Knowledge as an Antecedent Variable of Intention to Use Islamic Banking Product

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Abstract—This study aims to examine the role of knowledge as an antecedent variable of intention to use Islamic banking products. By multistage random sampling method, a total of 240 respondents were taken as samples. The data was collected by distributing questionnaires to selected respondents. They were asked to fill out the questionnaire with the guidance of a research assistant, so if there are any questions that are not understood by the respondents can be described directly. Structural Equation Modeling is used in the data analysis to test the validity, reliability, and hypotheses. Validity and reliability test showed that almost all question items used as a measurement variable has a high value. Only three of the 30 questionnaire items were dropped because they have low validity. The results of the hypothesis test showed that all of the five hypotheses proposed are supported (p <0.01). Knowledge is an antecedent variable of intention to use of Islamic banking products. (1) Knowledge has a positive relationship with attitudes towards Islamic banking products. (2) Knowledge has a positive relationship with the intention to use of Islamic banking products. (3) The attitude mediates the relationship between knowledge and the intention to use of Islamic banking products. (4) A positive attitude will have a positive impact on intention to use Islamic banking products. (5) Social norms will give positive effect to the intention to use Islamic banking products. These results have implications for Islamic banking institutions to improve the dissemination of Islamic banking products.

Keywords—Knowledge, Attitude, Intention, Social-Norm, Islamic-Banking

I. INTRODUCTION

For two decades, the Islamic banking industry in Indonesia is growing rapidly. According to statistics from Bank Indonesia, the assets on average of Islamic banking grew by 40.2% per year during 2007-2011, higher than the growth in conventional banking, which only reached 16.7%. In 2011-2012, the growth of Islamic banking in Indonesia rose to 45%, the highest in the world, which is an average of 15-20% per year. As of September 2012 the number of Islamic banking assets reached Rp. 168 trillion, the third-party funds Rp.127 trillion. The high public interest in Islamic banking credit looks of increasing Islamic banking assets, on average Rp. 100 billion if calculated each month from January 2012 [1].

Unfortunately, the portion of the total assets of Islamic banking is still small, less than 5% compared to the total national banking assets [2]. The number of Islamic banking customer is still small when compared to conventional banking. The number of accounts in Islamic banks in 2011 was 8 million, while in conventional banks was 110 million [2]. Need the right strategy to increase the share of considering the potential for community-owned. As is known, the majority (approximately 90%) of Indonesia's population is Muslim, so they are very big opportunities to participate in developing Islamic banking [3]. To determine the appropriate measures and strategies to increase this potential, the research related to the intention to use Islamic banking products is needed.

In general, the intention to use the product or service is influenced by many things. [4] examined the antecedent variables of intent to buy the product PC (personal computer) at a university in central China in May 2007. Antecedent variables taken for intention are self-belief, received knowledge, attitudes, benefits, and subjective norm. By taking a sample of 276 (182 undergraduates and 94 postgraduates), the results showed that all the variables positively influence the intention to buy a PC, but received knowledge. This variable has a positive and powerful influence on the attitudes and self-belief.

The results of [4] is different from the [5]) finding that examined the use of Islamic banking services in Surakarta. On the Wahyuni research, knowledge has a positive and significant effect on intention to use Islamic banking services. Differences in the results of both studies showed that for different products, variables that affect the intention to purchase or use product are different too. The difference may also be due to space research, sample, or different time.

This study intends to follow up the recommendations of the research of [5] deals with the following matters:

- A wider sampling, not only about the Muslim community, but non muslim also, because Islamic banks can also be accessed by non-Muslims.
- Clarify the role of knowledge as an antecedent variable of intention to use Islamic banking services. Previous research using knowledge as a moderating variable, was not supported. This study would like to know more about the society knowledge towards Islamic banking products and its relationship with the intention to use Islamic banking services (either directly or indirectly).
- Items used to measure the variable knowledge in the study developed so much more.
- Other variables used in previous studies is still taken as an antecedent variable of intention to use Islamic banking products.
In addition, research that takes knowledge as an antecedent variable of intention to purchase or use of products still rare, especially for Islamic banking products.

