

The Role of Interest as a Mediator in The Relationship of Knowledge and Islamic Financial Inclusion to The Loyalty Costumers of Non-Muslim

Ruswinalda Meilany¹, Fasiha², Abubakar Mohammed Inuwa³
Institut Agama Islam Negeri Palopo^{1,2}, Naswara State University Keffi, Nigeria³
ruswinaldameilanyalda@gmail.com¹, fasiha@iainpalopo.ac.id², InuwaabuI@gmail.com³

ABSTRACT

With an emphasis on the mediation of interest perceptions, this study attempts to investigate how Islamic financial inclusion and knowledge affect non-Muslim customers' loyalty. The study used a quantitative research approach, utilizing partial least squares (PLS) analysis to examine data gathered via surveys. The non-Muslim Bank BTN Syariah clients at the Kendari Branch make up the sample, which was chosen by chance sampling methods. The results show that Islamic financial inclusion and knowledge have a substantial impact on consumer loyalty through interest perceptions (t-statistics of 3.407 and 2.289, respectively), with p-values of 0.022 and 0.001. These findings imply that increasing awareness and encouraging wider adoption of Islamic financing can successfully increase the loyalty of non-Muslim clients. The necessity of including inclusive practices and understanding of Islamic finance as important performance measures is one of the research's practical ramifications for Islamic financial institutions. Financial institutions can improve their service to Muslim and non-Muslim populations and promote financial growth and loyalty by tackling these issues. By looking at customer loyalty variables outside of the Muslim community, this study adds to the body of knowledge in Islamic finance and provides fresh perspectives on customer relationship management and financial inclusion within the framework of Islamic banking. The focus on non-Muslim customers, a topic that has received little attention in the literature to date, is what makes this study unique.

Keywords : Customer Loyalty; Islamic Banking; Interest.

A. INTRODUCTION

Islamic banking in Indonesia shows interesting developments, especially with the increasing interest of the public, including non-Muslims. Based on data released by the Financial Services Authority (OJK), the number of assets in Islamic banking continues to experience a significant increase of 15% in 2023 (Keuangan, 2023; Republika, 2023). This growth is driven by sharia principles that offer the prohibition of usury, speculation, and non-halal activities, as well as prioritizing transparency and fairness in transactions (Jaara et al., 2021; Nurhayati et al., 2021). This phenomenon is an academic concern, especially related to how sharia principles designed for the Muslim community can attract interest and loyalty from non-Muslim customers.

Although Islamic banking has been widely used and has shown significant growth in recent years, the market share in Islamic banking can only reach 7.3% of the entire industry in national banking (News, 2022). The success of Islamic banks is not only measured by the growth of assets and profits, but also by how these banks are able to attract and maintain the loyalty of their customers, including non-Muslim customers (Muhdar et al., 2023; Prastiwi & Zuhdi, 2022). Customer loyalty is a key factor for the bank's sustainability and success. However, maintaining customer loyalty is not easy, especially when the bank operates with sharia principles that are poorly known or understood by the non-Muslim community.

One of the fundamental principles in Islamic banking transactions, aiming to achieve maqasid al-Syariah, is the preservation of fair wealth by maintaining a fair distribution of wealth (Hermansyah & Febriadi, 2024). Islamic banking has been the subject of extensive research, especially from the perspective of Muslim customers, but there are limitations in understanding the behavior of non-Muslim customers, especially in relation to their interests and loyalty (Saiti et al., 2022). Many studies have discussed the negative perception and lack of understanding among some non-Muslim communities towards the concept of Islamic banking (Bashir et al., 2021), but in-depth studies of the role of interest in shaping the loyalty of non-Muslim customers are still rare. This condition emphasizes the need for further research to explore the relationship between the interest and loyalty of non-Muslim customers in the scope of Islamic banking. This research focuses on analyzing how interest can play a role as a liaison in strengthening the loyalty of non-Muslim customers to Islamic banking.

This research is expected to deepen the understanding of the process of forming customer interest and its contribution to their loyalty. With an emphasis on Islamic financial knowledge and inclusion, the study also seeks to identify important factors that influence the interest and loyalty of non-Muslim customers. The results obtained are expected to have a positive impact on the development of a more inclusive and efficient Islamic banking strategy, as well as help Islamic banks to expand market reach and increase competitiveness in the Indonesian banking sector.

The hypothesis in this study is that interest has a significant role as a mediating variable in the variable relationship between knowledge, Islamic financial inclusion and non-Muslim customer loyalty at Bank BTN Syariah Kendari Branch. Better knowledge of Islamic financial products and services is expected to increase interest in non-Muslim customers towards Islamic financial inclusion, which in turn will increase their loyalty to the bank. Therefore, it can be argued that the higher the knowledge of non-Muslim customers about Islamic finance, the greater their interest in using Islamic products and services, which will ultimately contribute to stronger loyalty to the bank.

It is still difficult to make Islamic banking appealing to non-Muslim clients, though. One of the contributing factors is a lack of knowledge about financial inclusion and sharia principles (Azmi et al., 2023; Ezech & Nkamnebe, 2022), which can influence client loyalty and interest. Furthermore, disparities in how non-Muslim customers view and prefer banking services may also be a barrier to their increasing interaction with Islamic banks (D'Souza & Sai Sundar, 2023)(D'Souza & Sai Sundar, 2023). Consequently, further investigation is required to comprehend the formation of non-Muslim clients' interest and how it can enhance their allegiance to Islamic banking.

B. THEORITICAL

Customer Loyalty

Customer loyalty or consumer loyalty can be defined as consumer loyalty to a product or service. Customer loyalty consists of commitment and a positive impression of consumers towards brands, stores, suppliers, and services, and can be demonstrated by consistent repurchases. Consumer loyalty can also be defined as a consumer's commitment to repurchase a particular product or service even if certain situations and conditions lead to a change in behavior (Lesmana, 2023). The following are some indicators of customer loyalty: (I) Customer trust: the

belief that the bank is reliable and will fulfill its promises which can build a long-term loyal relationship with customers (Tegambwage & Kasoga, 2023a), (2) Sharia compliance: the main factor affecting the loyalty of customers of Islamic banks who think that the bank complies with sharia law so that religious customers tend to be loyal to the bank (Shafique et al., 2023), and (3) Customer Engagement: customer involvement in various activities and interactions with banks which states that the higher the customer involvement, the higher their loyalty level (Fianto et al., 2020).

