says that they are all the same. Finally, In performing the last pilgrimage, the Prophet said: *"All forms of riba is forbidden. Indeed the capital you have is for you. You will not be persecuted and will not persecute. Allah SWT has sent down a command that riba is forbidden at all. I started with (amount of) interest (lent to many people) from Abbas, which canceled everything. Furthermore, he, on behalf of his uncle "Abbas, has*

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canceled all the total interest on capital loans from borrowers." From the verses and hadith, it is understood that Allah SWT strictly prohibits the practice of *riba* and the law is haram. This is included in the category of taking or obtaining property in an improper way.

B. Islamic Bank Products

Product knowledge can be interpreted as knowledge possessed by consumers about the products/services that will be consumed (Peña-Vinces, Solakis, & Guillen, 2020). Product knowledge is a collection of various kinds of information about products (Sanchez & Mahoney, 1996). The more knowledge and information about products owned by consumers, the consumers will be faster in deciding to purchase a product. Product is also defined as anything that can be offered for attention, skill, use, or consumption that might satisfy a need or want.

Product knowledge also refers to the amount of information a consumer has turned in their memory about a particular product class, product form, brands, models, and ways to purchase them (N. Nurdin, Pettalongi, & Yusuf, 2018; Wilkins, van Wegen, & de Hoog, 1997). From this understanding, it can be seen that product knowledge refers to the number of information consumers have stored in themselves or their memories about certain product classes, product forms, brands, models, and their ways to buy. Product knowledge is needed as the basis for the success of a product, usually through the use/involvement of a product. Consumer knowledge about a product is expected to affect satisfaction positively because knowledge will make the product more realistic.

Cognitive psychologists divide knowledge into declarative knowledge and procedural knowledge. Declarative knowledge is a subjective fact that is known by a person (Nurdin Nurdin, 2019). The subjective meaning here is that the person's knowledge may not always have to match the actual reality. In contrast, procedural knowledge is knowledge of how these facts are used. Declarative knowledge is divided into two categories: episodic and semantic (Cipolli, Fagioli, Mazzetti, & Tuozi, 2004). Episodic knowledge involves knowledge that is limited by the trajectory of time. This knowledge is used to answer questions about when to use a product. On the other hand, semantic knowledge contains generalized knowledge that gives meaning to one's world. Cordell (1997) divides consumer knowledge into three categories: (1) Objective knowledge, (2) Subjective knowledge, and (3) Information about other knowledge. Objective knowledge is factual information about a product class that is stored in the consumer's long-term memory. Subjective knowledge is the consumer's perception of what and how much he knows about a product class. Consumers may also have information regarding knowledge of various other things.

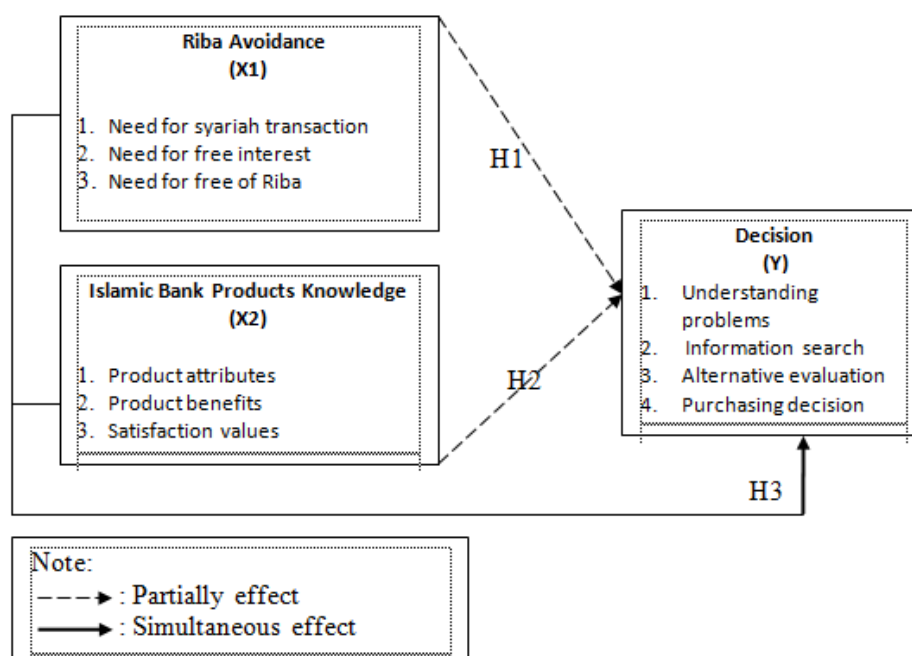


Figure 1. Theoretical Framework

III. METHODOLOGY

This research is included in the ex post facto research (Santos & Santos, 2015). Research is called ex post facto research because this research is a systematic empirical investigation in which scientists (researchers) do not control the independent variables