II. THEORETICAL FRAME AND HYPOTHESIS DEVELOPMENT

Begin from the Theory of Planned Behavior (TPB) from [6], by adjusting the Islamic banking products, Figure 1. explain the relationship between the variables studied. In this study perceived behavioural control not used because the object under study is not the purchase of goods, but rather the object of the products or services that have a special characteristics (religious nature).

![Diagram: Attitude, Behavioral Intention, Knowledge, Subjective Norm]

A. Knowledge

[7] identified two aspects of knowledge, objective knowledge (objective knowledge - owned real memory) and knowledge based assessment (self-assessed knowledge - the extent to which the consumer perceives knowledge). In accordance with the existing measurement items in this study, objective knowledge used, the memory held by respondents about Islamic banking products. In relation to attitudes, [8] research revealed the existence of a positive relationship between knowledge and attitude toward the product. This result is in line with the study of [4]. Hence the hypothesis suggested is:

H1: Knowledge has a positive relationship with attitude toward Islamic banking product.

[5] shows that the Muslim community in Surakarta on average have relatively low on knowledge but the standard deviation is actually quite high on Islamic banking. With a high standard deviation, indicating that there is the variation of knowledge about Islamic banking product among individual in Surakarta community. Those who have a relatively low knowledge state that in operation, Islamic banks are not different from conventional banks, only the name changed. For example, if you have the deposit, you will get profit sharing as an interest for a conventional bank. With the low on knowledge, the intention to use Islamic banking products is also low. This result is in line with research [9] on the product newspapers stating that the knowledge about the product category is positively related to intense adopting the product concerned. While the study of [4] showed no significant results. Different from [4], Engel et al., 1990, in [4] states that attitudes mediate the relationship between knowledge and purchase stage. So the hypothesis of this study is:

H2: Knowledge has a positive relationship with the intense use of Islamic banking products.

H3: Attitudes mediate the relationship between knowledge and intention to use of Islamic banking products.

B. Attitude

In the TRA, attitude refers to the positive effects (like / well) or negative (not like / not good) individual feelings of evaluation in assessing the behavior of an individual. Attitude is considered as the first antecedent of behavioral intentions. An individual will have the intention to show a certain behavior when he votes positively. Many studies show a significant effect of attitude towards intention [10]- [17]. Latest research of [18] also supports these results. Therefore this study also hypothesized as follows:

H4: A positive attitude will have a positive impact on the intention to use Islamic banking products.

C. Subjective Norm

Subjective norm in this research refers to research on the use of Islamic banking products that previously had been performed by [18]. The use of social influence in the study refers to the subjective norm or normative pressure is defined as a person's perception of the influence of others on him to do something. The results showed that social factors have a positive and significant relationship to the intention to use Islamic banks. By using subjective norms, previous research [19],[14],[17] also supports these results. However, there are also studies that do not support [20], [21]. Both of these studies found that there was no direct relationship between subjective norm and intention to use information technology. In accordance with previous research on the use of Islamic banks, the research hypothesis is:

H2: Social norms will have a positive impact on intention to use Islamic banking products.

III. RESEARCH METHODS

A. Population and Sample

The population in study is the people in Surakarta, capable of taking decisions in Islamic banking product use. Multistage sampling method and area random probability done gradually on the basis of region or area. To meet the criteria and analysis of 240 respondents taken. Data was collected through structured interviews, using a questionnaire that had been prepared guidelines. The interviewer is a research assistant who will be trained first. This method is similar to that used by [18] and [22].

B. Instrument

The questionnaire is divided into two parts. Firstly, detecting the identity of respondents and demographic variables such as a name, address, gender, age, education, marital status, and employment. Secondly, a questionnaire that detects both research variables are independent, dependent,
and moderate. Measurement of these variables adopted earlier research. The details are as follows:

- Attitude (Taib et al, 2008)
- Subjective Norms (Tang et al, 2011)
- Behavioral Intention (Amin et al, 2011)
- Knowledge (Mattila and Wirtz, 2002)

The items to measure all the variables in the above statement are in the form of subjective fit perceptions of the respondents. The perception expressed by choosing one of five Likert scale proposed. This scale shows statements from *1* - strongly disagree, to *5* - strongly agree. Especially for Knowledge variable, posed question is a form of assessment of the information held about Islamic banking products. The substance of the question using an example analogy used Mattila and Wirtz (2002).