Customer loyalty is largely driven by a transactional and company-centric perspective presenting an alternative view of customer loyalty and taking into account the various meanings that customers give to their thoughts and behaviors related to loyalty. This approach emphasizes the importance of understanding how customers interpret their interactions with banks and how their perceptions and experiences can shape long-term loyalty. By taking into account the customer's perspective more deeply, banks can design more efficient strategies to build and maintain loyalty (Närvänen et al., 2020). In addition, the latest research conducted by Yanti (2022) proves that promotional media has a positive and significant effect on the level of knowledge related to Islamic banking, which can contribute to increasing customer loyalty. In addition, research conducted by Arno et al (2021) found that customer trust significantly affects loyalty in Islamic banking.

The latest research by Iskandar et al (2021) examined the influence of service quality variables, image, and customer value on customer loyalty in Sharia Banks in Gresik Regency, East Java, with research results showing that to increase customer loyalty, Islamic banks must focus on improving service quality, improving the bank's image, and providing better value to their customers. This is in accordance with research conducted by Mujahidin (2022) emphasizing that to increase customer loyalty, Islamic banks need to focus on improving service quality, building trust, maintaining customer satisfaction, and strengthening spiritual values in their services.

Knowledge

Knowledge is a process that starts from understanding the world, curiosity about the problems that exist in it, and efforts to answer these questions. Knowledge is a critical process combining reflection and action that views education as a means to awaken critical and innovative consciousness (Freire,

2000). Knowledge includes information, facts, and skills gained through experience, education, and research. This process involves sensing, thinking, and analyzing objects or events. It can be said that knowledge is a person's ability to understand, explain, and predict various events and apply its understanding in everyday life. Knowledge can be obtained from various sources such as books, social interactions, observation and technology.

The following are some indicators of knowledge related to the use of Islamic banks: (1) Understanding of Islamic banking products includes knowledge of savings accounts, deposits, and financing in accordance with sharia principles, (2) Knowledge of sharia compliance regarding understanding of compliance with sharia principles, such as the prohibition of *riba* and non-halal transactions (Jawaid et al., 2023), (3) Technical and operational knowledge is also required, including information on procedures for using Islamic banking products, such as profit-sharing mechanisms in *mudharabah* and *musharakah*, (4) Information sources used by customers include banking literature, social media, seminars, and consulting services, and (5) Direct customer experience in using Islamic banking services, which includes service satisfaction and effectiveness, as well as contributing to their knowledge (Abrar et al., 2023).

Knowledge is very important as a consideration when choosing a product or service to use. Knowledge of the product to be used can provide an overview of the use of the product and the benefits or advantages of the product so that they are interested in using it. Thus, knowledge of Islamic banks can identify the factors having the highest contribution to customer loyalty (Albaity & Rahman, 2021). From the research conducted by Iskandar (2011), it was stated that the knowledge variable showed the greatest influence on customer loyalty, compared to perceived value and marketing communication. Therefore, it is important for Islamic banks to continue to improve customer knowledge (Mustapha et al., 2023). This research also reveals that customer knowledge is influenced by marketing communication.

Another study conducted by Pratiwi et al (2020) shows that most non-Muslim religious leaders have general knowledge about Islamic financial institutions and are often equated with savings and loan cooperatives or conventional banks in their institutional structure. Research conducted by Dewi & Permana (2021) on the influence of religiosity level variables and knowledge variables on a person's interest in becoming a customer in Islamic banks with findings indicating that the variables of religiosity and knowledge together have a

significant effect on interest in becoming a customer. In addition, the results of research conducted by Mustapha et al (2023) found that knowledge about Islamic banking has a positive effect on non-Muslim beliefs (attitudes, controls, and norms). Thus, the hypothesis can be described as follows:

H1: Knowledge affects customer loyalty.

H2: Knowledge affects interest.

Islamic Financial Inclusion

Islamic financial inclusion is an initiative to provide fair and equitable access to financial services already in line with sharia principles to all levels of society, including those previously unreachable by conventional banking services (Habib, 2011). These sharia principles prohibit *riba* (interest) transactions, encourage the sharing of risks and benefits, and emphasize the importance of transparency and fairness in every transaction. Islamic financial inclusion provides various important benefits for society and the economy as a whole (Moosa & Kashiramka, 2023; Mulia et al., 2021). Providing fair and equal access to financial services that follow sharia principles, this inclusion helps improve economic welfare. Islamic financial inclusion encourages a fairer distribution of risks and benefits, reduces dependence on the practice of *riba* (interest), and strengthens transparency and fairness in financial transactions.

Islamic financial inclusion includes several important indicators used to assess the extent to which the Islamic financial system can improve financial access for the public. The main indicators include (1) Accessibility of Islamic financial services, service use, service quality, as well as sustainability and diversity of Islamic financial products (Adzimatunur & Manalu, 2021), (2) Service usage is measured based on the amount of financing distributed by Islamic banks, especially for the MSME sector, as well as the variety of products and services used by customers (Khamis, 2021), (3) Service quality is assessed from the level of customer satisfaction with the service Islamic finance and product conformity with sharia principles, which can attract more customers, and (4) The sustainability and diversity of Islamic financial products is measured through product innovations such as *zakat*, *waqf*, and *Qard-al Hassan* that can support financial inclusion by providing financing alternatives in accordance with sharia principles (Junaidah Abu Seman et al., 2021).

Islamic financial inclusion has an important role in increasing public knowledge about Islamic finance with efforts to provide broad and inclusive

access to sharia-based financial products and services to all levels of society. Islamic banks focusing on improving the quality of sharia governance disclosure, access to services to products and involvement of the Sharia Supervisory Board tend to have better performance and can build investor and customer trust (Abdul Rahim et al., 2024; Nasution et al., 2022). The increase in interest of non-Muslim communities in Islamic banking services is influenced by various factors. Research conducted by Anjelisa et al (2023) shows that non-Muslim communities are beginning to realize the benefits of Islamic bank products that not only offer financial benefits but also transparency and fairness in transactions.