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directly because the existence of the variables has occurred or basically (Goodman-Scott et al.) This study aims to find the effect of the independent variable, namely the motivation to avoid usury and product knowledge, on the dependent variable, namely the decision to become a customer at Islamic banks in Palu City, Indonesia. The approach taken in this research is a quantitative approach (Miller, 2001), which means that all analysis of the information or data obtained is conducted through the process of statistical analysis or methods.

The sample is part of the number or certain characteristics taken from a population to be studied. In determining the sample, we relied on Roscoe's theory, which is at least ten times the number of variables studied (Roscoe, Subramanian, Jabbour, & Chong, 2019). As a result, the sample of this study was 30 respondents. The samples were randomly selected in an Islamic bank. The data were analyzed using SPSS.

IV. RESULTS

A. Respondents Demography

This study recruited 30 respondents randomly consisting of different education levels, ages, and jobs background. The demographic of the respondents is depicted in the following table 1.

Table 1. Respondents Demography

No	Description	N	Percentage
1	Sex	16	53.3%
2	Male	14	46.7%
3	Female		
	Age	N	Percentage
1	17 - 25	14	46.7%
2	26 - 35	12	40%
3	≥ 36	4	13.3%
	Education	N	Percentage
1	Middle school	18	60%
2	Undergraduate	10	33.3%
3	Post-graduate	2	6.7%
	Jobs	N	Percentage
1	Government servants	3	
2	Private sector workers	12	
3	Business	10	
4	Students	5	

Table one above shows that there are 16 male and 14 female respondents with the age range between 17 to above 36 years old. Regarding education levels, most of them are middle school level, and others are undergraduate and post-graduate level. Most of the respondents work in the private sector, while others are doing their own business, and few work for government institutions.

B. Validity and Reliability Test

A validity test is the extent to which a measuring instrument is reliable in measuring what is being measured. A valid instrument means that the measuring instrument used to obtain the data is valid. Meanwhile, a reliable instrument is an instrument that will produce the same data when used several times to measure the same object.

a. Validity test

The minimum requirement to be considered eligible is $r = 0.3$, so the correlation between items with a total score of less than 0.3 then the items in the instrument are declared invalid. On the other hand, if the total score is positive and greater than 0.3 ($r > 0.3$), then the instrument is declared valid.

Riba Avoidance

Three statement items in the questionnaire measure the variable of motivation to avoid *riba*. Valid determination criteria are determined from the statement items obtained by the value of $r_{\text{count}} > r_{\text{table}}$ as shown in the following table:

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Table 2. The Result of the Validity Test of Riba Avoidance

Statement Items	r _{count}	r _{table}	Status
Statement 1	0,526	0,30	Valid
Statement 2	0,800	0,30	Valid
Statement 3	0,335	0,30	Valid

Based on the table above, it can be concluded that the validity test results on all statement items on the variable of Motivation to Avoid Riba can be concluded. All statement items are declared valid because they have an $r_{count} > r_{table}$.

Product knowledge

Three statement items in the questionnaire measure product Knowledge variable. Valid determination criteria are determined from the statement items obtained by the value of $r_{count} > r_{table}$ as shown in the following table:

Table 3. The Results of Product Knowledge Validity Test

Statement Items	r _{count}	r _{table}	Status
Statement 1	0,438	0,30	Valid
Statement 2	0,682	0,30	Valid
Statement 3	0,591	0,30	Valid

Based on the table above shows that the results of the validity test on all statement items on the Product Knowledge variable, it can be concluded that all statement items are declared valid because they have the acquisition value of $r_{count} > r_{table}$.