C. Analysis

Structural Equation Modelling (SEM) with AMOS software, 16.0 version was used to test the measurement constructs and hypotheses. The analysis model was used because the relationship between the variables in the research framework is complex. In addition to the research variable is a latent variable, there are some that relate dependent variables simultaneously.

IV. RESULT

Of the 240 respondents who were taken in this study, 60% of male; median age 43 years, 79% are Muslims, 43% educated graduated junior school, and has an average family income of Rp. 3,5825 million, per month. These characteristics reflect the condition of family members in Indonesia. The number of male more than female in this study because the number of respondents who were taken mostly heads of households.

Almost all items and variables have good validity and reliability unless there are three items of knowledge that should be excluded because of the low loading factor. All variables have Cronbach Alpha more than 0.900. Analysis showed that the hypothesized model is acceptable (fit) with a value of RMSE: 0.078; Chic Square: 726 231; d.f: 303, and p: 0.000. Level of model accuracy criteria is also supported by GFI: 0.808; AGFI: 0.760, and CFI: 0.950.

To see more variable relationship of knowledge and intention through attitude as a mediating variable, needs to be tested three assumptions that must be met, namely:

- There is a significant relationship between knowledge and intention.
- There is a significant relationship between knowledge and attitudes.
- There is a significant relationship between attitudes and intentions.

All these assumptions are met, as shown in Table 1. The third assumption is the fulfilment of the hypotheses proposed in this study namely H1, H2, and H4 are supported by a high rate of significance. Similarly, H5, is also supported. To test the mediating role of attitude in the relationship between knowledge and intention to use regression models of [23].

Usage regression model because of the existing AMOS software, indirect analysis does not provide information of significance relationship, only the regression coefficient values are out. Analysis performed with the model also supports H5, that attitude mediates the relationship between knowledge and intense partially (Table 2 - Model [23] - third stage).

V. DISCUSSION

Significance of knowledge as a variable that affects both the attitudes and intentions show that the low interest or participation in Islamic banking started using the product because they are lacking knowledge. This result is in line with research of [8] and [4]. In general, people think that Islamic banking products are not different from conventional banks, different in name only. With this assumption, they are also less supportive attitude, so the interest or intense to use Islamic banking products are also less. This process is supported by the results of this study, suggests that attitude has a mediating role in the relationship between knowledge and intense. Similar results with studies of Engel et al.,1990 in [4].

<table>
<thead>
<tr>
<th>Table 1. Correlation</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude --- Knowledge</td>
<td>.234</td>
<td>.048</td>
<td>4.852</td>
<td>***</td>
</tr>
<tr>
<td>Intention --- Attitude</td>
<td>.205</td>
<td>.056</td>
<td>3.627</td>
<td>***</td>
</tr>
<tr>
<td>Intention --- Knowledge</td>
<td>.376</td>
<td>.045</td>
<td>8.399</td>
<td>***</td>
</tr>
<tr>
<td>Intention --- Social Norm</td>
<td>.354</td>
<td>.046</td>
<td>7.631</td>
<td>***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2. Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.714</td>
<td>1.145</td>
<td></td>
<td>1.497</td>
</tr>
<tr>
<td>Knowledge</td>
<td>.383</td>
<td>.034</td>
<td>.561</td>
<td>11.372</td>
</tr>
<tr>
<td>Attitude</td>
<td>.345</td>
<td>.064</td>
<td>.268</td>
<td>5.430</td>
</tr>
</tbody>
</table>

VI. CONCLUSION

With the importance of the role of knowledge as an antecedent variable of intense to use of Islamic banking products is a base for the Islamic banking firm in determining marketing policy. Companies need to improve the dissemination of the advantage of Islamic banking in the compliance of Islamic principles, different from conventional bank.
Due to funding limitations, this study only took the sample population in the town of Surakarta, so generalizing the results can’t be used for larger areas, both regionally let alone nationally. While the Islamic banking policy is usually determined nationally, it is therefore necessary development of further research that could apply nationwide.

REFERENCES