In addition, research conducted by Cevik & Bugar (2020) examines how Islamic microfinance institutions can strengthen financial inclusion and increase customer loyalty by providing services more in line with customer needs. This shows that customer interest in Islamic financial services plays an important role in increasing their loyalty. Thus, the hypothesis can be described as follows:

H3: Islamic financial inclusion affects customer loyalty.

H4: Islamic financial inclusion affects interest.

Interest

Interest is a strong urge to do something desired or cause a sense of pleasure. Interest plays an important role in an individual's learning and development because it influences the choice of activities and involvement in certain activities. According to the APA Dictionary of Psychology, interest is a state of motivation in which a person is influenced by an attraction or tendency towards a particular activity or object resulting in sustained attention and active engagement. Interest reflects a person's tendency to pay more attention to something that they find interesting or important.

Interest in the use of Islamic banks can be influenced by various factors. The following are some indicators identified based on recent research: (1) Sharia compliance: compliance with sharia principles that do not involve interest (riba) (Kusnandar, 2022), (2) Credit risk and economic stability: interest rates can affect interest in Islamic bank financing (Nouman et al., 2022), (3) Effectiveness and efficiency: Islamic banks are more effective and efficient in risk management, exchange rate, inflation influenced by several factors like solvency, profitability, and operational efficiency (Budiandru & Yuniarti, 2020) and (4) Profit-sharing principle: interest rate substitute in Islamic banks that is attractive to consumers

who want to participate in a financial system based on justice and shared risk (Ercan et al., 2021).

Interest acts as a mediation encouraging customers to further engage with a particular product or service. The theoretical model applied in this study links interest with customer loyalty. Research conducted by Winarti et al., (2023) found that perceived enjoyment has a positive and significant influence on brand loyalty through customer trust. The pleasure felt is part of the customer's interest that can increase loyalty. Thus, the hypothesis can be described as follows:

H5: Interest affects customer loyalty.

The Role of Interest Mediation

Mediation is a process in which the mediating variable in this case interest has an influence between independent variables on the dependent. In the context of banking, customer interest can be a key factor that bridges the relationship between knowledge to customer loyalty and Islamic financial inclusion to customer loyalty. Customer interest in Islamic bank products and services can be interpreted as the extent to which customers show interest or desire to use the products and services offered in Islamic banking.

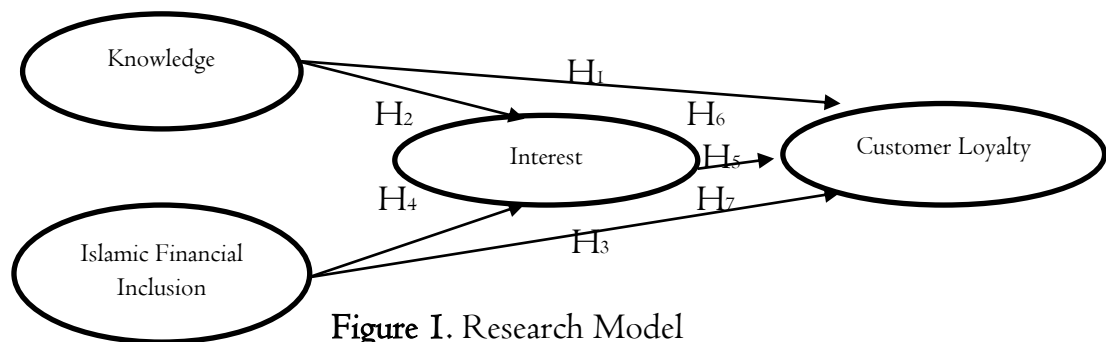
Research conducted by Musyahidah (2021) shows that knowledge about products has a significant influence on the loyalty of Islamic bank customers through increasing their interest. When customers have a good understanding of the products and services offered by Islamic banks, they tend to be more interested in using these services. Along with increasing interest and trust, customers become more loyal to Islamic banks, as they feel safer and satisfied with their banking choices. Therefore, adequate knowledge of Islamic banking products plays a key role in influencing customer loyalty through increasing their interest and trust in Islamic banks. Previous studies have studied Islamic financial inclusion and how it impacts students' desire to become customers of Islamic banks.

The results show that financial literacy and Islamic financial inclusion have a significant positive effect on students' desire to become Islamic bank customers. This interest then plays an important role in influencing customer loyalty. In other words, the higher the level of financial literacy and Islamic financial inclusion students have, the greater their interest in using Islamic bank services, which ultimately increases their loyalty as Islamic bank customers. This study emphasizes the importance of education and access to Islamic financial services in

building a positive long-term relationship between Islamic banks and their customers (Musyahidah, 2021; Try Astuti, 2023). Thus, the hypothesis can be described as follows:

H6: There is an influence of knowledge on customer loyalty through interest.

H7: There is an influence of Islamic financial inclusion on customer loyalty through interest.



C. METHODOLOGY

This study uses quantitative methods is survey method. In this study, data is gathered from samples that represent a particular population (P.Adinirekso et al., 2024; Sugiyono, 2019). This study will look at how customer interest, particularly among non-Muslim customers of Bank BTN Syariah in Kendari, can mediate the relationship between Islamic financial knowledge and inclusion and customer loyalty.

Non-Muslim clients of Kendari City's Islamic banking services make up the study's population. Since the goal of this study is to include all non-Muslim customers who are willing to participate, accidental sampling is the sampling strategy employed, in which every member of the population is given the chance to take part (Vehovar et al., 2016).

Primary data was used in this investigation. A questionnaire with a Likert scale was used to gather data. This study was carried out at a Kendari City Islamic bank. The choice of this location made in light of the fact that Bank Syariah Kota Kendari serves a wide range of clients, including non-Muslims. With the aid of the SmartPLS application version 4.1.0.2, the data analysis technique employed in this study is Partial Least Square (PLS). PLS is used to evaluate the inner model

(path coefficient test and R-Square value), the outer model (validity test: convergent validity and discriminatory validity; reliability test), and bootstrapping (test the significance of the relationship between variables by generating t-statistical values and p-values).

