
The Influence of Consumer Knowledge , Product Quality, on The Murabahah Financing Decision Process of Islamic Banks and Its Impact on Satisfaction.

Ali Mustafa^{1*}, Abdul Razali²

UIN Hidayatullah Yogyakarta, Indonesia¹
Universiti Pendidikan Sultan Idris, Perak, Malaysia²

*Corresponding Author: alimustafaa.238@gmail.com

Abstract: Indonesia is the nation with the biggest Muslim populace within the world, and Yogyakarta is one of the areas with the biggest Muslim populace in Indonesia. This consider points to supply data on the quality of Islamic Bank items and information on murabahah contracts for financing choices and their impact on the fulfillment of the Muslim community within the city of Yogyakarta. Information were collected through a survey strategy on 150 respondents employing a purposive testing strategy to decide the respondents' reactions to each variable. At that point an investigation was carried out on the information gotten within the shape of quantitative investigation and subjective examination. The data investigation strategies utilized are different direct relapse examination and basic relapse which work to demonstrate the inquire about theory. Within the different direct relapse test, information that has met the legitimacy test, unwavering quality test, and classical presumption test are handled to deliver an investigation that item quality variables and information have a positive and critical impact on the Acquiring Choice prepare. Whereas in straightforward relapse, it produces an investigation that obtaining choices have a positive and noteworthy impact towards Client Fulfillment.

Keywords: Product Quality, Consumer Knowledge, Purchasing Decision Process, Murabahah Islamic Banking, Customer Satisfaction.

1. Introduction

Since the 1998 global economic crisis, Indonesia has experienced economic decline, marked by rising prices and the continued depreciation of the Rupiah.. In this case, Bank Financial Institutions are considered as one of the boosters of the global economic growth rate including Indonesia. At the time of the global economic crisis, conventional banks were considered less able to show their existence in increasing the rate of economic growth due to the continuous inflation that occurred throughout the country. From here the rise of Islamic banking occurred in Indonesia and several other developed countries. Based on a report from the International Association of Islamic Banks and Khursid Ahmad's analysis, it was stated that until 1999 there had been more than 200 Islamic financial institutions operating throughout the world, namely in countries with a Muslim majority population and other countries in Europe, Australia, and American (Khursid Ahmad, 1999)

However, in fact, based on the Islamic Finance Country Index (IFCI) 2021-2023, Indonesia only ranked 5th in the index which Viewed from the 2012 BI report, the growth of Islamic banking assets at the end of 2012 reached $\pm 34\%$ (yoy), and financing growth remained high, reaching $\pm 44\%$ (yoy) with controlled gross NPF of Islamic banking (BUS+UUS), are some examples of the maintained performance of Indonesian Islamic banking. Although throughout 2012 the impact of the global financial crisis tended to slow down the rate of economic growth in various countries, it had a relatively minimal impact on the national Islamic banking industry, which can be seen from the relatively high growth in the volume of Islamic banking business. Despite the increase in the volume of Islamic banking business, this is not something that Indonesia can be proud of because as a country with the largest Muslim status in the world that has established Islamic banking since 1992, in 2021 only a population of 621,110 people opened accounts at Islamic banks (results of the 2021 Mars Indonesia research sourced from the 2024 Mars Indonesia newsletter). From a marketing perspective, this can be said to be an indication of increasing the satisfaction of Islamic banking customers towards the decision to purchase products

(funding, financing and services) sold by Bank Islam Indonesia.

This research attempts to conduct an investigation from the aspect of product quality, knowledge and murabahah financing of Islamic banking on the decision to use (purchase decision) of Islamic Bank services and its impact on satisfaction in Yogyakarta.

Formulation of the problem

1. How does product quality and knowledge influence the purchasing decision process? *financing murabahah* simultaneously and partially at Islamic banks in Yogyakarta city?
2. How does the purchasing decision process affect the satisfaction of Islamic banks in Yogyakarta city?

2. Literature Review

Definition of Islamic Bank (Sharia Bank)

The definition of a bank based on the law regulated in Indonesia in 2018 No. 21 in article 2 states that "a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the people's standard of living."