The Decision to Become a Customer

Five statement items in the questionnaire measure the Variable Decision to Become a Customer. Valid determination criteria are determined from the statement items obtained by the value of $r_{count} > r_{table}$ as shown in the following table:

Table 4. The Result of the Validity Test of the Decision to Become a Customer

Statement Items	r _{count}	r _{table}	Status
Statement 1	0,759	0,30	Valid
Statement 2	0,684	0,30	Valid
Statement 3	0,732	0,30	Valid
Statement 4	0,759	0,30	Valid
Statement 5	0,575	0,30	Valid

Based on the table above shows that the results of the validity test on all statement items in the Decision to Become a Customer variable, it can be concluded that all statement items are declared valid because they have an $r_{count} > r_{table}$.

Reliability Test

A reliability test was conducted to determine whether the instrument can be trusted as a measuring instrument for research data. The following are the results of the reliability test using the *Cronbach Alpha* (α) technique. An instrument is said to be reliable if it gives a *Cronbach Alpha* value $> 0,60$.

Table 5. The Results of Reliability Test of Variables X1, X2, and Y

Variable	Number of Questions	Cronbach Alpha	Explanation
Motivation to Avoid Riba	3	0,709	Reliable
Product knowledge	3	0,729	Reliable
The Decision to Become a Customer	5	0,872	Reliable

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Based on the table above shows that the instrument reliability in this study is stated to be reliable because it has a *Cronbach's Alpha* (α) value greater than 0.60 ($\alpha > 0.60$). The table shows that the questionnaire is reliable when used to measure the same object again, and the results are relatively different.

4.2 Description of Research Variables

After the data is collected, the next step is to tabulate the data to see the respondents' responses regarding the variables of Motivation to Avoid Riba, Product Knowledge, and Decision to Become a Customer.

a. Respondent's answers on Riba Avoidance (X1)

The results of tabulation of ordinal data obtained from each respondent with three items can be seen in the following table:

Table 6. Frequency Tabulation of Riba Avoidance

NO RES	F	%	F	%	F	%	F	%	F	%	n	total score	Mean
	SS/5		S/4		RR/3		TS/2		STS/1				
P1	13	43,3	14	46,7	3	10,0	0	0,0	0	0,0	30	130	4,33
P2	15	50,0	15	50,0	0	0,0	0	0,0	0	0,0	30	135	4,50
P3	19	63,3	11	36,7	0	0,0	0	0,0	0	0,0	30	139	4,63
Mean Variable													4,49

The table above describes the measurement of the variable of Motivation to Avoid Riba from respondents consisting of 3 statement items. The response to the first statement is "I use Islamic banks because I want to make transactions that are more halal" as many as 13 respondents or 43.3% answered strongly agree, as many as 14 respondents or 46.7% answered agree, then three respondents or 10.0% responded doubtfully. The total score of the answers from 30 respondents was 130, with an average score of 4.33%. So the first statement is included in the very good assessment criteria.

The response to the second statement is, "I use Islamic banks because I want the assets used to be free from riba." Namely, as many as 15 respondents or 50.0% answered strongly agree, as many as 14 respondents or 50.0% answered agree. The total score of the answers from 30 respondents was 135, with an average value of 4.50%. So the first statement is included in the very good assessment criteria.

The response to the third statement is "I understand the dangers of riba, so I choose Islamic banks " as many as 19 respondents, or 63.3% answered strongly agree, as many as 11 respondents or 36.7% answered agree. The total score of the answers from 30 respondents was 139, with an average score of 4.63%. So the first statement is included in the very good assessment criteria.

b. Respondents' answers on Product Knowledge (X2)

Tabulation results from ordinal data obtained from each respondent with 3 statement items can be seen in the following table:

Table 7. Tabulation of Product Knowledge

NO RES	F	%	F	%	F	%	F	%	F	%	N	total score	mean
	SS/5		S/4		RR/3		TS/2		STS/1				
P1	21	70,0	9	30,0	0	0,0	0	0,0	0	0,0	30	141	4,70
P2	15	50,0	13	43,3	2	6,7	0	0,0	0	0,0	30	133	4,43
P3	15	50,0	11	36,7	4	13,3	0	0,0	0	0,0	30	131	4,37
Mean Variable													4,50

The table above describes the measurement of the Product Knowledge variable from respondents consisting of 3 statement items. The first statement is "I save my money at an Islamic bank in Palu City because the contract is clear." namely as many as 21 respondents or 70.0% answered strongly agree, as many as nine respondents or 30.0% answered agree. The total score of the answers from 30 respondents was 141, with an average score of 4.70%. So the first statement is included in the excellent assessment criteria.

