

Factors influencing interest in saving at Islamic bank: A study on the merchants of Pasar Besar in Malang City

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ABSTRACT

Introduction

The development of Islamic banks in Indonesia is pivotal for the growth of the Islamic economy, given the country's majority Muslim population. However, the adoption rate of Islamic banking services remains relatively low compared to the overall Muslim population, highlighting the need to understand the factors influencing customer interest in saving with Islamic banks.

Objectives

This study aims to examine the impact of Sharia labels, product knowledge, and location on the interest in saving among merchants in Pasar Besar, Malang. Specifically, it seeks to determine how these factors individually and collectively influence customers' decisions to save in Islamic banks.

Method

A quantitative research approach was employed, utilizing non-probability purposive sampling to gather data from 135 respondents through questionnaires. The analysis was conducted using IBM SPSS to perform validity, reliability, normality, heteroscedasticity, multicollinearity, and multiple linear regression tests to validate the hypotheses.

Results

The findings indicate that Sharia labels, product knowledge, and location significantly affect the interest in saving. Specifically, the t-test results show that each variable has a statistically significant impact, with t-values greater than the t-table value of 1.978. Additionally, the F-test confirms that these variables collectively influence the interest in saving, with an F-value of 50.579 exceeding the threshold of 2.67.

Implications

The study's implications for further research suggest exploring additional factors such as customer service quality and financial incentives, and employing mixed-method approaches to gain deeper insights. For policymakers and Islamic banks, the findings highlight the importance of enhancing Sharia compliance visibility, improving customer education on Islamic banking products, and strategically locating bank branches to attract more customers.

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ABSTRACT

Originality/Novelty

This study offers a novel exploration of the combined effects of Sharia labels, product knowledge, and location on saving interest in the context of Islamic banking. It provides new insights into customer behavior in a specific market segment, contributing to the broader understanding of factors that influence the adoption of Islamic financial services.

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INTRODUCTION

The development of Islamic banks in Indonesia has become a benchmark for the success of the Islamic economy (Hasan, 2018). Given Indonesia's majority Muslim population, the country holds substantial potential for growth in the Sharia industry (Yasin et al., 2021). The business activities of Islamic banks are guided by the Qur'an and Hadith (Hakim, 2020). Unlike conventional banks, Islamic banks operate on Islamic principles, such as the prohibition of riba (usury) and ensuring financing is directed towards businesses with halal certification (Mulyani & Patriani, 2023).

The number of Islamic bank customers in Indonesia has been increasing annually. Customers opt for Islamic bank services due to their adherence to Sharia principles. However, the proportion of Sharia banking customers remains relatively small compared to the overall Muslim population (Hakim, 2020). According to the Ministry of Religious Affairs, as of 2022, there are 241.7 million Muslims out of a total of 276.53 million Indonesian citizens. In 2022, approximately 17.8 million people used the services of Bank Syariah Indonesia (Bank Syariah Indonesia, 2023). This indicates that the participation of Muslims in Islamic banking is still relatively low.

Malang is a city with significant potential for the development of Islamic banks. The growth of Islamic banking in Malang is notable due to several factors. Pasar Besar Malang, a key location for small and medium-sized businesses, is designated as the main market by the mayor's decree No. 18 of 1990. This market serves as a central shopping hub with diverse economic activities, attracting a variety of traders (Rina, 2007). As a primary market for essential goods in Malang, Pasar Besar is a crucial distribution point for community needs, thus enhancing shopping interest (Asmaranda, 2018).

An interview conducted with Pasar Besar merchants on September 22, 2023, revealed that 20 merchants use conventional banks. Only 10% of these merchants use Islamic banks, another 10% use BMT, and the remaining 80% use conventional banks for savings, daily transactions, and credit purposes. The preference for conventional banks is due to their quick and easy processes and the presence of relatives working

in these banks, which facilitates swift credit disbursement through collateral such as rice field or car certificates.