D. RESULTS AND DISCUSSION

RESULT

Characteristics Respondent

Table I. Respondent Characteristics by Gender

	Gender		Percentage
1	Man	63	52,5%
2	Woman	57	47,5%
	Total	120	100%

Table 2. Characteristics of Respondents by Age

	Age		Percentage
1	17-22 Years	19	15,8%
2	23-28 Years	8	6,7%
3	29-34 Years	23	19,2%
4	35-40 Years	39	32,5%
5	> 40 Years	31	25,8%
	Total	120	100%

Table 3. Respondent Characteristics Based on Education

	Education		Percentage
1	High School	25	20,8%
2	Bachelor's Degree (S1)	57	47,5%
3	Master's Degree (S2)	14	11,7%
4	Doctoral Degree (S3)	1	0,8%
5	Other	23	19,2%
	Total	120	100%

Table 4. Respondent Characteristics Based on Occupation

	Work		Percentage
1	Civil Servant	28	23,3%
2	Self Employed	38	31,7%
3	Student	19	15,8%
4	Other	35	29,2%
	Total	120	100%

The respondents in this study consisted of 120 people with a gender composition of 57 women and 63 men. Based on age, respondents were diverse with 19 people aged 17-22 years old, 8 people aged 23-28 years, 23 people aged 29-34 years, 39 people aged 35-40 years, and 31 people over 40 years old. Based on the level of education, the majority of respondents had a high school graduate education of 25 people, Bachelor (S1) as many as 57 people, followed by Master's education (S2) as many as 14 people, Doctoral (S3) as many as 1 person, and other categories as many as 23 people. The characteristics of the respondents were also seen in terms of employment, where as many as 28 people worked as civil servants (PNS), 38 people as self-employed, 19 people were students, and 35 others worked in other fields.

Measurement of Validity and Reliability

Table 5. Outer Loadings

	X1	X2	Y	Z
X1.1	0.886			
X1.2	0.841			
X1.3	0.858			
X1.4	0.860			
X1.5	0.959			
X2.1		0.900		
X2.2		0.962		
X2.3		0.852		
X2.4		0.894		
X2.5		0.837		
X2.6		0.783		
Y1			0.871	
Y2			0.972	
Y3			0.981	
Y4			0.971	
Y5			0.985	
Y6			0.973	
Y7			0.971	

The Role of Interest as a Mediator in The Relationship of Knowledge and Islamic Financial Inclusion to The Loyalty Costumers of Non-Muslim

Ruswinalda Meilany¹, Fasiha², Abubakar Mohammed Inuwa³

Z1	0.785
Z2	0.872
Z3	0.924
Z4	0.828
Z5	0.831
Z6	0.923

Table 6. Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
X1	0.928	0.937	0.946	0.777
X2	0.937	0.944	0.950	0.762
Z	0.930	0.939	0.945	0.743
Y	0.986	0.988	0.988	0.924

Table 7. Discriminant Validity

	X1	X2	Y	Z	Z x X1	Z x X2
X1						
X2	1.001					
Y	0.992	0.999				
Z	0.965	0.991	0.979			
Z x X1	0.613	0.613	0.601	0.629		
Z x X2	0.602	0.644	0.623	0.644	0.936	

This study uses several indicators to measure the validity and reliability of the construction of the research variables. From the results of the analysis, all indicators met the criteria of convergent validity with an outer loading value above 0.7 and an AVE value above 0.5. The average value of extracted variance (AVE) for the variables of knowledge, Islamic financial inclusion, interest, and customer loyalty was 0.777, 0.762, 0.743, and 0.924, respectively, indicating that all variables had sufficient convergent validity.

Based on the results of the validity analysis of discrimination carried out, it shows that the variables in the model are quite closely correlated with each other. This is evident in the relationship between the variable X2 and Y, which has a very high correlation value (0.999), and between X2 and Z (0.991). In addition, the Z variable also showed a strong correlation with Y (0.979), reflecting the consistency of measurements in the model. On the other hand, the interaction between latent variables such as Z x X1 and Z x X2 showed a moderate correlation with other variables, with correlation values of 0.613 for Z x X1 against X1 and X2, and 0.644 for Z x X2 against X2, respectively. Overall, these

findings indicate a strong relationship between the variables in the model, indicating a good level of discrimination validity.

The reliability test can be measured by paying attention to the value of composite reliability and Cronbach's alpha in table 5 which is the value of composite reliability in the knowledge variable of 0.937, Islamic financial inclusion of 0.944, interest of 0.939 and customer loyalty of 0.988. The variables used have a $>$ of 0.7 so it can be said that each variable has met the reliable criteria. In addition, Cronbach's alpha value for knowledge variables was 0.928, Islamic financial inclusion was 0.93, interest was 0.930 and customer loyalty was 0.986. This shows that the variables used in this study meet reliable criteria.