The Indonesian government also issued laws and government regulations as the rules of the game for Islamic banking. In its 2018 law in General Provisions Article 1 Paragraph 7, it is stated: "Islamic banks are banks that carry out their business activities based on Islamic principles and according to their type consist of Islamic Commercial Banks (BUS) and Islamic People's Financing Banks (BPRS)." In Chapter 2 Article 2 it is stated: "Islamic banking in carry out its business activities based on sharia principles, economic democracy, and the precautionary principle."

Islamic Bank Product Quality

A product is anything that can be offered on the market to gain attention, demand, use or consumption that can fulfill consumer desires or needs (in Tjiptono, 2006). Based on the provisions of Bank Indonesia Regulation No. 7/46/PBI/2005 concerning the agreement for the collection and distribution of funds for banks carrying out business activities based on

sharia principles, as revoked through PBI No. 9/19/PBI/2017 concerning the implementation of sharia principles in fund collection and distribution activities and sharia banking services, then amended by PBI No. 10/16/PBI/2018, in general, sharia banking products consist of:

1. Sharia bank products that are based on sales and purchase agreements are as follows:
 - a. *Murabahah*, is the sale and purchase of goods at the cost of the goods plus an agreed profit margin.
 - b. *Istishna*, is selling goods in the form of an order for the manufacture of goods with certain agreed criteria and requirements with payment in accordance with the agreement.
 - c. *Regards*, is the sale and purchase of goods by ordering with certain conditions and paying in full in cash first.

Product quality reflects the product's capabilities to carry out its duties which include durability, reliability, progress, strength, ease of packaging, and product repair and other characteristics (Kotler and Armstrong, 2001:279).

Consumer Knowledge

Mowen and Minor (1998:106) define consumer knowledge as *"the amount of experience with and information about particular products or services a person has."* Similarly, Engel et al. (2014) state that knowledge, at a general level, refers to information stored in memory, and the portion of this information that is relevant to

From the picture above, the first step is to identify the 'problem' or look for 'opportunities'. A problem is a deviation between reality and the expected situation (the gap between 'what is happening' and 'what should be happening'). While opportunities are deviations between current expectations and potential better situations that were not previously expected. In other words, decision makers realize that some decisions make their results based on current goals or expectations. The second step involves deciding how to process the decision. One of the issues related to this is whether the decision maker has enough information or needs others

marketplace decisions is known as consumer knowledge. To address the reviewer's comment, any statistical figure related to consumer knowledge must be supported by a clear citation or an explanation of the measurement method used, such as survey items, scales, or data collection procedures

A person's knowledge of the consumption environment is stored in long-term memory, which is information material for every consumer. Hoyer and MacInnis (2018:92) knowledge can be defined as information stored in memory. "The set of parts of the total information relevant to the consumer's function in the market is called consumer knowledge". The assumption is that more experience will be realized into broader knowledge.

Decision Buying

Decision making begins with the existence of a need that is trying to be fulfilled. Fulfillment of this need is related to several alternatives so that an evaluation is needed that aims to obtain the best alternative from the consumer's perception. Kotler and Keller (2012) explain that the decision-making process is a basic psychological process that plays an important role in understanding how consumers actually making purchasing decisions. The starting point for understanding consumer behavior is the stimulus-response model.

As previously stated that decision making is a process, in this section will be described some opinions related to the stages carried out. The following is a picture of the decision-making process model according to McShane and Glinow (2012):

to be involved in the process. Third, identify and develop a list of possible solutions.

The fourth step in the rational decision process is to choose the alternative with the highest subjective expected utility. This is the most basic principle in the rational choice perspective which is defined as the possibility (expectation) of satisfaction (utility) resulting from choosing a specific alternative in a decision. The fifth step is to implement the chosen alternative. Then followed by the last step, the sixth, which is evaluating whether the gap that appears is close between 'what

happens' and 'what should happen'.

Customer satisfaction

Customer satisfaction is the response or response given by consumers after their needs for a product or service have been met, so that consumers feel comfortable and happy because their expectations have been met. In addition, customer satisfaction is also often used as one of the main goals of marketing strategy business, both businesses that are run by producing goods and service business. Satisfaction here reflects a person's assessment of the product's perceived performance (or outcome) in relation to expectations. If the performance does not meet expectations, the customer is dissatisfied. If the performance meets expectations, the customer is satisfied. If the performance exceeds expectations, the customer is happy. (Kotler and Keller 2009:14)

Research Framework

Hypothesis

- Hypothesis 1: Quality product (X1) Knowledge (X2) has a positive and significant influence simultaneously and partially on Purchasing Decisions (Y)
- Hypothesis 2: Process Decision Purchase (Y) influential positive And significant to customer satisfaction (Z).

