

The Effect of Awareness and Attitude on Preferences For Islamic Banks and Conventional Banks: The Role of Religiosity of Ethnic Muslim Customers Sasambo

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ABSTRACT

The purpose of this study is to show the role of religiosity (extrinsic and intrinsic factors) in awareness and attitudes, as well as its influence on the preference of Islamic banks over conventional banks among Muslim SASAMBO (Sasak-Samawa-Mbojo) ethnicity customers in West Nusa Tenggara Province. The research method used is explanatory. The study used non-probability sampling techniques, specifically the judgment sampling method. The sample size was 120 customers, with 40 from each ethnicity. PLS-SEM (Partial Least Square-Structural Equations Modelling) is the analysis model used in this study to obtain estimation results and test hypotheses. The findings indicate that extrinsic religiosity significantly impacts awareness but does not affect attitudes. Intrinsic religiosity has a significant impact on awareness. In the second factor, intrinsic religiosity had no significant influence on attitudes. The awareness aspect has significantly impacted customer preferences for Islamic banks over conventional banks. The attitude aspect has been shown to have no significant effect on customer preferences for Islamic banks as opposed to conventional banks. Customers who understand the concepts of traditional and Islamic banking can better determine which products and systems are suitable and which are not. However, when customers become aware of these products and services, most show interest in using traditional and Islamic financial transaction methods.

Keywords: Religiosity, Intrinsic Factors, Extrinsic Factors Awareness, Attitude

A. INTRODUCTION

The primary distinction between conventional and Islamic banks is based on their ideas, policies, and products. Conventional banks are traditional banks that follow the laws and regulations of the country where they are located. They provide a variety of financial services, such as deposits, lending, and investing. Another distinguishing feature is that they use a profit-based strategy, generating profits from interest charged on loans and investments, as well as fees charged on services provided, and offer a diverse range of products and services, including current and savings accounts, loans, credit cards, mortgages, and investment services. They also offer online banking services such as mobile banking, electronic funds transfers, and bill payment. Islamic banks are financial institutions that collect and distribute funds to the general public while adhering to Sharia principles and contracts. The products and services offered in Islamic banking reflect the internalization of Sharia values and banking operations.

Conventional and Islamic banking are integrated, and Islamic banking is ready to complement conventional bank services. As a result, Islamic banking financing can be a viable alternative to bank loans in meeting the community's financial requirements. According to the Islamic Banking Statistics 2023, Islamic banking accounts totalled IDR. 488.533 billion, while conventional banks totalled IDR. 6,310,879 billion. Although the volume is less than that of conventional banks, the number of Islamic banks in Indonesia is expected to increase until the end of 2023. Even though Indonesia is still suffering from an economic downturn caused by the COVID-19 pandemic, banking profits continue to rise. Furthermore, according to data on improving the performance of Islamic commercial banks in West Nusa Tenggara (NTB) in 2023, total assets reached Rp 21.843 billion, third-party accounts (DPK) collected Rp 12.037 billion, and revenue reached Rp 13.015 billion. The deposit interest rate (FDR) was 108.14%. This demonstrates that the Islamic business at NTB is successful and has the potential to expand in the coming years. In addition, commercial banks saw positive growth, with total deposits of Rp 43,503 billion, total loans of Rp 53,537 billion, and non-performing loans (NPL) of Rp 909 billion. (OJK Sharia Banking Statistics 2023).

Economic and financial development in NTB Province, particularly in the banking sector, is aided by the availability of domestic resources and employment, as well as business and community purchases. Population is also important because it is one of the factors that can be used to keep customers in the bank. In NTB Province, Muslims account for 5.41 million of the total population, with 5.23 million (96.83%) being Muslims. NTB province consists of two islands: Lombok and Sumbawa. Other than Balinese, Javanese, Arabs, and others, the SASAMBO race, which includes Sasak (Lombok), Samawa, and Mbojo (Sumbawa), is the dominant group on both islands. Sasak people make up the vast majority of Lombok's 1.8 million population. The Samawa, also known as Tau Samawa (the Sumbawa people), are a Southeast Asian ethnic group comprised of South Island Malays and Mongolians. They have a population of approximately 190,000 people, which constitutes the majority of Sumbawa Island's population. The Bima people are also known as the Mbojo tribe because they reside in Bima and Dompu. However, some Mbojos live in Lombok and West Sumbawa. Because the majority of the SASAMBO tribe is Muslim, Islamic elements are required in their characteristics, values, social relationships, and religious beliefs.

