

THE EFFECT OF KNOWLEDGE, PSYCHOLOGICAL FACTORS, TECHNOLOGY AND CULTURE IN ADOPTING ISLAMIC BANKING

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Abstrak

Penelitian bertujuan untuk menganalisis efek pengetahuan, psikologis, teknologi dan budaya terhadap preferensi masyarakat Minangkabau untuk bertransaksi di bank syariah. Bentuk penelitian ini adalah kuantitatif korelasional. Populasi dalam penelitian ini adalah masyarakat kota Bukittinggi yang beretnis Minangkabau dengan rentang usia 15–34 tahun dengan jumlah populasi 48.106 orang. Total sampel dalam penelitian ini adalah sebanyak 397 responden masyarakat Minangkabau yang ditentukan dengan menggunakan rumus slovin dengan nilai kritis 5%. Selanjutnya penentuan pengambilan sampel dilakukan secara *combination sampling* agar data yang diperoleh menyebar mewakili secara *area sampling* di setiap kecamatan yang ada di Bukittinggi. Data dikumpulkan melalui kuisioner yang kemudian dianalisis dengan teknik analisis regresi linier berganda. Hasil penelitian menunjukkan bahwa pengetahuan berpengaruh negatif namun tidak signifikan terhadap intensi masyarakat untuk bertransaksi di bank syariah. Sedangkan variabel Psikologis, Teknologi dan Budaya Minangkabau mempunyai pengaruh yang positif signifikan terhadap intensi masyarakat Minangkabau untuk bertransaksi di bank syariah. Riset ini berkontribusi pada pengembangan pangsa pasar bank syariah melalui pengambilan kebijakan yang berdasarkan perilaku konsumen.

This study was conducted to analyze the extent to which knowledge, psychological factors, technology, and culture influence the preferences of the Minangkabau community in conducting transactions with Islamic banks. The design of this research is quantitative correlational. The population in this study consists of the Minangkabau ethnic community in Bukittinggi, aged between 15 and 34 years, with a total population of 48,106 individuals. A sample size of 397 Minangkabau respondents was selected using Slovin's formula with a critical value of 5%. The sample was determined through combination sampling to ensure the data collected represented all districts in Bukittinggi. Data were gathered through the distribution of questionnaires and analyzed using multiple linear regression analysis techniques. The results of the study indicate that knowledge has a negative but not significant effect on the intention of the community to transact with Islamic banks. Meanwhile, the variables of psychological factors, technology, and Minangkabau culture have a significant positive influence on the Minangkabau community's intention to transact with Islamic banks. This research is expected to contribute to the development of the market share of Islamic banks by creating policies based on consumer behavior.

INTRODUCTION

Banks, as a part of the financial industry, serve as important instruments in driving economic activities within a country. In principle, banks are divided into two categories: those that operate based on conventional principles and those that adhere to Islamic principles. Islamic banks conduct their business activities in accordance with Islamic principles (Kasmir, 2009) In theory, balancing human compliance and adherence to religious teachings implies an obligation for Muslim communities to choose banks whose operations align with Islamic principles, values, and norms. In practice, this means that banks must provide products and services that are free from elements of speculation, uncertainty, and usury (Miftahurrahmah et al., 2023)

West Sumatra is one of the provinces with the largest Muslim population in Indonesia, with approximately 97.6% of its total population adhering to Islam (Kusnandar, 2012). The majority of the population in West Sumatra is of Minangkabau ethnicity, which places great emphasis on the values of both custom and Islamic teachings (Awaluddin et al., 2021; Puteri et al., 2022). This is reflected in the collective



consensus of the Minangkabau community through the *Sumpah Sati Bukik Marapalam*, which gave rise to the Minangkabau life philosophy, *Adaik Basandi Syarak, Syarak Basandi Kitabullah*—meaning "Custom is founded upon Sharia, and Sharia is founded upon the Quran." This agreement was affirmed by religious scholars, traditional leaders, and intellectuals of the Minangkabau community (Fardius, 2017). Given the strong identity of the Minangkabau community, it is not surprising that every aspect of their lives is deeply intertwined with Islamic values and principles, including in the areas of economics and banking (Choidab et al., 2020; Rusyaida & Marh, 2020).

The performance of Islamic banking in West Sumatra, based on data from August 2023, shows significant growth in terms of assets, third-party funds (DPK), and financing distribution, compared to conventional banking. There was a 19.90% year-on-year (yoy) increase in assets, reaching IDR 10.08 trillion, while third-party funds grew by 19.48% (yoy), amounting to IDR 9.36 trillion (Hendra, 2023). Nationally, the market share of Islamic banks in West Sumatra is relatively higher, standing at 6.8%. However, this figure is still small and falls short of expectations, especially when compared to the percentage of the Muslim population in West Sumatra, which is known for its strong religious adherence. This gap highlights the potential for further growth in Islamic banking within the region.