Prospective customers consider several factors when deciding to save at a bank. To attract these customers, banks must implement strategies such as creating appealing logos and mottos, ensuring strategic locations, and educating customers about their products. The Sharia label, a brand indicating adherence to Sharia principles in all activities, plays a significant role (Ainia, 2023). These labels, based on the Qur'an and Hadith, are increasingly popular in Indonesia, with many businesses adopting Sharia labels for insurance, bonds, capital markets, and pawnshops (Putri, 2019).

Labels serve multiple functions, including identifying and describing products, classifying them, and promoting them through attractive graphics. Research by Asraf et al. (2017) found that Sharia labels have a positive and significant effect on customer selection decisions for Bank Mandiri Syariah products. Other findings also emphasize Sharia label significantly influence consumer interest (W. S. Nugraha et al., 2022; Nugroho et al., 2021; Rizkitysha & Hananto, 2020; Ulum, 2023).

Product knowledge, defined as the customer's perception based on experience or prior information, is crucial (Al Idrus et al., 2021). Customers become knowledgeable when they receive motivation to learn about new products and their functionalities (Janah, 2020). High levels of product knowledge encourage product usage, as demonstrated by Hardyansyah et al. (2023), who found a significant effect of product knowledge on students' interest in becoming Islamic bank customers. Previous findings also highlight the importance of product knowledge for costumers in their decisions to use Islamic bank products (Hati et al., 2020; Khairunnisa & Hendratmi, 2019; Safi et al., 2020). Conversely, Yolanda et al. (2022) reported that knowledge does not significantly influence saving decisions, highlighting the need for broader public awareness about Islamic banks and their unique features.

Location also plays an important role in attracting bank customers as suggested by previous studies (Blankson et al., 2009; Chigamba & Fatoki, 2011; Mokhlis et al., 2011; Nugraheni & Widyani, 2020). Strategic locations make it easier for customers to access services, thereby increasing customer numbers (Salim et al., 2020). Research by Tania et al. (2022) supports the idea that location influences buying interest, while Purnomo et al. (2021) argue that the distance of Islamic banks from residential areas diminishes their impact on saving interest.

Interest in saving reflects a person's desire to manage finances effectively, avoiding waste (Puspitasari & Safitri, 2022). Saving behavior denotes a disciplined approach to financial management (Tiyas, 2021). For Muslims, saving in Islamic banks aligns with Sharia principles, avoiding interest and utilizing a profit-sharing system, which attracts many to trust their funds with Islamic banks (Ahmadi & Siswanto, 2023).

This study focuses on the merchants of Pasar Besar in Malang city, examining the influence of Sharia labels, product knowledge, and location on the interest in saving in Islamic banks. Unlike previous studies, this research specifically targets Pasar Besar

merchants, analyzing variables such as Sharia labels, product knowledge, and location concerning saving interest in Islamic banks.

LITERATURE REVIEW

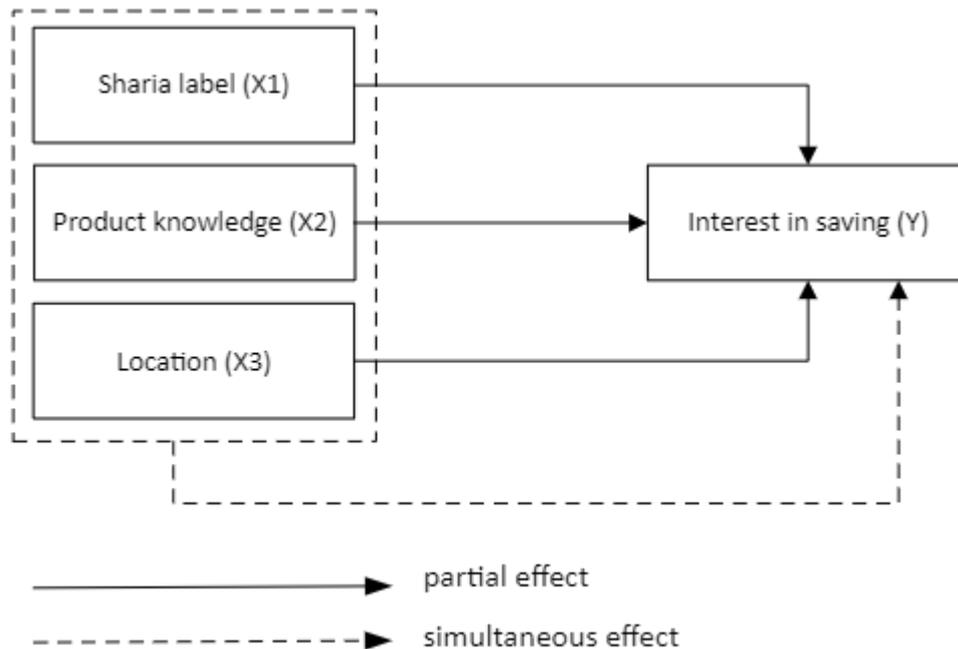
A Sharia Label is a brand related to a symbol, name, or sign that indicates a Sharia entity implementing Sharia principles in every activity (Ainia, 2023). Sharia labels are crucial for products as they help consumers recognize and remember them. They enable consumers to distinguish between different products and services, facilitating informed choices that align with their needs and fostering brand loyalty (Putri, 2019). Effective Sharia labels are memorable, meaningful, attention-grabbing, modern, and distinctive (Al Arif, 2012).