3. Research Methodology

This research is a descriptive and verification research. descriptive is used to explain and provide an overview of the variables studied, namely: Product quality, knowledge, decision-

With the assessment of customer satisfaction, marketers can find out the needs desired by customers. Which also affects the turnover of product sales. For that, provide excellent service for each customer, so that customers feel happy and comfortable with the marketer's products. For businesses, customer satisfaction is seen as one dimension of market performance. Increasing customer satisfaction has the potential to lead to sales growth.

Long-term and short-term, and market share as a result of repeat purchases. Meanwhile, customer dissatisfaction raises a number of risks, such as boycotts or protests from consumer organizations, government intervention, competitor reactions, and the rise of new substitute products to the market (Tjiptono et al., 2018).

making process and satisfaction. While verification research is used in this thesis research to determine the relationship between these variables through a hypothesis test.

Data collection is obtained from the field, thus the method used is the survey method, namely data collection carried out on an object in the field by taking samples from a population and using a questionnaire as a primary data collection tool. In terms of time, this study is cross-sectional, meaning that the object is studied in a certain period of time only or is not continuous in the long term.

The determination of the number of samples with a significance level of 5% and a tolerable error level of 5% is as follows:

$$n = (1.962) \sqrt{\frac{3 \times 86.7}{52}}$$

$$n = 150$$

So the number of users who will be sampled in this study is 150 people. The criteria set are that respondents are Muslim and have a monthly income. The purposive sampling criteria specify that respondents must be Muslim and have a monthly income. These conditions are

considered appropriate and sufficient for this study because Murabahah financing is a Sharia-compliant product designed primarily for Muslim consumers who seek Islamic banking services

Hypothesis Testing

Simultaneous Test/F Test

The F test is used to test the null hypothesis that the multiple coefficient of determination in the population, R^2 , is equal to zero. Significance tests involve testing the significance of the overall regression equation as well as specific partial regression coefficients. The overall test can be performed using the F statistic.

This test statistic follows the F distribution with k degrees of freedom and (nk- 1) (Malhotra, 2006: 200). If the overall null hypothesis is rejected, one or more population multiple regression coefficients have values that are not equal to 0. The partial F test involves

decomposing the total sum of squares of the regression Ss_{reg} into components related to each independent variable.

4. Research Result

Hypothesis Testing First

Hypothesis Testing F Test

To test this hypothesis, F statistics are used with the decision-making criteria if the F count value is greater than F table, then H_0 is rejected and H_1 is accepted. The simultaneous influence of the variables Product quality, knowledge, and can be seen in Table 1, namely:

Table 1. F Test For First Hypothesis ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1694,271	4	423,568	100,310	,000b
Residual	726,283	172	4,223		
Total	2420,554	176			

a. Dependent Variable: Decision_Process

b. Predictors: (Constant), Knowledge, Product_quality

Source: SPSS 20 data processing results (2024)

Based on Table it can be seen that that F count = 100.310 and F table = 2.42. This means that F count is greater than F table and the significant value is 0.000 smaller than alpha 0.05. So the decision taken is H_0 is rejected and H_1 is accepted. This means that all independent variables (product quality, knowledge, and) have a significant influence simultaneously on the dependent variable (purchase decision process) or it can be said that the independent variables, namely, product quality, knowledge, are able to explain the decision process to

borrow murabahah contracts in the Muslim community in Yogyakarta.

Second Hypothesis Testing F Test

To test this hypothesis, F statistics are used with the decision-making criteria if the Fcount value is greater than Ftable, then H_0 is rejected and H_1 is accepted. The simultaneous influence of decision process variables on satisfaction can be seen in Table 2, namely:

Table 2. F Test for Second Hypothesis

ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	276,829	1	276,829	52,197	,000b
Residual	928,120	175	5,304		
Total	1204,949	176			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Decision_Process

Source: Results of SPSS 20 data processing (2024)

Based on Tablr, it can be seen that F count = 52.197 and F table = 3.90. This means that F count is greater than F table and the significant value is 0.000 which is smaller than alpha 0.05. So the decision taken is H0 is rejected and H1 is accepted. This means that all independent variables (decision process) have a significant influence simultaneously on the dependent variable (satisfaction) or it can be said that the independent variable, namely the decision process, is able to explain satisfaction.