This study employs several variables to measure the factors influencing the community's intention to conduct transactions with Islamic banks. These variables include the public's knowledge of Islamic banking, psychological factors related to attitudes and behaviors, technology that facilitates transactions and access to information, and the cultural aspects prevalent in the community's daily life. These four variables will serve as benchmarks to assess the extent of their influence on the community's intention to choose Islamic banking transactions in West Sumatra, specifically in Bukittinggi.

Previous researchers who have conducted extensive studies on the influence of knowledge in selecting Islamic banks, such as Wahyulkarima, (2018) have found that the knowledge variable has a positive effect on the interest in choosing to transact with Islamic banks. Similarly, Handayani et al. (2019) stated that knowledge positively influences the behavior of selecting Islamic banks (Handayani et al., 2019).

Further research on psychological factors also plays a significant role in decision-making regarding transactions with Islamic banks. Andespa, (2017) found that psychological aspects, including motivation, perception, learning processes, and trust, have a significant impact on customers' interest in saving with Islamic banks (Andespa, 2017). Conversely Nurlaeli, (2018) reported that psychological factors do not significantly affect the interest in saving with Islamic banks. This discrepancy can be attributed to the dimensions of psychological factors, such as learning experiences and motivation. The learning theories developed by Pavlov, Skinner, and Hull suggest that an individual's behavior is the result of accumulated life experiences. Many customers have a moderate level of education, which can impede their understanding of the information and knowledge about Islamic economics. Nurlaeli, (2017a) findings are supported by Wahyulkarima (2018) who also indicated that psychological factors do not influence customers' decisions in choosing Islamic banks (Wahyulkarima et al., 2018).

Additionally, the influence of technology plays a crucial role in helping individuals choose Islamic banks. Rizkiana (2018) highlighted that technology significantly affects the interest of village officials in Wonosari District, Klaten Regency, in saving with Islamic banks. It can be said that increased knowledge about advancements in banking technology can enhance the interest of village officials in saving with Islamic banks. As

technology evolves rapidly, it has become a necessity for society that cannot be ignored. Technology encompasses methods that are rationally directed and characterized by efficiency in human activities (Nurastuti, 2017). Similarly, Sarwita (2017) found that the quality of services, including ease of access to banking technology, positively and significantly impacts customers' decisions to save (Sarwita, 2017). This implies that improving service quality will influence an increase in customers' saving decisions.

Another factor influencing the choice of Islamic banks among the community is cultural factors. Culture is one of the most fundamental causes of an individual's desires and behaviors. Each group or community has its own diverse cultures and cultural influences. Human behavior is largely determined by the culture surrounding them, and its influence continually evolves with societal progress and changes. Human behavior tends to absorb and reflect the customs and practices of their culture (Alvi Khikmatin & Putri Setianingsih, 2021)

Regarding the cultural variable, Demina (2016) found that the customs and culture of a community significantly influence the character (DEMINA, 2016), traits, and daily interactions of its members. Similarly, Zukriman, Muhammad. Lubis (2014) discovered that the support from the *Tigo Tungku Sajarangan* adat group for Islamic banking products was due to the alignment of these products with both local customs and Islamic principles. Andespa, (2017b) also reported a strong relationship between cultural variables and the interest in saving with Islamic banks. However, Wahyulkarima, (2018) found that culture does not significantly impact customers' decisions in choosing Islamic banks, with promotional factors being more dominant. Contrarily, Nurlaeli, (2017a) revealed that the cultural variable, when considered individually, does not have a significant effect on customers' decisions to choose Islamic banks.

Previous studies consistently demonstrated that knowledge positively influences the preference for choosing Islamic banks (Wahyulkarima, 2018; Handayani et al., 2019). However, these studies have not specifically examined how knowledge about Islamic economics was interpreted within the context of local cultures, such as the Minangkabau. Contradictory findings have also been reported, where Andespa (2017b) found a significant influence, while Nurlaeli (2017) reported otherwise. These differences open avenues for further exploration of specific psychological factors in certain cultural settings, such as religious motivation within the Minangkabau context (Handrianto, 2012).

Also, research has shown that technology significantly affects savings decisions. However, no studies have explored how technological adaptation was received within the Minangkabau culture, which was characterized by strong traditional values. Studies on culture have yielded mixed results. The support of *tigo tungku sajarangan* customs (Zukriman & Lubis, 2014) aligns with preferences for Islamic banking, while Wahyulkarima (2018) and Nurlaeli (2017) found that cultural influences were less significant. There remains a lack of in–depth studies explicitly linking the dynamics of Minangkabau culture to the decision to choose Islamic banks.