Knowledge is acquired through human curiosity; the higher the curiosity, the more knowledge is obtained (Sodik et al., 2022). Product knowledge provides essential information for consumers to use a product or service, aiming to influence their purchasing decisions (Alwathoni, 2022). Indicators of product knowledge include knowledge of product characteristics, benefits, and the satisfaction provided to consumers (Peter & Olson, 2004).

The location of a bank is a critical factor in its marketing activities, influencing both the raising of funds and the distribution of finance to the community. A bank's location must be accessible to consumers from their residences (Peter & Olson, 2004). The location plays an important role in attracting customers to a bank (Mutmainnah & Solekah, 2023). Choosing a strategic location can enhance the sales of products or services, making it essential for companies to find optimal sites for production and distribution (Rinaldi & Atifah, 2021). Indicators of a good location include ease of access, visibility from a distance, supportive surrounding environment, ample and safe parking, and a position in busy areas without heavy congestion (Putri, 2019).

Consumer behavior encompasses the actions of individuals or groups when purchasing or using products or services, involving decision-making processes that help them obtain desired products or services (J. P. Nugraha et al., 2021). This behavior reflects the interest in and intention to buy or use goods and services.

Interest in saving refers to the confidence and desire to deposit money in savings accounts (Tiyas, 2021). Prospective customers considering saving in a bank evaluate various factors to ensure the services provided meet their expectations. Financial institutions must offer comfort, security, and benefits for both the bank and the customer (Yolanda et al., 2022). Indicators of interest include attention, interest, desire, belief, and the decision to take action to obtain a product or service (Rachman et al., 2015). Based on the above descriptions, the following hypotheses are proposed:

Figure 1*Research design*

Source: Primary data.

H1: Sharia labels affect the interest in saving in Islamic banks.

H2: Product knowledge affects the interest in saving.

H3: Location affects the interest in saving.

H4: Sharia labels, product knowledge, and location are crucial and collectively affect the interest in saving.

METHOD

The participants of this research are merchants from Pasar Besar, a central marketplace in Malang city. To be eligible for inclusion in this study, all respondents must be at least 17 years old. This age requirement ensures that the participants have the necessary experience and maturity to provide relevant and reliable information. A total of 135 respondents were carefully selected to provide a comprehensive representation of the merchant community within this bustling marketplace.

To achieve the objectives of this study, a quantitative research method was employed. This approach is particularly effective for analyzing statistical data and testing the hypotheses formulated by the researchers. By utilizing quantitative techniques, the study is able to provide precise and measurable insights into the behaviors and opinions of the respondents. The data collected is subjected to rigorous statistical analysis to ensure the validity and reliability of the findings.

The sampling technique adopted for this study is non-probability sampling, with a focus on purposive sampling. This method involves selecting participants based on

specific characteristics that are pertinent to the research objectives. Data collection was conducted through carefully designed questionnaires, which were distributed among the selected respondents. The responses were then processed and analyzed using IBM SPSS software, a powerful tool for statistical analysis. This software facilitated the efficient handling and interpretation of the collected data, ensuring that the results are robust and reliable.