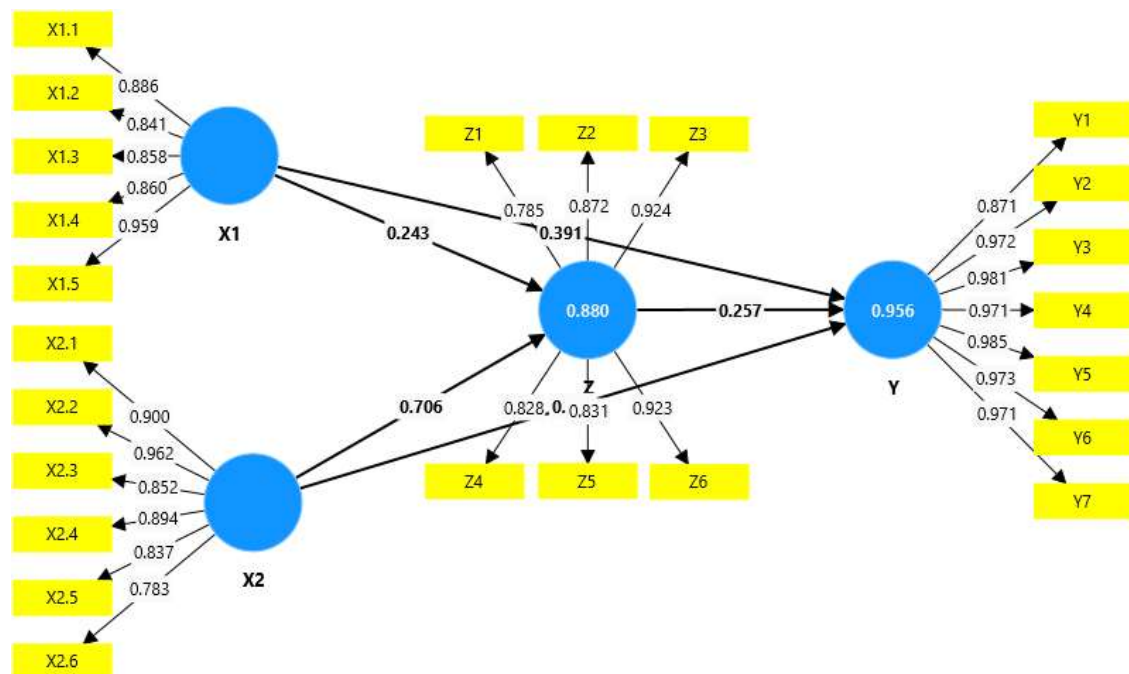


Figure 2. Inner model

Table 8. R-Square

	R-square	R-square adjusted
Y	0.956	0.955
Z	0.880	0.878

The value of the R-square describes the extent to which the variability in the dependent variable can be explained by the independent variable in a model. Based on the available data, the R-square value for the Y variable reaches 0.956

showing that 95.6% of the variation in Y can be explained by the independent variables in the model. Likewise for the Z variable, an R-square value of 0.880 indicates that 88.0% of the variation in Z can be explained by other variables. This high R-square value indicates that the model has excellent predictive ability, where most of the variation in the dependent variables has been explained by the variables in the model. Meanwhile, a slightly lower adjusted R-square value (0.955 for Y and 0.878 for Z) provides an adjustment to the number of variables in the model, thus reflecting the predictive power of the model more accurately and realistically.

Table 9. Path Coefficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Knowledge -> Customer Loyalty	0.391	0.399	0.095	4.114	0.000
Knowledge -> Interest Islamic Financial Inclusion -> Customer Loyalty	0.243	0.239	0.099	2.446	0.014
Islamic Financial Inclusion -> Interest	0.354	0.344	0.090	3.931	0.000
Interest -> Customer Loyalty	0.706	0.711	0.094	7.476	0.000
Knowledge -> Interest - > Costumer Loyalty	0.257	0.258	0.060	4.295	0.000
Islamic Financial Inclusion -> Interest -> Costumer Loyalty	0.062	0.061	0.027	2.289	0.022
	0.181	0.185	0.053	3.407	0.001

The influence of Knowledge on Customer Loyalty was researched in the first hypothesis test. The results of the analysis using the Partial Least Squares (PLS) device show that knowledge affects Customer Loyalty significantly. The t-statistic value obtained was 4.114, with a p-value of 0.000 or less than 0.5, indicating that there is a significant influence between knowledge and Customer Loyalty. Therefore, the hypothesis that knowledge affects Customer Loyalty is accepted.

The influence of Knowledge on Interest was assessed in the second test. The results show a t-statistical value of 2.446 and a p-value of 0.014. With a p-value below 0.5, the influence of Knowledge on Interest is also significant.

Therefore, the hypothesis that there is an influence between knowledge and interest is acceptable.

The next hypothesis test was carried out related to the influence of Sharia Financial Inclusion on Customer Loyalty. The results showed a t-statistical value of 3,931 and a p-value of 0,000. Since the p-value is below the significance level of 0.5, this hypothesis is accepted and it can be concluded that Sharia Financial Inclusion has a significant effect on Customer Loyalty. Furthermore, hypothesis testing was carried out to determine the influence of Sharia Financial Inclusion on Interest. The results show that Sharia Financial Inclusion has a significant influence on Interest with a t-statistical value of 7.476 and a p-value of 0.000, both lower than the significance level of 0.5. Therefore, the hypothesis is accepted.

The test on the influence of Interest on Customer Loyalty showed a t-statistical value of 4.295 and a p-value of 0.000. This P-value is smaller than 0.5, so the results are significant. Therefore, the hypothesis that Interest affects Customer Loyalty is acceptable.

Finally, a test was conducted to evaluate the effect of Interest mediation on the relationship between Knowledge and Customer Loyalty. The results show that the t-statistic value is 2.289 and the p-value is 0.022, which is still below the significance level of 0.5, indicating that Interest significantly mediates the influence of Knowledge on Customer Loyalty, and this hypothesis is acceptable.

In addition, the hypothesis regarding the influence of Interest mediation in the relationship between Sharia Financial Inclusion and Customer Loyalty was also tested. The test results produced a t-statistical value of 3.407 and a p-value of 0.001, indicating that Interest serves as a significant mediator in the relationship. Therefore, this hypothesis is also accepted.

DISCUSSION

Based on the results of the study, it was found that customer knowledge has a significant effect on customer loyalty and interest. The results of the study also revealed that public interest in using Islamic banking services is not only individual attitudes but also environmental influences where customers are one of the components (Sudarsono et al., 2023). These findings are consistent with previous research, such as those found by Quach et al., (2020), which showed that customer knowledge moderates the relationship between different layers of customer loyalty and loyalty. Customer knowledge is proven to be an important

factor that can strengthen loyalty, especially through improved service quality and psychological engagement. In addition, the influence of Islamic financial inclusion on customer loyalty is also strengthened by other studies (Gazi et al., 2024). Behnam et al., (2021) showed that customer knowledge management has an important role in increasing loyalty through good service quality and deep psychological engagement. This is in line with how financial inclusion and adequate knowledge can strengthen long-term relationships between financial institutions and customers (Mohd Thas Thaker et al., 2024).

In discussing the effect of financial inclusion on customer loyalty in the banking sector, it is important to broaden the perspective by considering Islamic economic theory and comparing it with previous research based on Islamic economic principles.

Islamic economics, which emphasizes the principles of fairness, transparency and balance in transactions, offers a different perspective than conventional economic approaches. In the context of financial inclusion, Islamic economic principles emphasize equitable access to sharia-compliant financial services, as reflected in Islamic banking products. For example, Islamic banking is not only financially oriented, but also takes into account the social and economic welfare of the community, in line with the concept of *maslahah* (benefit) for all parties involved.