Thus, this study contributes by integrating four variables—knowledge, psychological factors, technology, and culture—into a comprehensive framework. The emphasis on Minangkabau culture as a specific context offers a fresh perspective that has been rarely explored, addressing gaps in the existing literature. Therefore, this research aims to provide a more comprehensive understanding of the factors influencing society's preference for Islamic banks, particularly in regions with unique cultural characteristics such as Minangkabau.

METHOD

This study employs a quantitative correlational research design. Correlational research examines the relationships between one or more variables and other variables (Putri, 2020). The aim of this research is to explore the relationship between knowledge, psychological factors, technology, and Minangkabau culture with the community's preference for conducting transactions with Islamic banks in Bukittinggi. The study focuses on the Minangkabau community aged 15–34 years (Y Generation) in Bukittinggi.

There are two types of data used in this study: primary and secondary data. Primary data is collected through questionnaires distributed to Minangkabau ethnic individuals in Bukittinggi. Secondary data is obtained from analyzing books, research studies, newspapers, and journals related to the research topic. The independent variables in this study are Knowledge (X1), Psychological Factors (X2), Technology (X3), and Minangkabau Culture (X4). The dependent variable is the Minangkabau community's preference (Y) for transacting with Islamic banks.

The population for this study comprises 48,106 individuals. A sample size of 397 participants was determined using Slovin's formula. Additionally, cluster sampling was employed to ensure that the data collected represents each sub–district in Bukittinggi. To allocate the sample size proportionally across these sub–districts, proportional stratified random sampling was used.

Data were collected through documentation and the distribution of questionnaires, which were tested for both validity and reliability. The collected data were subsequently analyzed using multiple linear regression analysis. To determine the respondent's achievement level (TCR), the following formula was used:

$$TCR = \frac{\text{average score of respondents' answers}}{\text{maximum score value}} \times 100\%$$

The TCR values obtained using the formula are classified into the following criteria:

Table 1. Respondent Achievement Criteria

Respondent Achievement Level	Criteria
90% – <100%	Very good
80% – <90%	Good
65% – <80%	Fair
55% – <65%	Poor
0% – <55%	Very poor

RESULTS AND DISCUSSION

Results

The research began with identifying respondents, conducting validity and reliability tests on the instruments, distributing questionnaires, and analyzing the data. The following are the findings obtained in the study.

Respondent Characteristics

Data collection utilized cluster sampling (area sampling). The study was conducted with the Minangkabau community in Bukittinggi. A total of 397 respondents were obtained, comprising 211 males (53%) and 186 females (46.9%).

Validity and Reliability Testing of Instruments

To test the validity of the instrument, this study used the Pearson product – moment correlation technique. The results are analyzed by comparing the product – moment correlation values with the table value of r. If the correlation value between items is greater than the table value of r (0.098), then the item is considered valid. The validity test results for each variable show that each question item is valid since the calculated r value is greater than 0.098.

In this study, the Cronbach's Alpha coefficient formula is used, with a significance threshold of 60% or 0.6. After obtaining the reliability of the instrument, the results are interpreted. If the alpha value is greater than 0.6, the instrument is considered reliable (Arikunto, 2009). Conversely, if it is less than 0.6, the instrument is considered unreliable.

Table 2. Summary of Reliability Test Results

No	Variable	Cronbach's Alpha	Critical Value	Remarks
1	Knowledge	.838	0.5	Reliability
2	Psychological	.879	0.5	Reliability
3	Technology	.858	0.5	Reliability
4	Minangkabau culture	.920	0.5	Reliability
5	Community Preferences	.915	0.5	Reliability

Based on Table 2, it is observed that the Cronbach's Alpha values for the variables of knowledge, psychological factors, technology, and Minangkabau culture in relation to the community's preference for choosing Islamic banks are all greater than 0.5. This indicates that all the variable instruments are reliable and can be used for data collection in the research (Dewi et al., 2023).

Descriptive statistics provide an overview or description of data based on measures such as mean, standard deviation, variance, maximum, minimum, sum, range, kurtosis, and skewness (Ghozali, 2013). Descriptive statistics are conducted to understand the responses given by 397 respondents to each item in the variables of knowledge (X1), psychological factors (X2), technology (X3), Minangkabau culture (X4), and community preference for Islamic banks (Y), as well as to examine the average scores and respondent achievement levels (TCR).