RESULTS

Characteristics of Respondents

The respondents in this study are merchants from Pasar Besar in Malang city. A total of 135 respondents completed the research questionnaire. The general characteristics of the respondents are categorized by gender, age, education level, types of products sold, banking products owned, duration of business operations in Pasar Besar, and monthly income.

Table 1

General Characteristics of Respondents

No	Characteristics	N	%
Gender	Female	82	61%
	Male	53	39%
Age	17-25 years old	18	13%
	26-35 years old	33	24%
	36-45 years old	36	27%
	> 46 years old	48	36%
Last Education	Elementary School	18	13%
	Junior High School/Equivalent	23	17%
	Senior High School/Equivalent	39	29%
	Academy / College	52	39%
	Non-Academy	3	2%
Products sold by merchants	Food	29	21%
	Clothing	32	24%
	Shoes	13	10%
	Accessories	14	10%
	Prayer equipment	9	7%
	Electronics	6	4%
	Household furniture	8	6%

No	Characteristics	N	%
Bank owned products	Groceries	7	5%
	Other	17	13%
	Financing	12	9%
	Savings	50	37%
	Financing and savings	69	51%
	Savings and deposits	1	1%
	Other	3	2%
Long time spent of selling in Pasar Besar	<5 years	7	5%
	6–10 years	41	30%
	11–14 years	67	50%
	>15 years	20	15%
Monthly income	< Rp5,000,000	14	10%
	Rp6,000,000 – Rp15,000,000	51	38%
	Rp16,000,000 – Rp25,000,000	50	37%
	> Rp26,000,000	20	15%

Source: Primary data

Validity and Reliability Test Results

Table 2 provides results for validity test in this study. Based on Table 2, all instruments in this study—namely the Sharia label, product knowledge, location, and interest in saving—have *r*-values exceeding the desired threshold of 0.176. Thus, all instruments in this study are deemed valid.

Table 2

Validity Test Results

Variable	Indicators	<i>r</i> statistics	<i>r</i> table	Descripton
Sharia Label (X1)	X1.1	0.608	0.176	Valid
	X1.2	0.614	0.176	Valid
	X1.3	0.579	0.176	Valid
	X1.4	0.552	0.176	Valid
	X1.5	0.692	0.176	Valid
	X1.6	0.560	0.176	Valid
	X1.7	0.627	0.176	Valid
Product Knowledge (X2)	X2.1	0.694	0.176	Valid
	X2.2	0.704	0.176	Valid

Variable	Indicators	r statistics	r table	Description
Location (X3)	X2.3	0.640	0.176	Valid
	X2.4	0.618	0.176	Valid
	X2.5	0.585	0.176	Valid
	X3.1	0.576	0.176	Valid
	X3.2	0.606	0.176	Valid
	X3.3	0.590	0.176	Valid
	X3.4	0.554	0.176	Valid
	X3.5	0.507	0.176	Valid
	X3.6	0.583	0.176	Valid
	X3.7	0.588	0.176	Valid
Interest in Saving (Y)	X3.8	0.581	0.176	Valid
	Y1.1	0.533	0.176	Valid
	Y1.2	0.655	0.176	Valid
	Y1.3	0.551	0.176	Valid
	Y1.4	0.619	0.176	Valid
	Y1.5	0.637	0.176	Valid
	Y1.6	0.615	0.176	Valid
	Y1.7	0.597	0.176	Valid

Source: Primary data. Authors' estimation.

Table 3 provides the results of reliability test in this study. Based on Table 3, all variables in this study—Sharia labels, product knowledge, location, and interest in saving—show reliability coefficients that meet or exceed the desired threshold of 0.6 (Cronbach's Alpha). Therefore, all indicators are deemed reliable.

Table 3

Reliability Test Results

Variable	Cronbach's Alpha	N of items	Description
Sharia Label (X1)	0.707	7	Reliable
Product Knowledge (X2)	0.655	5	Reliable
Location (X3)	0.706	8	Reliable
Interest in saving (Y)	0.703	7	Reliable

Source: Primary data. Authors' estimation.