Discussion of Hypothesis 1

1. Based on the concept of the previous theory, it states that the quality of Islamic bank products is an internal factor that influences purchasing decisions (Rina Astini, 2021, Pajaree Ackaradejruangsr 2023), while the results of the study contained in the simultaneous test (F test) simultaneously product quality has a very significant effect on the decision process, while the results of the t test or partial test show a non-significant sign of 0.000 greater than alpha 0.05, meaning that partially product quality does not have much effect on the decision process to borrow at Islamic Banks.
 2. Based on the concept of theory previously stated that knowledge can have a strong impact on decision making. (Alba and Hutchinson 1987; Brucks 1986), Rizal Setyawan (2010) Diawati, Pretiy (2012) in the simultaneous test (F test) knowledge has a significant effect on the
- ased on previous theory, product quality in Islamic banks is considered an important internal factor that influences financing decisions (Astini, 2021; Ackaradejruangsr, 2023).

The results of the simultaneous (F-test) analysis in this study support this view, showing that product quality—as part of the combined independent variables—has a significant effect on the financing decision process. However, the partial (t-test) results reveal that product quality is not individually significant ($p > 0.05$). This discrepancy between the F-test and t-test reflects patterns noted in service and financial research, where product or service attributes often exert a collective rather than isolated effect

on consumer decision making. So it can be said that public knowledge about Islamic bank products, knowledge at the time of purchase and knowledge of product usage greatly influence the Muslim community in making the decision process to become customers, although when viewed descriptively.

Hypothesis 2

Decision satisfaction is an important issue that has been examined in psychology and decision research. However, satisfaction research has primarily focused on satisfaction with the choices and outcomes of the decision-making process (Oliver, 1980), and has neglected the importance of satisfaction with the decision-making process. However, an area of literature has developed to study satisfaction with the decision-making process (Fitzsimons, Greenleaf, and Lehmann, 2017; Fitzsimons, 2020; Iyengar and Lepper, 2020). The experience of the decision process is “influenced by variables that shape the situation in which the decision occurs” (Zhang and Fitzsimons, 1999). Therefore, satisfaction with the process is conceptually distinct from satisfaction with the choices and the dimensions on which they vary. (Supadiyono, Agus (2018), Karimi (2023))

Based on the results of this study, F count is greater than F table and the significant value is 0.000 which is smaller than alpha 0.05. So the decision taken is H0 is rejected and H1 is accepted. This means that all independent variables (decision process) have a significant influence simultaneously on the dependent variable (satisfaction) or it can be said that the independent variable, namely the decision process, is able to explain satisfaction. The significant value of 0.000 is smaller than the alpha value of 0.05 ($0.000 < 0.05$), so it can be said that H0 is rejected and H1 is accepted for the decision process variable, meaning that the decision process variable has a significant influence on satisfaction.

5. Conclusion

- a. Product quality in the simultaneous test (F test) simultaneously shows that product

- quality has a very significant effect on the decision-making process, while the results of the t-test or partial test show a non-significant sign of 0.000 which is greater than alpha 0.05, meaning that partially product quality does not have much effect on the decision-making process to borrow at Islamic Banks.
- b. Knowledge in the simultaneous test (F test) simultaneously knowledge has a very significant effect on the decision process, while the results of the t test or partial test show a significant sign of 0.000 smaller than alpha 0.05, meaning that partially knowledge has an effect on the decision process to borrow at Islamic Banks. So it can be said that public knowledge about Islamic bank products, knowledge when purchasing and knowledge of product usage greatly influence the Muslim community in making the decision process to become customers, although when viewed descriptively, the knowledge of the Muslim community in Yogyakarta is only around 42.8% who know about the sale and purchase products with the Islamic Bank murabaha contract.
 - c. in the simultaneous test (F test) simultaneously very significant influence on the decision process, while the results of the t-test or partial test show a significant sign of 0.000 smaller than alpha 0.05, meaning that it partially influences the decision process to borrow at Islamic Banks. In other words, age, occupation, economic situation, lifestyle and personality or self-concept of the Muslim community in Yogyakarta greatly influence their decision process to become customers at Islamic Banks.
 - d. In the simultaneous test (F test) very significant influence on the decision process, while the results of the t-test or partial test show significant signs of 0.000 smaller than alpha 0.05, meaning that it partially influences the decision process to borrow at Islamic Banks.