The response to the second statement is, "I choose to use the products/services of Islamic banks because it uses a profit-sharing system." As many as 15 respondents or 50.0% answered strongly agree, as many as 13 respondents or 43.3% answered agree,

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then two respondents or 6.7% answered doubtfully. The total score of the answers from 30 respondents was 133, with an average score of 4.43%. So the second statement is included in the very good assessment criteria.

The response to the third statement is, "I am satisfied with saving at Islamic banks because its operations/activities are in accordance with sharia/Islamic law." As many as 15 respondents or 50.0% answered strongly agree, as many as 11 respondents or 36.7% answered agree, then four respondents or 13.3% answered doubtfully. The total score of the answers from 30 respondents was 131, with an average score of 4.37%. So the third statement is included in the very good assessment criteria.

c. Respondent's answers on Decision to Become a Customer (Y)

Tabulation results from ordinal data obtained from each respondent with 5 statement items and in the following table:

Table 8. Tabulation of Frequency of Decision to Become a Customer

NO RES	F	%	F	%	F	%	F	%	F	%	n	total score	mean
	SS/5	S/4	RR/3	TS/2	STS/1								
P1	17	56,7	13	43,3	0	0,0	0	0,0	0	0,0	30	137	4,57
P2	16	53,3	14	46,7	0	0,0	0	0,0	0	0,0	30	136	4,53
P3	16	53,3	14	46,7	0	0,0	0	0,0	0	0,0	30	136	4,53
P4	17	56,7	13	43,3	0	0,0	0	0,0	0	0,0	30	137	4,57
P5	14	46,7	15	50,0	1	3,3	0	0,0	0	0,0	30	133	4,43
Mean Variable												4,53	

The table above describes the measurement of the Decision to Become a Customer variable from respondents consisting of 5 statement items. The first statement is, "I feel that the services of Islamic banks can provide benefits and meet my needs." As many as 17 respondents or 56.7% answered strongly agree, as many as 13 respondents or 43.3% answered agree. The total score for the answers from 30 respondents was 137, with an average score of 4.57%. So the first statement is included in the very good assessment criteria.

The response to the second statement is, "I am looking for information about Islamic banks so that my money needs and security are guaranteed" as many as 16 respondents, or 53.3% answered strongly agree, as many as 14 respondents or 46.7% answered agree. The total score of the answers from 30 respondents was 136, with an average score of 4.56%. So the second statement is included in the very good assessment criteria.

The response to the third statement is "I got solutions and alternatives for my money security needs through the product of Islamic banks " as many as 16 respondents or 53.3% answered strongly agree, as many as 14 respondents or 46.7% answered agree. The total score of the answers from 30 respondents was 136, with an average score of 4.56%. So the third statement is included in the very good assessment criteria.

The response to the fourth statement is "I feel that I get convenience at Islamic banks" as many as 17 respondents or 56.7% answered strongly agree, as many as 13 respondents or 43.3% answered agree. The total score for the answers from 30 respondents was 137, with an average score of 4.57%. So the fourth statement is included in the very good assessment criteria.

The response to the fifth statement is "I recommend others to use the services of Islamic banks" as many as 14 respondents, or 46.7% answered strongly agree, 15 respondents or 50.0% answered agree, then one respondent or 3.3% responded hesitantly. The total score of the answers from 30 respondents was 131, with an average score of 4.37%. So the fifth statement is included in the very good assessment criteria.

4.3 Hypothesis Testing

a. Simultaneous Test (F Test)

The F statistical test shows whether all independent or independent variables included in the model have a joint effect on the dependent or dependent variable. The hypothesis is accepted if the significance probability value is < 0.05 where the $f_{count} > f_{table}$. The hypothesis is rejected if the significance probability value is > 0.05 .¹ The results of the F statistical test can be seen in the following table:

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Table 9. F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95,676	2	47,838	38,798	,000 ^a
	Residual	33,291	27	1,233		
	Total	128,967	29			
a. Predictors: (Constant), <i>riba</i> avoidance, products knowledge						
b. Dependent Variable: Decision to Become a customer						

To prove the significance of the influence of the variables *Riba* Avoidance (X_1) and Product Knowledge (X_2) on the Decision to Become a Customer (Y), the F test was carried out (Statistical Test F). Based on the processed SPSS data referenced to the ANOVA table, the calculated f_{count} is 38.798 > f_{table} 3.34 with an F sig value of 0.000, while the alpha (α) value is 0.05. Thus the value of F sig < alpha (α) (0.000 < 0.05) means that the motivation to avoid usury and product knowledge has a significant effect on the decision to become a customer of Islamic banks.

b. Partial Test (T-Test)

Hypothesis testing with a t-test basically shows how far the influence of one independent variable is individually in explaining the dependent variable. To be able to do a significance of the constants of each independent variable, the hypothesis is used H_1 is a significant regression coefficient and H_0 is an insignificant regression coefficient.