Classical Assumption Test Results

Table 4 presents normality test results for this study. Based on Table 4, the normality test results show an Asymp. Sig. (2-tailed) value of 0.821, which is greater than 0.05. Thus, the data or residuals are normally distributed.

Table 4*Normality Test Results***One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		135
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	27.98303687
Most Extreme Differences	Absolute	.054
	Positive	.054
	Negative	-.042
Kolmogorov-Smirnov Z		.631
Asymp. Sig. (2-tailed)		.821
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Primary data. Authors' estimation.

Table 5 presents heteroscedasticity test results in this study. Based on Table 5, the heteroscedasticity test results for the Sharia label, product knowledge, and location variables are 0.492, 0.242, and 0.812, respectively. Since each variable has a significance level greater than 0.05, it can be concluded that there is no heteroscedasticity.

Table 5*Heteroscedasticity Test Results***Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	-8.242	12.815		-.643	.521
Sharia Label	.415	.603	.078	.688	.492
Product Knowledge	.804	.683	.149	1.176	.242
Location	.138	.579	.032	.238	.812

a. Dependent Variable: absresid

Source: Primary data. Authors' estimation.

Table 6 presents multicollinearity test results for this study. Based on Table 6, the multicollinearity test results show VIF values of 1.002, 1.003, and 1.004 for the Sharia

label, product knowledge, and location variables, respectively. All values are less than 10, and tolerance values are greater than 0.10. Thus, the variables in this study are free from multicollinearity issues.

Table 6*Multicollinearity Test*

Model		Collinearity Statistics	
		Tolerance	VIF
1	Sharia Label	.998	1.002
	Product Knowledge	.997	1.003
	Location	.996	1.004

a. Dependent Variable: Interest in saving

Source: Primary data. Authors' estimation.

Table 7*Multiple Linear Regression Test Results*

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.658	1.995		2.334	.021
	Sharia Label	.377	.094	.320	4.020	.000
	Product Knowledge	.271	.106	.226	2.548	.012
	Location	.277	.090	.290	3.074	.003

a. Dependent Variable: Interest in saving

Source: Primary data. Authors' estimation.

Table 7 presents multiple linear regression test results for this study. Based on Table 7, the results of the multiple linear regression test are as follows:

$$Y = 4.658 + 0.377X_1 + 0.271X_2 + 0.277X_3$$

Description

Y = interest in saving

a = constant value

X₁ = sharia label variable

X₂ = product knowledge variable

X₃ = location variable

From the multiple linear regression test results, it can be interpreted as follows. The constant value is 4.658, indicating a fixed value and a positive effect on the interest in saving at Bank Syariah Indonesia, assuming the variables of Sharia label, product knowledge, and location. The regression coefficient for the Sharia label variable is 0.377, meaning if the Sharia label variable increases by 1, the interest in saving will increase by 0.377 or 37.7%. The regression coefficient for the product knowledge variable is 0.271, meaning if the product knowledge variable increases by 1, the interest in saving will increase by 0.271 or 27.1%. The regression coefficient for the location variable is 0.277, meaning if the location variable increases by 1, the interest in saving will increase by 0.277 or 27.7%.

Hypothesis Test Results

Table 8

t-Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.658	1.995		2.334	.021
	Sharia Label	.377	.094	.320	4.020	.000
	Product Knowledge	.271	.106	.226	2.548	.012
	Location	.277	.090	.290	3.074	.003

a. Dependent Variable: Interest in saving

Source: Primary data. Authors' estimation.

Table 8 presents *t*-test results in this study. Based on Table 8, the results of the *t*-test are as follows. The *t*-test for the Sharia label variable is 4.020, which is greater than the *t*-table value of 1.978. Therefore, it can be concluded that the Sharia label variable significantly affects the interest in saving. The *t*-test for the product knowledge variable is 2.548, which is greater than the *t*-table value of 1.978. Therefore, it can be concluded that the product knowledge variable significantly affects the interest in saving. The *t*-test for the location variable is 3.074, which is greater than the *t*-table value of 1.978. Therefore, it can be concluded that the location variable significantly affects the interest in saving.