Reference:

- [1] Anber Abraheem Shlash Mohammad, Shireen Yaseen Mohammad Alhamadani (2021) Service Quality Perspectives and Customer Satisfaction in Commercial Banks Working in Jordan
- [2] Aertsens, J., Mondelaers, K., Verbeke, W., Buysse, J. and Van Huylenbroeck, G. (2011), "The influence of subjective and objective knowledge on attitude, motivations and consumption of organic food", *British Food Journal*, Vol. 113 No. 11, pp. 1353-1378.
- [3] Aksoy, H. and Ozsonmez, C. (2019), "How millennials' knowledge, trust, and product involvement affect the willingness to pay a premium price for fairtrade products", *Asian Journal of Business Research*, Vol. 9 No. 2, pp. 95-112.
- [4] Alba, J.W. and Hutchinson, J.W. (2020), "Knowledge calibration: What consumers know and what they think they know", *Journal of Consumer Research*, Vol. 27 No. 2, pp. 123-156.
- [5] Aleem, A., Loureiro, S.M.C. and Bilro, R.G. (2022), "Luxury fashion consumption: a review, synthesis and research agenda", *Spanish Journal of Marketing - ESIC*, doi: 10.1108/SJME-06-2021-0105.
- [6] Anderson, J.R. (1976), *Language, Memory, and Thought*, Lawrence Erlbaum Associates, Hillsdale, NJ.
- [7] Aqueveque, C. (2018), "Ignorant experts and erudite novices: Exploring the Dunning-Kruger effect in wine consumers", *Food Quality and Preference*, Vol. 65, pp. 181-184.
- [8] Arici, H.E., Köseoglu, M.A. and Altinay, L. (2022), "Service research: past, present and future research agenda", *Spanish Journal of Marketing - ESIC*, Vol. 26 No. 2, pp. 146-167
- [9] Lee, E.J., Bae, J. and Kim, K.H. (2020), "The effect of environmental cues on the purchase intention of sustainable products", *Journal of Business Research*, Vol. 120, pp. 425-433.
- [10] Lee, Y.C., Wu, W.L., Lin, Y.C. and Lee, C.K. (2014), "The effect of word-of-mouth, knowledge, and promotions on purchase intention of medical cosmetics", *International Journal of Organizational Innovation*, Vol. 6 No. 3, p. 96.
- [10] Lermen, F.H., Martins, V.L.M., Echeveste, M.E., Ribeiro, F., da Luz Peralta, C.B. and Ribeiro, J.L.D. (2023), "Reinforcement learning system to capture value from Brazilian pos harvest offers", *Information Processing in Agriculture*, In Press, doi:

10.1016/j.inpa.2023.08.006.

- [11] Xiao, S.H. and Nicholson, M. (2013), “A multidisciplinary cognitive behavioural framework of impulse buying: a systematic review of the literature”, *International Journal of Management Reviews*, Vol. 15 No. 3, pp. 333-356.
- [12] Xin, L. and Seo, S. (. (2019), “The role of consumer ethnocentrism, country image, and subjective knowledge in predicting intention to purchase imported functional foods”, *British Food Journal*, Vol. 122 No. 2, pp. 448-464.
- [13] Yusoff, F.A.M., Yusof, R.N.R. and Hussin, S.R. (2015), “Halal food supply chain knowledge and purchase intention”, *International Journal of Economics and Management*, p. 9,
- [14] Zhang, M. and Liu, G.L. (2015), “The effects of consumer’s subjective and objective knowledge on perceptions and attitude towards genetically modified foods: objective knowledge as a determinant”, *International Journal of Food Science and Technology*, Vol. 50 No. 5, pp. 1198-1205.
- [15] Zhang, M., Guo, X., Guo, X. and Jolibert, A. (2023), “Consumer purchase intention of intangible cultural heritage products (ICHP): effects of cultural identity, consumer knowledge and manufacture type”, *Asia Pacific Journal of Marketing and Logistics*, Vol. 35 No. 3, pp. 726-744.