Table 3. Research Instrument

No	Variable	Indicator	Item
1	Knowledge (X1)	1. Product Knowledge	1 – 3
		2. Purchasing knowledge	4 – 6
		3. Usage Knowledge	7 – 8
2	Psychological (X2)	1. Motivation	9 – 11
		2. Learning Process	12 – 14
		3. Beliefs and Attitudes	15 – 16
3	Technology (X3)	1. Knowledge of banking technology	17 – 18
		2. Trust	19 – 20
		3. Convenience	21 – 22
		4. Information quality	23 – 24
4	Budaya (X4)	1. Character of the Minangkabau people	25 – 27
		2. Religiosity of society	28 – 29
		3. Social class of society	30 – 31

5	People's preferences choose Sharia Bank (Y)	1. Sharia banking knowledge	32 – 30
		2. Product satisfaction	31 – 32
		3. Provision of technology and information	33 – 34
		4. Performance assessment and service quality	35 – 36
		5. Local cultural factors	37 – 38
		6. Promotion and advertising considerations	39 – 40

Knowledge Variable

Based on the results of distributing the questionnaire, respondents' answers to the knowledge variable were obtained as follows.

Table 4. Knowledge Frequency Distribution (X1)

No	Question Items	Score					Average score	TCR	Remarks
		5	4	3	2	1			
1	X1.1	37	183	89	67	21	3,37	67,46	Fair
2	X1.2	113	178	80	18	8	3,93	78,64	Fair
3	X1.3	33	153	133	65	13	3,32	66,45	Fair
4	X1.4	47	195	109	41	5	3,60	71,99	Fair
5	X1.5	28	163	115	63	28	3,25	65,04	Fair
6	X1.6	75	224	70	24	4	3,86	77,23	Fair
7	X1.7	104	202	74	14	3	3,98	79,65	Fair
8	X1.8	118	167	83	23	6	3,93	78,54	Fair
Average							3,66	73,12	Fair

Psychological Variable

From the results of distributing the questionnaire, the respondents' answers to the psychological variable were obtained as follows.

Table 5. Psychological Frequency Distribution (X2)

No	Question Items	Score					Average score	TCR	Remarks
		5	4	3	2	1			
1	X2.1	63	169	116	32	17	3,58	71,54	Fair
2	X2.2	45	187	114	43	8	3,55	70,98	Fair
3	X2.3	75	200	94	21	7	3,79	75,87	Fair
4	X2.4	28	163	137	53	16	3,34	66,75	Fair
5	X2.5	41	141	149	41	25	3,33	66,65	Fair
6	X2.6	94	203	80	16	4	3,92	78,49	Fair
7	X2.7	103	211	69	11	3	4,01	80,15	Good
8	X2.8	42	133	154	58	10	3,35	67,00	Fair
Average							3,61	72,18	Fair

Technology Variable

Data on respondents' answers from the distribution of questionnaires on technology variable was summarized in the following table.

Table 6. Technology Frequency Distribution (X3)

No	Question	Score	Average	TCR	Remarks
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	Items	5	4	3	2	1	e score		
1	X3.1	125	143	66	41	22	3,78	75,52	Fair
2	X3.2	81	233	63	18	2	3,94	78,79	Fair
3	X3.3	59	213	97	20	8	3,74	74,86	Fair
4	X3.4	30	103	97	107	60	2,84	56,78	Poor
5	X3.5	80	189	93	29	6	3,78	75,52	Fair
6	X3.6	36	194	122	43	2	3,55	71,03	Fair
7	X3.7	34	114	150	67	32	3,13	62,57	Poor
8	X3.8	52	168	128	38	11	3,53	70,68	Fair
Average							3,54	70,72	Fair

Cultural Variable

Data on respondents' answers from the distribution of questionnaires on the Cultural variable was summarized in the following table.

Table 7. Cultural Frequency Distribution (X4)

No	Question Items	Score					Average score	TCR	Remarks
		5	4	3	2	1			
1	X4.1	85	188	93	26	5	3,81	76,22	Fair
2	X4.2	81	189	96	22	9	3,78	75,67	Fair
3	X4.3	97	169	97	25	9	3,81	76,12	Fair
4	X4.4	43	150	141	50	13	3,40	68,06	Fair
5	X4.5	40	147	132	54	24	3,31	66,30	Fair
6	X4.6	68	195	91	32	11	3,70	73,95	Fair
7	X4.7	147	171	56	13	10	4,09	81,76	Good
Average							3,70	74,01	Fair

Community Preference Variables in Choosing Sharia Banks

Based on the results of the questionnaire's distribution, the respondents' answers to the community preference variables for choosing Islamic banks can be seen in the following table.