Table 9*F-Test Results*

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1047.367	3	349.122	50.579	.000 ^a
	Residual	904.233	131	6.903		
	Total	1951.600	134			

a. Predictors: (Constant), Sharia Label , Product Knowledge , Location

b. Dependent Variable: Interest in saving

Source: Primary data. Authors' estimation.

Table 9 presents *F*-test results for this study. Based on Table 9, the *F*-test results show a value of 50.579, which is greater than the *F*-table value of 2.67. Therefore, it can be concluded that the variables of Sharia labels, product knowledge, and location simultaneously affect the interest in saving.

Table 10*Coefficient of Determination (R-Square)*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.733 ^a	.537	.526	2.627

a. Predictors: (Constant), Sharia Label , Product Knowledge , Location

Source: Primary data. Authors' estimation.

Table 10 presents coefficient of determination (*R*-Square) in this study. Based on Table 10, the calculation of the coefficient of determination (*R*-Square) is approximately 0.537 or 53.7%. This means that 53.7% of the variance in the interest in saving at Bank Syariah Indonesia can be explained by the Sharia label, product knowledge, and location variables. The remaining 46.3% is influenced by other variables not included in this study.

DISCUSSION

Influence of Sharia Labels on the Interest in Saving

This study demonstrates that the variable of Sharia labels significantly affects the interest in saving. This finding is evidenced by the *t*-value of 4.020, which is greater than the *t*-table value of 1.978, indicating that the null hypothesis (*H*₀) is rejected and the alternative hypothesis (*H*_a) is accepted. In other words, the Sharia label variable

significantly influences the interest in saving in Islamic banks. Sharia labels provide attractive financial services that assure customers that the products and services offered comply with Sharia principles. This finding aligns with the research conducted by Asraf et al. (2017), which found that Sharia labels have a positive and significant effect on customer decisions when selecting Bank Mandiri Syariah products, and Ulum (2023), who also found a significant effect of Sharia labels on consumer interest.

Influence of Product Knowledge on Saving Interest

This study shows that the product knowledge variable significantly affects the interest in saving. This is proven by the t -value of 2.548, which is greater than the t -table value of 1.978, indicating that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. It can be concluded that product knowledge significantly influences the interest in saving in Islamic banks. Product knowledge encompasses the information customers have regarding the services or products offered and other related information. Therefore, the higher the level of customer knowledge, the greater the influence on societal interest. This finding is consistent with the research conducted by Ruslan & Rahma (2022), which explained that knowledge has a significant effect on saving interest, and by Saadah & Widyananto (2023), who found that product knowledge has a positive and significant effect, both partially and simultaneously, on the interest in choosing an Islamic bank.

Influence of Location on Saving Interest

The results of this study indicate that the location variable significantly affects the interest in saving. This is evidenced by the t -value of 3.074, which is greater than the t -table value of 1.978, indicating that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. It can be concluded that the location variable significantly influences the interest in saving in Islamic banks. The location of financial services impacts the ease of conducting business. Therefore, choosing a strategic branch location is crucial. A strategic location increases the number of customers, while a less strategic location reduces customer interest in saving at the bank. This finding aligns with research conducted by Putra & Mulazid (2019), which found that location significantly affects saving decisions, and by Nurfitriani & Hidayatai (2021), which suggested a significant influence of location on saving interest.

Sharia Labels, Product Knowledge, and Location Affect the Interest in Saving

This study shows that the variables of Sharia labels, product knowledge, and location simultaneously affect the interest in saving. This is evidenced by the F -value of 50.579, which is greater than the F -table value of 2.67, indicating that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. In other words, the variables of Sharia labels, product knowledge, and location collectively and significantly affect the interest in saving in Sharia banks. Improvement in these areas will likely increase customers' interest in saving with Islamic banks.

Despite the comprehensive analysis, this study has several limitations that must be acknowledged. First, the use of purposive sampling limits the generalizability of the

findings to a broader population. The respondents were selected based on specific criteria, which might not represent the diversity of all merchants in Pasar Besar or other markets. Additionally, the sample size of 135 respondents, while adequate for statistical analysis, may not capture the full spectrum of perspectives and behaviors, potentially leading to biased or skewed results. The reliance on self-reported data through questionnaires also introduces the risk of response bias, where respondents might provide socially desirable answers rather than their true opinions or behaviors.