Research based on Islamic economic theory shows that financial inclusion run in accordance with sharia principles can increase customer loyalty. This is due to customers feeling more valued and secure in their financial transactions. This finding is in line with concepts in Islamic economics that emphasize a financial system that is fair, free from usury and speculation, and supports social welfare.

Compared to the studies conducted by Vo et al., (2020), Tegambwage & Kasoga (2023b), and Makudza (2021), which focus more on financial inclusion in general, studies in the realm of Islamic economics provide a more in-depth perspective on the role of sharia principles in improving the relationship between banks and customers. Principles such as transparency, fairness and ethics in transactions are key factors in strengthening customer trust in Islamic banking services.

Thus, financial inclusion in the context of Islamic banking focuses not only on access to financial services, but also on ensuring that these services are sustainable and in accordance with the moral values believed by customers. Therefore, it can be concluded that the financial inclusion approach in Islamic

economics has greater potential in increasing customer loyalty than conventional methods, because it does not only pay attention to financial aspects, but also considers ethical and social dimensions that play an important role in building long-term relationships between banks and customers.

E. CONCLUSION

This study shows that customer knowledge and Islamic financial inclusion have a significant influence on customer interest and loyalty. Hypothesis testing reveals that customer knowledge increases loyalty through improving service quality and moderating relationships between different layers of loyalty. However, it is still difficult to make Islamic banking attractive to non-Muslim clients due to the lack of knowledge about financial inclusion and sharia principles that can affect client loyalty and interest. In addition, differences in the way non-Muslim customers view and prefer banking services can also be a barrier to their increased interaction with Islamic banks.

REFERENCES

- Abdul Rahim, M., Shahrudin, N. 'Ain S., & Mohd Suki, N. (2024). Shariah governance disclosure and its effect on Islamic banks' financial performance: evidence from Malaysia and GCC countries. *Journal of Islamic Accounting and Business Research*, 15(4), 619–642. <https://doi.org/10.1108/JIABR-08-2021-0235>
- Abrar, M., Abbas, S., Kousar, S., & Mushtaq, M. (2023). Investigation on the Effects of Customer Knowledge, Political Support, and Innovation on the Growth of Islamic Banking System: a Case Study of Pakistan. *Journal of the Knowledge Economy*, 14(2), 946–965. <https://doi.org/10.1007/s13132-022-00933-y>
- Adzimatunur, F., & Manalu, V. G. (2021). The Effect of Islamic Financial Inclusion on Economic Growth: A Case Study of Islamic Banking in Indonesia. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 4(1), 976–985.

<https://doi.org/10.33258/birci.v4i1.1699>

Albaity, M., & Rahman, M. (2021). *Customer Loyalty towards Islamic Banks : The Mediating Role of Trust and Attitude*. 1–19.

Anjelisa, A., Fatmawati, I., & Nuryakin, N. (2023). Measuring the Effect of Islamic Service Quality, Customer Relationship Management, Customer Satisfaction, and Loyalty in Indonesian Islamic Banking. *Al Qalam: Jurnal Ilmiah Keagamaan Dan Kemasyarakatan*, 17(5), 3001. <https://doi.org/10.35931/aq.v17i5.2615>

Arno, A. K., Ishak, I., & Kamal, F. (2021). The Performance of Competitiveness of Sharia Banking (Indonesia-Pakistan) Using Porter's Diamond Theory. *FITRAH: Jurnal Kajian Ilmu-Ilmu Keislaman*, 7(2), 261–284. <https://doi.org/10.24952/fitrah.v7i2.4188>

Azmi, N. F., Hasan, H., & Yusoff, M. N. H. (2023). An Empirical Study of Governance Challenges: Lesson Learnt from Australian Islamic Charitable Institution. In *Studies in Systems, Decision and Control* (Vol. 216). https://doi.org/10.1007/978-3-031-10212-7_25

Bashir, S., Sultana, A., Y Dweikat, Z. F., Anwar, M., & Kelantan, M. (2021). Understanding of The Customers' Perception on Islamic Banking and Financial Services in Malaysia. *International Fellowship Journal of Interdisciplinary Research*, 1(1), 74–90. <https://doi.org/10.5281/zenodo.4480322>

Behnam, M., Pyun, D. Y., Doyle, J. P., & Delshab, V. (2021). The impact of consumer knowledge on profitable consumer loyalty through perceived service quality and psychological involvement in non-profit sport clubs. *International Journal of Sports Marketing and Sponsorship*, 22(2), 407–427. <https://doi.org/10.1108/IJSMS-03-2020-0039>

Budiandru, B., & Yuniarti, S. (2020). Economic Turmoil in Islamic Banking Investment. *Etikonomi*, 19(2), 271–286. <https://doi.org/10.15408/etk.v19i2.17206>

Cevik, E. I., & Bugan, M. F. (2020). Regime-dependent relation between Islamic and conventional financial markets. *Borsa Istanbul Review*, 18(2), 114–121. <https://doi.org/10.1016/j.bir.2017.11.001>

D'Souza, A. F. N., & Sai Sundar, H. (2023). *Overcoming the Challenges of Establishing Islamic Banks in India: A Case Study of Al-Arafah Islamic*