Table 8. Frequency Distribution of Community Preferences (Y)

No	Question Items	Score					Average score	TCR	Remarks
		5	4	3	2	1			
1	Y1	140	167	70	12	8	4,06	81,11	Good
2	Y2	141	170	63	18	5	4,07	81,36	Good
3	Y3	56	213	102	22	4	3,74	74,86	Fair
4	Y4	40	186	121	40	10	3,52	70,38	Fair
5	Y5	45	199	119	32	2	3,64	72,75	Fair
6	Y6	102	184	94	13	4	3,92	78,49	Fair
7	Y7	38	169	138	41	11	3,46	69,17	Fair
8	Y8	84	173	114	19	7	3,78	75,52	Fair
9	Y9	108	190	85	9	5	3,97	79,50	Fair
Average							3,80	75,90	Fair

Multiple Regression Analysis

The purpose of multiple linear regression analysis is to determine the impact of independent variables—namely knowledge, psychology, technology, and Minangkabau

confidence level for hypothesis testing is 95% or $(5\%) = 0.05$. The results of the F – test are as follows.

Table 10. F – Test Result

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regressio n	11516.239	4	2879.060	397.468	.000 ^a
	Residual	2839.454	392	7.244		
	Total	14355.693	396			

Based on the Table 10 above, the calculated F–value was 397.468, which was greater than the critical F–value of 3.020, and the significance value is 0.000, which was < 0.05 . Therefore, it can be concluded that Knowledge, Psychological Factors, Technology, and Minangkabau Culture collectively (simultaneously) influence Community Preferences.

Hypothesis Testing (t-test)

The t–test aims to examine the partial effect of independent variables on the dependent variable while holding other variables constant. It is assumed that if the t–value is significant, as indicated by the regression analysis where the p–value is less than $\alpha = 5\%$, it suggests that the independent variable has an impact on the dependent variable. The confidence level for hypothesis testing is 95% or $(\alpha) = 0.05$ (5%). The t–test was performed using SPSS Statistics 16.0, with the results of the hypothesis testing presented in Table 11.

Table 11. t – test Result

	Model	Unstandardized Coefficients		Standardize	t	Sig.
		B	Std. Error	d		
				Coefficients		
1	(Constant)	4.784	.924	Beta	5.176	.000
	Total_X1	–.085	.042	–.072	–	.041
					2.047	
	Total_X2	.505	.047	.449	10.700	.000
	Total_X3	.072	.049	.053	1.473	.142
	Total_X4	.589	.036	.537	16.232	.000

Based on the results of the t–test presented in Table 12 using SPSS 16.0, the following can be observed:

1. The independent variable "Knowledge" has a t–calculated value of -2.047 , while the t–table value at a 95% confidence level was 1.966 (t calculated $>$ t table). Thus, H_0 was rejected (H_a was accepted), with a significance level of 0.041, which is greater than 0.05. This indicated that Knowledge has a significant negative effect on community preferences at a 95% confidence level ($\alpha = 0.05$).
2. For the "Psychological" variable, the significance test results showed a t–value of 10.700, compared to the t–table value of 1.966 at a 95% confidence level (t calculated $>$ t table). Thus, H_0 was accepted (H_a was rejected), with a significance level of 0.000, which was less than 0.05. This indicated that Psychological factors

have a significant positive effect on community preferences at a 95% confidence level ($\alpha = 0.05$).

- For the "Technology" variable, the t calculated value was 1.473, while the t table value at a 95% confidence level was 1.966 (t calculated < t table). Thus, H_0 was accepted (H_a was rejected), with a significance level of 0.000, which was less than 0.05. This indicated that Technology has a positive but not significant effect on community preferences at a 95% confidence level ($\alpha = 0.05$).

The "Minangkabau Culture" variable showed a t-value of 16.632, compared to the t-table value of 1.966 at a 95% confidence level (t calculated > t table). Thus, H_0 was rejected (H_a was accepted), with a significance level of 0.000, which was less than 0.05. This indicated that Minangkabau Culture has a highly significant positive effect on community preferences at a 95% confidence level ($\alpha = 0.05$).

Coefficient of Determination (R^2)

The coefficient of determination (R^2) essentially measures the extent to which the model explains the variability of the dependent variable. The R^2 value ranges from zero to one. A small R^2 value indicated that the independent variables have limited ability to explain the variability of the dependent variable. Conversely, an R^2 value close to one suggests that the independent variables account for almost all the information needed to predict the dependent variables. (Ghozali, 2013).

Table 12. Results of the Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896 ^a	.802	.800	2.691

Based on the SPSS output in Table 12, the coefficient of determination, or R^2 , is 0.802. This R^2 value of 0.802 was derived from squaring the correlation coefficient, R, which was 0.896 $\sqrt{0.896} = 0.802$. The coefficient of determination (R^2) was 0.802, or 80.2%. This indicated that the variables Knowledge, Psychological Factors, Technology, and Minangkabau Culture collectively (simultaneously) account for 80.2% of the variance in Community Preferences. The remaining 19.8% (100% – 80.2%) was influenced by other variables outside this regression model or variables not studied.