Second, the study primarily focuses on three variables—Sharia labels, product knowledge, and location—without considering other potentially influential factors such as customer service quality, financial incentives, and cultural or religious influences. These additional variables could provide a more holistic understanding of the factors affecting interest in saving with Islamic banks. Furthermore, the study's reliance on IBM SPSS for data analysis, while robust, could be complemented with more advanced or alternative statistical tools to verify the results and provide deeper insights. Future research should aim to address these limitations by incorporating a more diverse sampling method, increasing the sample size, exploring additional variables, and employing a variety of analytical techniques to enhance the validity and reliability of the findings.

The findings of this study have significant academic implications, suggesting several avenues for further research. The demonstrated impact of Sharia labels, product knowledge, and location on saving interest underscores the need for a deeper exploration of these factors within different demographic and geographic contexts. Future studies could expand the scope by including a more diverse sample population, examining other potential determinants such as customer service quality, financial literacy, and cultural influences. Additionally, employing longitudinal research designs could provide insights into how these variables influence saving behavior over time. Researchers could also utilize mixed-method approaches, combining quantitative analysis with qualitative insights from interviews or focus groups, to gain a more nuanced understanding of the underlying motivations and barriers faced by customers in choosing Islamic banking services.

From a policy perspective, the study's results suggest actionable strategies for Islamic banks and financial regulators to enhance customer engagement and trust. Islamic banks should prioritize clear and compelling Sharia labeling to reinforce their commitment to Sharia principles, thereby attracting customers who seek religious compliance in their financial transactions. Enhancing customer education through targeted financial literacy programs can also significantly boost product knowledge, leading to higher saving interest. Furthermore, strategic placement of bank branches in accessible and high-traffic areas can improve visibility and convenience for potential customers. Financial regulators could support these initiatives by establishing guidelines for Sharia labeling and incentivizing educational campaigns that promote the unique benefits of Islamic banking. Overall, these implications highlight the importance of an integrated approach combining marketing, education, and strategic location planning to foster greater adoption of Islamic banking services.

CONCLUSION

From the results of the study on the effects of Sharia labels, product knowledge, and location on customer interest in Islamic banks (specifically among the merchants of Pasar Besar), the following conclusions can be drawn. Sharia label variables affect the interest in saving in Islamic banks. Product knowledge variables affect the interest in saving in Islamic banks. Location variables affect the interest in saving in Islamic banks. Overall, Sharia labels, product knowledge, and location collectively influence the interest in saving.

Islamic banks should focus on enhancing public knowledge and understanding of their systems to help the community recognize the differences between Islamic and conventional banking. This study can also serve as an additional reference for using Sharia labels to attract more customers to Islamic banking, particularly regarding the labels used by banks to meet customers' needs. Future researchers may consider expanding the research focus by including additional factors that could affect merchants' interest in saving with Islamic banks in Pasar Besar Malang. Additionally, alternative analytical techniques beyond SPSS could be employed to achieve more precise results. This would contribute to a better understanding of the variables that influence customer behavior in choosing Islamic banking products at Pasar Besar in Malang.

Author Contributions

Conceptualization	L.R. & Y.S.R.	Resources	L.R. & Y.S.R.
Data curation	L.R. & Y.S.R.	Software	L.R. & Y.S.R.
Formal analysis	L.R. & Y.S.R.	Supervision	L.R. & Y.S.R.
Funding acquisition	L.R. & Y.S.R.	Validation	L.R. & Y.S.R.
Investigation	L.R. & Y.S.R.	Visualization	L.R. & Y.S.R.
Methodology	L.R. & Y.S.R.	Writing – original draft	L.R. & Y.S.R.
Project administration	L.R. & Y.S.R.	Writing – review & editing	L.R. & Y.S.R.

All authors have read and agreed to the published version of the manuscript.

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Informed Consent Statement

Informed consent was obtained before respondents answered the questions.

Data Availability Statement

The data presented in this study are available on request from the corresponding author.

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Conflicts of Interest

The authors declare no conflicts of interest.

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