Based on the results of regression testing, for decision making, namely, if the probability value is less than 0.05, then H_0 is rejected, while if the probability value is greater than 0.05, then H_0 is accepted. To test whether each of the motivations to avoid *Riba* and product knowledge of the decision to become a customer at Islamic banks. The following are the results of the statistical t-value test.

Table 10. Significant T-Test Results (Partial)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,776	2,277		1,219	,233		
	<i>Riba</i> avoidance	1,048	,184	,662	5,690	,000	,706	1,417
	Product knowledge	,425	,166	,298	2,564	,016	,706	1,417

a. Dependent Variable: Decision to Become a bank customer

Based on the statistical calculation of the T-test of two independent variables, it was found that the *riba* avoidance is obtained by f_{count} 5.690 > from f_{table} 2.048 and has a significance value (Sig) of 0.000 with a significant value of 0.05. It means 0.000 < 0.05. With this value, the variable of motivation to avoid *riba* (X_1) significantly affects the decision to become a customer (Y). The magnitude of the effect can be seen in the Beta column. The magnitude of the influence of the X_1 variable on the Y variable is 66.2%. Product knowledge (X_2) f_{count} 2.564 > from f_{table} 2.048 and has a significance value (Sig) of 0.016 with a significant value of 0.05. It means 0.016 < 0.05. With this value, the Product Knowledge variable (X_2) significantly affects the Decision to Become a Customer (Y). The magnitude of the effect can be seen in the Beta column. The magnitude of the influence of the X_2 variable on the Y variable is 29.8%.

1) Coefficient of Determination (R^2)

Analysis of the coefficient of determination was carried out to find out how big the percentage of independent contribution (X) to the variable (Y) was from the results of calculations through the SPSS statistical tool. The coefficient of determination was obtained as follows.

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Table 11. Coefficient of Determination Test Results (R^2)

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.861 ^a	.742	.723		1.11040

a. Predictors: (Constant), Product knowledge, Motivation to Avoid Riba

b. Dependent Variable: Decision to Become a Bank Customer

In the output display of the SPSS summary model, the amount of *Adjusted R Square* is 0.723. This means that changes influence changes in the Decision to Become a Customer (Y) variable in the independent variable consisting of Motivation to Avoid Riba and Product Knowledge of (72.3%). While the rest ($100\% - 72.3\% = 27.7\%$) so (27.7%) is influenced by other variables outside of this study.

4.4 Discussion

A. The Effect of *riba* avoidance and product knowledge on decisions to become a customer

Based on the results of multiple linear regression analysis with the help of *SPSS 16.0 For windows*, the effect of Motivation to Avoid Riba and Product Knowledge shows that Simultaneously has a significant influence on the Decision to Become a customer at Islamic banks. Likewise, the partial effect of each variable has a different magnitude of influence. Based on the results of the ANOVA test, the calculated F_{count} value is 38.798 > F_{table} 3.34 with an F sig value of 0.000, smaller than the alpha (α) value of 0.05. Thus the value of F sig < alpha (α) ($0.000 < 0.05$) means that the motivation to avoid usury and product knowledge simultaneously has a significant effect on the decision to become a customer of Islamic banks.

The results of this study are in line with previous studies (e.g., Riaz, Khan, & Khan, 2017; Ritter, Borchardt, Vaccaro, Pereira, & Almeida, 2015). *Riba* avoidance and product knowledge play important roles in the decision to become a customer of Islamic banking institutions. *Riba* avoidance is an ultimate concern for many Muslim societies when interacting with financial institutions (Ullah, Harwood, & Jamali, 2018). The prohibition of *riba* is mentioned and condemned in several different verses in the Qur'an and in many hadiths. Religious Muslims mostly reject the concept of *riba* in banking institutions. As such, Islamic banking has become a solution for Muslims with high *riba* avoidance behavior.