Discussion

The Impact of Knowledge on Community Preferences

The research shows that the Minangkabau community in Bukittinggi has a moderate level of knowledge about Islamic banks, as shown by the percentage of 79.6% who answered the eight questions that measured their level of knowledge in three areas: product knowledge, purchasing, and usage.

Based on the multiple regression analysis conducted using SPSS, the independent variable "Knowledge" has a calculated t-value of -2.047 , whereas the critical t-value at a 95% confidence level is 1.966 ($|t \text{ calculated}| > t \text{ critical}$). Therefore, H_0 is rejected (H_1 is accepted), with a significance level of 0.000, which is less than 0.05. This indicates that knowledge has a negative effect on public preferences at a 95% confidence level ($\alpha = 0.05$). This finding contrasts with the results of research conducted by Abhimantara et al. (2013) and Handayani et al. (2019), which found a significant positive effect of knowledge on the choice of Islamic banks. However, this study is consistent with the research by Nurlaeli (2017), which reported that knowledge about Islamic banks has an

effect, but is not significant, on the decision to choose an Islamic bank (Rozikin & Sholekhah, 2020).

This is further supported by the study conducted by Pakpahan (2017), which states that the variable of knowledge about Islamic banks accepted by the community cannot be realised without having a positive attitude, which is then translated into behaviour, such as becoming an Islamic bank customer (Pakpahan, 2017). A positive attitude influences an individual's knowledge, which is acquired from information received throughout life. Attitude provides a framework for the actions to be taken, and thus, attitudes can affect an individual's behavior. In other words, knowledge, attitude, and behavior are interconnected components of behavior (Daryusti, 2018).

Ideally, when the community as bank customers has more knowledge, they should be able to make better decisions and subsequently approach it with conviction by choosing specific products to use. However, other facts show a discrepancy between theoretical perspectives and the actual conditions observed in the community. Specifically, there are still individuals with good knowledge about Islamic banking and bank interest rates who do not actively support the existence of Islamic banks. Several factors influencing individuals, according to Budiman & Riyanto (2013), are as follows:

Education

Education is a process of changing the attitudes and behaviors of individuals or groups and represents an effort to mature individuals through teaching and training. Learning through education can be obtained from mass media, advertisements, and the consumer's own efforts to seek information (Alfath, 2020). The higher an individual's level of education, the easier it is to access information, resulting in greater knowledge acquisition.

Information / Mass Media

Information involves techniques for collecting, preparing, storing, manipulating, delivering, analyzing, and disseminating information for specific purposes. The advancement of technology, which provides various forms of mass media, influences public knowledge. With mass media, people can easily access information (Budiarto, 2009).

Social, Cultural, and Economic Factors

Traditions or cultural practices, which are carried out without rational consideration of their goodness or badness, can contribute to knowledge even if they are not practiced. Economic status also determines the availability of facilities needed for certain activities, thus influencing an individual's knowledge (Hapsari, 2018).

Environment

The environment influences the process of acquiring knowledge by providing reciprocal interactions or responses that individuals interpret as knowledge (Daniswara & Risiko Faristiana, 2023). A favorable environment will result in better knowledge acquisition, whereas a less favorable environment may lead to poorer knowledge.

Experience

The environment influences the process of acquiring knowledge by providing reciprocal interactions or responses that individuals interpret as knowledge. A favorable environment will result in better knowledge acquisition, whereas a less favorable environment may lead to poorer knowledge (Crowe et al., 2011).

Age

As age increases, so does an individual's capacity for comprehension and cognitive patterns, which impacts their knowledge. Individuals with good socio-cultural backgrounds generally have better knowledge. Conversely, those with less favorable socio-cultural backgrounds may have less extensive knowledge .

Starting from these factors, individuals are able to make well-informed decisions regarding their choices, including the decision to select an Islamic bank. Therefore, the three indicators that determine the choice include knowledge of the products offered by Islamic banks, knowledge of their usage, and knowledge of their purchase.

The Impact of Psychological Factors on Public Preferences

Based on the research findings, the psychological factors, measured through three indicators (motivation, learning process, trust, and attitude) with 8 questions, reveal that the Minangkabau community in Bukittinggi exhibits a relatively high psychological inclination towards choosing Islamic banks, with a percentage of 80.15%.