- Investment Bank BT - Current Trends in Economics, Business and Sustainability* (J. Aloysius Edward, K. P. Jaheer Mukthar, E. R. Asis, & K. Sivasubramanian (eds.); pp. 192–197). Springer Nature Singapore.
- Dewi, T. K., & Permana, S. R. (2021). Pengaruh Tingkat Religiusitas Dan Pengetahuan Terhadap Minat Menjadi Nasabah Di Bank Syariah Pada Mahasiswa Fakultas Ekonomi Dan Bisnis Islam Universitas Suryakencana Cianjur. *Ar-Rihlah: Jurnal Keuangan Dan Perbankan Syariah*, 1(2), 123. <https://doi.org/10.35194/arps.v1i2.1888>
- Ercan, H., Karahanoglu, I., & Walter, G. (2021). Is Islamic Banking in Turkey really interest-free? *Society and Economy*, 43(4), 391–405. <https://doi.org/10.1556/204.2021.00016>
- Ezeh, P. C., & Nkamnebe, A. D. (2022). Determinants of Islamic banking adoption among non-Muslim customers in a Muslim zone. *Journal of Islamic Accounting and Business Research*, 13(4), 666–683. <https://doi.org/10.1108/JIABR-10-2021-0280>
- Fianto, B. A., Gan, C., Widiastuti, T., & Sukmana, R. (2020). Customer loyalty to Islamic banks: Evidence from Indonesia. *Cogent Business and Management*, 7(1). <https://doi.org/10.1080/23311975.2020.1859849>
- Freire, P. (2000). *Pedagogy of the Oppressed*. Continuum.
- Gazi, M. A. I., Mamun, A. Al, Masud, A. Al, Senathirajah, A. R. bin S., & Rahman, T. (2024). The relationship between CRM, knowledge management, organization commitment, customer profitability and customer loyalty in telecommunication industry: The mediating role of customer satisfaction and the moderating role of brand image. *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 100227. <https://doi.org/10.1016/j.joitmc.2024.100227>
- Habib, A. (2011). *Product development in Islamic banks*. Edinburgh University Press.
- Hermansyah, & Febriadi, S. R. (2024). Juridical Review of Net Revenue Sharing and Profit Sharing Implementation In Islamic Bank. *Amwaluna: Jurnal Ekonomi Dan Keuangan Syariah*, 8(1), 151–159. <https://doi.org/10.29313/amwaluna.v8i1.3446>
- Indah, I., & Supri, Z. (2023). Faktor-Faktor Yang Mempengaruhi Minat Masyarakat Untuk Menabung Di Perbankan Syariah Kota Palopo. *Jurnal*

- Ekonomi Kreatif Indonesia*, *I*(4), 304–324.
<https://doi.org/10.61896/jeki.v1i4.27>
- Iskandar, A. S. (2011). Hubungan Antara Komunikasi Pemasaran, Pengetahuan Tentang Bank Syariah, Perceived Value Dan Loyalitas Nasabah Bank Syariah Sulawesi Selatan. *Muamalah*, *2*.
- Iskandar, A. S., Jabani, M., & Kahar Muang, M. S. (2021). Bsi Competitive Strategy Affect Purchasing Decisions of Conventional Bank Customers in Indonesia. *International Journal of Artificial Intelligence Research*, *6*(1).
<https://doi.org/10.29099/ijair.v6i1.305>
- Jaara, O. O., Kadomi, A. M., Ayoub, M. I., Senan, N. A. M., & Jaara, B. O. (2021). Attitude formation towards islamic banks. *Accounting*, *7*(2), 479–486. <https://doi.org/10.5267/j.ac.2020.11.002>
- Jawaid, S. T., Siddiqui, A. H., Kanwal, R., & Fatima, H. (2023). Islamic banking and customer satisfaction in Pakistan: evidence from internal and external customers. *Journal of Islamic Marketing*, *14*(2), 435–464.
<https://doi.org/10.1108/JIMA-09-2020-0297>
- Junaidah Abu Seman, Nurul Nazlia Jamil, & Azreen Jihan Che Mohd Hashim. (2021). Development of integrated Islamic finance-based index of financial inclusion using zakat and cash waqf: A preliminary study in Malaysia. *The Journal of Muamalat and Islamic Finance Research*, *19*(1), 73–95.
<https://doi.org/10.33102/jmifr.v18i2.370>
- Keuangan, O. J. (2023). *Statistik Perbankan Syariah*. OJK.
<https://www.ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah>
- Khamis, F. M. (2021). Constructing Indicators For Islamic Financial Inclusion. *International Journal of Islamic Economics*, *3*(2), 101.
<https://doi.org/10.32332/ijie.v3i2.3720>
- Kusnandar, A. (2022). Credit Risk in Islamic Banking: A Literature Study. ... *Journal of Finance & Banking Studies* (2147-4486), *11*(3), 21–26.
<https://ssbfnet.com/ojs/index.php/ijfbs/article/view/1547%0Ahttps://ssbfnet.com/ojs/index.php/ijfbs/article/download/1547/1379>
- Lesmana, C. I. (2023). *Strategi Membangun Loyalotas Nasabah Bank Syariah*. Ahlimedia Press.
- Makudza, F. (2021). Augmenting customer loyalty through customer experience

- management in the banking industry. *Journal of Asian Business and Economic Studies*, 28(3), 191–203. <https://doi.org/10.1108/JABES-01-2020-0007>
- Mohd Thas Thaker, H., Lelchumanan, B., Ah Mand, A., & Khaliq, A. (2024). Push – pull – mooring determinants of non-Muslims' withdrawal from Islamic banking: evidence from Malaysia. *International Journal of Islamic and Middle Eastern Finance and Management*, 17(1), 195–212. <https://doi.org/10.1108/IMEFM-04-2023-0144>
- Moosa, R., & Kashiramka, S. (2023). Objectives of Islamic banking, customer satisfaction and customer loyalty: empirical evidence from South Africa. *Journal of Islamic Marketing*, 14(9), 2188–2206. <https://doi.org/10.1108/JIMA-01-2022-0007>
- Muhdar, H. M., Darmono, Mardiana, A., Muin, R., & Darwis, R. (2023). From conventional to Islamic banks: Factors affecting customer interests and decision making in selecting banks. *Banks and Bank Systems*, 18(3), 61–73. [https://doi.org/10.21511/bbs.18\(3\).2023.06](https://doi.org/10.21511/bbs.18(3).2023.06)
- Mujahidin. (2022). Financing in the Perspective of Shariah Banking. *Edunomika*.
- Mulia, D., Usman, H., & Parwanto, N. B. (2021). The role of customer intimacy in increasing Islamic bank customer loyalty in using e-banking and m-banking. *Journal of Islamic Marketing*, 12(6), 1097–1123. <https://doi.org/10.1108/JIMA-09-2019-0190>
- Mustapha, N., Mohammad, J., Quoquab, F., & Salam, Z. A. (2023). “Should I adopt Islamic banking services?” Factors affecting non-Muslim customers' behavioral intention in the Malaysian context. *Journal of Islamic Marketing*, 14(10), 2450–2465. <https://doi.org/10.1108/JIMA-03-2022-0094>
- Musyahidah, S. (2021). The Effect of Riba Avoidance and Product Knowledge on the Decision to Become a Customer of Islamic Banks. *International Journal of Multidisciplinary Research and Analysis*, 04(08), 1090–1101. <https://doi.org/10.47191/ijmra/v4-i8-06>
- Närvänen, E., Kuusela, H., Paavola, H., & Sirola, N. (2020). A meaning-based framework for customer loyalty. *International Journal of Retail & Distribution Management*, 48(8), 825–843. <https://doi.org/10.1108/IJRDM-05-2019-0153>
- Nasution, M. A. H., Maksum, A., & Yahya, I. (2022). Analysis of Effects of the