A. The effect *riba* avoidance on the decision to become a customer

Based on the results of the statistical test of the Motivation to Avoid Riba, it was obtained that the F_{value} was 5.690 > from F_{table} 2.048 and had a significance value (Sig) of 0.000 with a significant value of 0.05. It means $0.000 < 0.05$. With this value, the variable of motivation to avoid usury (X_1) partially has a significant effect on the decision to become a customer (Y). The magnitude of the effect can be seen in the Beta column. The magnitude of the influence of the X_1 variable on the Y variable is 66.2%

The results of hypothesis testing indicate that the hypothesis relates to the motivation to avoid *riba* affects the decision to become a customer, meaning that the customer's motivation to avoid *riba* has a significant effect. The results of this study are in line with research conducted by Newaz, Fan, & Sharma (2016), who found an association between Muslim religiosity and purchase intention. In Islam, *riba* is a transaction that is strictly prohibited from being carried out. This is explained in several verses of the Qur'an and Hadith. One of the verses of the Qur'an that prohibits the practice of usury in the verse of Ali Imran/3:130 as follows: "O you who believe, do not eat usury multiplied and fear Allah so that you may be successful."

The motivation to stay away from *riba* or usury is defined as a desire or ambition from within a person who ultimately encourages that person to stay away from bank interest and the dangers of *riba*, all of which have been forbidden by Allah SWT. Thus, the *riba* avoidance aims to practice an economic transaction contrary to Islamic teaching and law. Motivation is a factor that encourages someone to do a certain activity, and it is often interpreted as a factor driving a person's behavior (Ranisch, Garofoli, & Dubljevic, 2013). Meanwhile, *Riba* is an activity that is prohibited and is considered to cause more problems than providing a solution in overcoming financial problems. Thus, our findings show that motivation to avoid usury is an internal and external encouragement to avoid the dangers of *riba* or usury or bank interest, which Allah SWT has forbidden in the Qur'an.

B. The Effect of Product Knowledge on the Decision to Become a Customer

Based on the results of the product knowledge statistical test (X_2), the F_{count} value is 2.564 > from F_{table} 2.048 and has a significance value (Sig) of 0.016 with a significant value of 0.05. It means $0.016 < 0.05$. With this value, the product knowledge variable (X_2)

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significantly affects the Decision to Become a Customer (Y). The magnitude of the effect can be seen in the Beta column. The magnitude of the influence of the X₂ variable on the Y variable is 29.8%.

The results of hypothesis testing indicate that the product knowledge affects the decision to become a customer of Islamic banking, which means that the knowledge possessed by customers plays an essential role in product selection (Li & Calantone, 1998). Our study is consistent with Larsson, Lissner, & Wilhelmsen (1999), who found that customers' knowledge influences their selection of a product. In the context of Islam knowledge, the Qur'an explains the importance of knowledge in selecting something in the Qur'an verse Al-Mujlah/58:11 as follows:

"Allah will exalt those who believe among you and those who were given knowledge by several degrees. And Allah knows of what you do."

Product knowledge is the knowledge possessed by consumers about the products/services that will be consumed (McEachern & Warnaby, 2008). Likewise, customers of Islamic banks in Palu city decided to become customers because they know the characterization of the Islamic bank products. The more knowledge and information customers have on products; the more customers can purchase a product. Product knowledge is needed to select a product, usually through the use of a product. Customer knowledge about a product is expected to affect satisfaction positively because knowledge will make the product more realistic.

V. CONCLUSION

Based on the results and discussion, the researchers concluded that *riba* avoidance has a significant effect on the decision to become a customer of Islamic banks. It can be seen that the probability value or significant value is $0.000 < 0.05$, which means that the variable of Motivation to Avoid *Riba* has a significant effect on the decision to become a customer. The product knowledge also has a significant effect on the decision to become a customer of Islamic banks. The probability value or significant value is $0.016 < 0.05$, which means that the Product Knowledge variable has a significant effect on the decision to become a customer. Simultaneously, the *riba* avoidance and product knowledge on the decision to become a customer of Islamic banks have a significant effect. The magnitude of the effect shows that the *model summary* table and in the *Adjusted R Square* column, which is 0.723% or 72.3%, and the remaining 27.7% is influenced by other variables not included in this study.

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