Based on the multiple regression analysis conducted using SPSS, the independent variable "Psychological Factors" has a calculated t-value of 10.700, whereas the critical t-value at a 95% confidence level is 1.966 ($t_{\text{calculated}} > t_{\text{critical}}$). Therefore, H_0 is rejected (H_1 is accepted), with a significance level of 0.000, which is less than 0.05. This indicates that Psychological Factors have a significant positive effect on public preferences at a 95% confidence level ($\alpha = 0.05$). This finding is consistent with the research conducted by Andespa, (2017), which identifies several factors influencing customers in the process of choosing Islamic banking services from psychological variables, including motivation, perception, learning, as well as belief and attitude (Andespa, 2017). Several psychological factors drive individuals to choose Islamic banks, such as motivation, which acts as a driving force that stimulates activity in living beings and directs behavior towards specific goals. According to Hoy and Miskel Husna (2019), motivation is a complex force involving needs, statements, tensions, or other mechanisms that initiate and sustain desired activities towards achieving personal goals . Additionally, the learning process factor explains changes in an individual's behavior resulting from experience.

Another psychological factor is trust, which refers to the belief or confidence that an individual will find what they desire in an exchange partner (Asyari et al., 2022). Trust involves an individual's willingness to engage in certain behaviors based on the belief that the partner will deliver what is expected, and it encompasses the general expectation that others' words, promises, or statements can be relied upon (Setiadi, 2016).

The Impact of Technology on Public Preferences

Based on the research findings regarding technological factors, measured through three indicators (motivation, learning process, trust, and attitude) with 8 questions, it is found that the Minangkabau community in Bukittinggi shows a relatively high inclination towards the ease of technology provided by Islamic banks, with a percentage of 78.79%.

The significance test results for the technology variable show a calculated t-value of 1.473, while the critical t-value at a 95% confidence level is 1.966 ($t_{\text{critical}} > t_{\text{calculated}}$). Therefore, H_0 is accepted (H_1 is rejected), with a significance level of 0.000, which is less than 0.05. This indicates that technology has a positive but not significant effect on public preferences at a 95% confidence level ($\alpha = 0.05$). This finding is consistent with the research conducted by Rizkiana (2018), which indicates that

technology significantly influences the interest of village officials in Wonosari District, Klaten Regency, to save in Islamic banks. It can be stated that increased knowledge about banking technology developments can influence the interest of village officials in Wonosari to save in Islamic banks.

Technology plays a crucial role in the development of information production, consumption, and distribution. Its role in the process of classifying information is significant as technological advancements help transform communication patterns limited by space and time into boundless informational communication patterns. Consequently, technology is inherently beneficial. It is not surprising that there has been a shift from traditional mass media to new mass media. Ultimately, new media, in the context of technology and globalization, has undergone complex changes. Globalization has become a crucial factor in the banking industry and communication technology.

Information technology is one of the strategies for companies to remain competitive in their field. It supports the creation of an information system required by consumers, with the fundamental components of an information system being data, information, and the system itself (Asyari, 2014; Ningsih et al., 2020). The development of information technology globally is inextricably linked to advancements in computer technology. Through information technology, Islamic banks are able to provide easier access to transactions for the public, such as internet banking or mobile banking, which offer comprehensive information about Islamic banks. It also facilitates cash withdrawals through ATMs accessible to the community (Asyari, 2024).

Moreover, Islamic banks currently face the demographic bonus, which they must address. Effective and efficient strategies are necessary to compete with other banks. This study focuses on a sample population of individuals aged 15–34, often referred to as Generation Y, who are in a productive age range and are familiar with new developments, especially technological advancements. Everyone seeks and desires ease of access to transactions, including in banking. Upgrading internet banking or mobile banking services in Islamic banks can create psychological appeal for potential customers, leading them to choose Islamic banks due to the satisfaction and comfort provided by well–designed technological solutions.

The Impact of Minangkabau Culture on Public Preferences

Based on the research findings regarding Minangkabau cultural factors, measured through three indicators (motivation, learning process, trust, and attitude) with 7 questions, it is observed that the Minangkabau community in Bukittinggi still incorporates Minangkabau cultural values in their choice of Islamic banks, with a notably high percentage of 81.36%.

The significance test results for the Minangkabau cultural variable show a calculated t -value of 16.632, whereas the critical t -value at a 95% confidence level is 1.966 (t critical $>$ t calculated). Therefore, H_0 is rejected (H_1 is accepted), with a significance level of 0.000, which is less than 0.05. This indicates that Minangkabau culture has a highly significant positive effect on public preferences at a 95% confidence level ($\alpha = 0.05$). This finding is consistent with the research conducted by Zukriman & Lubis (2018), which found support from the *Tigo Tungku Sajarangan* customary group for Islamic banking products, as these are in line with Islamic principles and cultural norms. This is further reinforced by Andespa (2017a), who reported a strong relationship between cultural variables and the interest in saving at Islamic banks (Asyari, 2016).