- Disclosure of Islamic Corporate Governance (ICG) and Islamic Corporate Social Responsibility (ICSR) on Financial Performance (An Empirical Study on the Sharia Banks in Indonesian in 2012-2020). *International Journal of Research and Review*, 9(2), 368–380. <https://doi.org/10.52403/ijrr.20220248>
- News, A. (2022). *OJK Keluarkan Laporan Perkembangan Keuangan Syariah Indonesia*. *Antara News*. <https://www.antaranews.com/berita/ojk-keluarkan-laporan-perkembangan-keuangan-syariah-indonesia>
- Nouman, M., Hashim, M., Trifan, V. A., Spinu, A. E., Siddiqi, M. F., & Khan, F. U. (2022). Interest rate volatility and financing of Islamic banks. *PLoS ONE*, 17(7 July), 1–21. <https://doi.org/10.1371/journal.pone.0268906>
- Nurhayati, L., Mandey, S. L., Taroreh, R. N., Trang, I., & Djamali, R. (2021). Why non-muslims become customers of islamic banking? *Estudios de Economia Aplicada*, 39(12), 1–13. <https://doi.org/10.25115/eea.v39i12.6336>
- P.Adinirekso, G., Kusumastuti, S. Y., Permana, D., & Susiang, M. I. N. (2024). *Metodologi Penelitian Kuantitatif*. PT. Sonpedia Publishing Indonesia.
- Prastiwi, I. E., & Zuhdi, M. N. (2022). Analysis of Factors Affecting Interest in Saving in Islamic Bank: Knowledge, Social Environment and Psychological Factors. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 6(2), 770. <https://doi.org/10.29040/ijebar.v6i2.4777>
- Pratiwi, E. K., Medias, F., & Janah, N. (2020). *Perception of Non-Muslim Religious Leaders to Islamic Financial Institutions BT - Proceedings of the 1st Borobudur International Symposium on Humanities, Economics and Social Sciences (BIS-HESS 2019)*. 893–896. <https://doi.org/10.2991/assehr.k.200529.188>
- Quach, S., Thaichon, P., Roberts, R. E., & Weaven, S. (2020). Loyalty layers, expectations and the role of knowledge. *Marketing Intelligence \& Planning*, 39, 377–393. <https://api.semanticscholar.org/CorpusID:225281154>
- Republika. (2023). *OJK: Pangsa Pasar Perbankan Syariah Indonesia Tumbuh Jadi 7,3 Persen*. <https://sharia.republika.co.id/berita/ojk-kinerja-perbankan-syariah-positif>
- Saiti, B., Ardo, A. A., & Yumusak, I. G. (2022). Why non-Muslims subscribe to Islamic banking? *Qualitative Research in Financial Markets*, 14(2), 247–

269. <https://doi.org/10.1108/QRFM-01-2018-0005>
- Shafique, S., Ghafoor, A., Saman, M., & Ali, M. (2023). How Customers Loyalty Response to Service Quality, Bank Image and Religious Satisfaction?: An Evidence from Islamic Banking. *Advances in Economics, Management and Political Sciences*, 6(1), 378–397. <https://doi.org/10.54254/2754-1169/6/20220176>
- Sudarsono, H., Afandi, A., & Perdana, A. R. A. (2023). Determinants of Consumer Decisions to Adopt Islamic Banking Services in Indonesia. *Amwaluna: Jurnal Ekonomi Dan Keuangan Syariah*, 7(1), 144–161. <https://doi.org/10.29313/amwaluna.v7i1.8214>
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif dan RdanD*. Alfabet.
- Tegambwage, A. G., & Kasoga, P. S. (2023a). Strengthening customer loyalty through financial satisfaction in the banking industry. *Nankai Business Review International*. <https://api.semanticscholar.org/CorpusID:263638260>
- Tegambwage, A. G., & Kasoga, P. S. (2023b). Determinants of customer loyalty in Islamic banking: the role of religiosity. *Journal of Islamic Marketing*, 14(12), 3150–3167. <https://doi.org/10.1108/JIMA-12-2021-0396>
- Try Astuti, A. R. (2023). The Relationship of Financial Literacy and Financial Inclusion in Attracting Student Interest to Become Customers Syariah Banking. *Journal of Accounting and Finance Management*, 4(1), 33–40. <https://doi.org/10.38035/jafm.v4i1.190>
- Vehovar, V., Toepoel, V., & Steinmetz, S. (2016). *Non-probability Sampling*. <https://api.semanticscholar.org/CorpusID:156230860>
- Vo, D. H., Van, L. T. H., Dinh, L. T. H., & Ho, C. M. (2020). Financial inclusion, corporate social responsibility and customer loyalty in the banking sector in Vietnam. *Journal of International Studies*, 13(4), 9–23. <https://doi.org/10.14254/2071-8330.2020/13-4/1>
- Winarti, A., Ningrum, N. K., & Maharani, B. D. (2023). The Influence of Visual Appeal and Perceived Enjoyment on Brand Loyalty Through Customer Trust for Shopee Users in Yogyakarta. *Journal La Sociale*, 4(5), 283–292. <https://doi.org/10.37899/journal-la-sociale.v4i5.887>
- Yanti, C. C. M. (2022). El-ecosy: jurnal ekonomi dan keuangan islam. *Jurnal*

The Role of Interest as a Mediator in The Relationship of Knowledge and Islamic Financial Inclusion to The Loyalty Costumers of Non-Muslim

Ruswinalda Meilany¹, Fasiha², Abubakar Mohammed Inuwa³

Ekonomi Dan Keuangan Islam, 02(01), 1–15.
<https://jurnal.unsur.ac.id/Elecosy/Article/View/2013/1565>