In the context of the development of Islamic banks, West Sumatra is known for its culturally and traditionally rich community. These values have become a philosophical

and guiding principle for living within the community. The development of Islam among the Minangkabau people faces few challenges because their customs and traditions align with Islamic principles. Thus, discussions of culture in West Sumatra inherently include Islamic concepts and values. The local saying "*syara' mangato, adat mamakai*" implies that there is no conflict between Islam and Minangkabau culture.

Islamic banks are financial institutions that are geographically located within culturally and religiously inclined communities, predominantly serving clients who are both culturally and religiously oriented. In this study, the term "culture" refers to the cultural values adopted by the clients. There is a significant expectation that the community will develop attitudes and decisions to choose Islamic banks, considering the values embedded in their customs, culture, and religion, which have been passed down through generations (culture framing religion) (Zukriman & Lubis, 2018).

Culture shapes the lifestyle of the West Sumatra community, influencing and creating behavioral tendencies and life choices. Ideally, the personal characteristics and traits mentioned above should align with the guidelines and principles of Islamic banking, preventing elements that oppose Shariah from emerging within the Minangkabau community (Widianita et al., 2017). The concept of "*raso jo preso*" (sense of propriety and shame) and cultural values play a crucial role when Minangkabau people engage with interest-bearing transactions. They consider the impact of such transactions with rationality, caution, vigilance, and fairness in decisions that involve human relations, particularly those concerning God. Minangkabau customs and culture regulate life values from the smallest details to broader aspects such as politics, economics, law, and arts. For the Minangkabau people, *adat* (custom) represents another facet of their culture (Ihromi, n.d.).

It is anticipated that the values of customs and culture within a community will have a significant impact on the behavior of clients, which falls into the general category of value orientation reflecting the image of a society and the proper relationships between individuals and groups within the community. Culture is typically learned from a young age, allowing individuals to acquire belief systems and habits from their environment, which subsequently shape their cultural identity (Andespa, 2017a).

Based on the analysis of the various variables mentioned above, determining the most dominant factors influencing the community's choice to select Islamic banks involves more than just identifying potential or existing clients. It highlights the critical role of synergy between the community as clients and banks as Islamic financial institutions. A significant takeaway from the growing preference for Islamic banking is its contribution to stimulating the economic development of the community and the nation. Therefore, emphasizing community participation in the development of Islamic finance is crucial for the overall economic progress of Indonesia, benefiting all its citizens. The advancement of the economy through Islamic banking is not only about realizing the concept of Islamic economics but also serves as a pillar supporting national economic recovery. Additionally, since Indonesia operates under a dual economic system that complements each other, national economic development should be synchronized with the growth of both conventional and Islamic finance. It is important that the conventional financial system does not dominate the economic influence in banking while ensuring that Islamic finance also plays a prominent role in the banking sector.

Finally, the development of Islamic finance should be viewed as a rational economic activity option for the community. Thus, Islamic banks should not be considered

exclusive but rather inclusive and universal, in line with the principle of "*rahmatan lil 'alamin*" (blessings for all creation) for all Indonesians.

CONCLUSION

The research findings indicate that the factor of knowledge does not show a significant positive effect on the preferences of the Bukittinggi community in choosing Islamic banks. This is evidenced by the results of the test showing a t -value of -2.047 for the knowledge variable, while the critical t -value at a 95% confidence level is 1.966 (t -value $<$ t -table value), with a significance level of .041, which is greater than 0.05. This suggests that knowledge has a negative impact on community preferences with a 95% confidence level ($\alpha = 0.05$), though this effect is not significant.

There is a positive effect observed in the psychological variable, with a t -value of 10.700, compared to a critical t -value of 1.966 at a 95% confidence level (t -value $>$ t -table value). Consequently, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted, with a significance level of .000, which is less than 0.05. This indicates that the psychological variable has a significant positive effect on community preferences at a 95% confidence level ($\alpha = 0.05$).

The technological variable shows a positive effect with a t -value of 1.473, while the critical t -value at a 95% confidence level is 1.966 (t -value $<$ t -table value). Hence, the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected, with a significance level of .000, which is less than 0.05. This implies that while the technological variable has a positive effect, its impact on community preferences is not significant at a 95% confidence level ($\alpha = 0.05$). For the Minangkabau cultural variable, a significant positive effect is demonstrated with a t -value of 16.632, while the critical t -value at a 95% confidence level is 1.966 (t -value $>$ t -table value). Thus, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted, with a significance level of .000, which is less than 0.05. This indicates that Minangkabau culture has a highly significant positive effect on community preferences at a 95% confidence level ($\alpha = 0.05$).

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