There are two main perspectives on the SASAMBO people's faith: outward faith and inward faith. Extrinsic religiosity is a strategy that uses religion (such as security, comfort, and friendship) as a personal reason to use banking products and services. Furthermore, some research indicates a positive relationship between religious beliefs and consumer thoughts and feelings toward specific products and services. Tabrani et al. (2018) discovered that a customer's belief in Shariah compliance is related to his or her knowledge of banking.

Additionally, a similar pattern was observed in Saudi Arabia (Alhazmi, 2019; Juma Bananuka et al., 2020), indicating that religion is related to customer satisfaction in the Islamic financial sector, as well as in Uganda and Egypt (Abou-Youssef et al., 2020). In turn, internal and external beliefs can be influenced and used to shape the customer experience. (Islam and Rahman, 2017; Abdulkader Kaakeh et al., 2019; Mortimer et al., 2020) and consumer behaviour (Hanudin Amin, 2020; J Bananuka et al., 2019).

Although the SASAMBO tribe in NTB Province is primarily muslim, there are cultural, traditional, and linguistic differences. According to Weber's ethnic relations theory, an ethnic group is a group of people who are recognized as individuals due to physical, religious, or other signs of integration and migration. If there are no such signs, interracial relationships are irrelevant (Weber, 1968). According to research on religious tolerance in ethnic groups, Durkheim's theory (Gofman, 2014) views ethnicity as a determinant of human and moral values. As a result, religion has always been a human-to-human interaction.

Many studies have found that ethnicity influences the preference or purchase of goods and services (Mokhlis et al., 2010). As a result, it is critical to understand the needs, similarities, and differences between customers from various countries, particularly in the consumer market. Furthermore, domestic market players such as Malaysia have a significant impact on the cultural influence of ethnic consumer behaviour (Butt and de Run, 2011; Mokhlis et al., 2010). Because ethnicity is an important factor in determining consumer behaviour, this study examines the preferences of Malay, Chinese, and Indian consumers in Malaysia's Islamic market to better understand them. This evidence is expected to support the findings of similar studies on the emergence of preferred financial institution service models (Devlin and Gerrard, 2005; Gait and Worthington, 2008).

According to Taleghani et al (2011), the banking industry is highly customer-oriented, maintains frequent and intensive contact with customers, and emphasises the importance of understanding what customers want. Community markets in America, Australia, the United Kingdom, and Malaysia are known for being multicultural and not adhering to specific cultural norms. The ability of businesses to understand multicultural markets is critical to their success. Culture has a strong influence on product selection and customer decisions (Lai et al., 2010). Opinions and race have emerged as important concepts in the study of customer behaviour in multicultural societies due to their ability to influence it. Ethnic group membership refers to the existence of ethnic groups based on some common features such as language, race, and religion (Jamal, 2003). The selection criteria for Islamic banks are based on the similarity of origin and culture, which is an important factor for ethnic groups who are part of a larger community with similar cultural characteristics and participate in the same activities, treating others of the same ethnicity equally (Mun, 2013).

The next link is the one between attitude and customer preferences. Attitude is the result of a person's assessment of positive or negative emotions toward a particular object. How people or customers perceive the importance of the principle, i.e. Sharia compliance, influences their attitude. According to Islam, Islam encompasses and governs all aspects of human life, including customer behaviour and preferences, and attitudes are inextricably linked to each individual. In Islamic banking, this refers to how actively a person participates in certain Islamic law-related activities. People have a positive attitude toward certain situations and things, sincerely believing that they will benefit both materially and spiritually. This influences customer preferences, which serve as both predictors and mediators (Abou-Youssef et al., 2015; Hanudin Amin et al., 2017; Juma Bananuka et al., 2020; A Kaakeh et al., 2019; H Kamiyama & Kawagi, 2019).

However, several studies on customer attitudes from a Muslim perspective show that the spiritual aspects of external and internal religiosity influence some Muslim customers and #039; positive attitudes towards the Islamic banking system and conventional banks, while

others offer reasons for less concern. Human and fixed behaviour is classified as attitude; it reflects the customer's tendency to choose certain banking products. An understanding of religiosity, awareness and attitudes, and customer preferences for Islamic and conventional banking products can be used to compare the competitiveness of Islamic and conventional banks. The best judgments and decisions are ultimately based on whether the features of the products and services offered are by the principles of Shariah and meet the specific needs of the customers.

The motivation for this study is to strengthen the findings (Shome et al., 2018; ElMassah & Abou-El-Sood, 2021; Junaidi, 2021) and other related research, as well as to support the SASAMBO ethnic group's dominance in the hope of strengthening the existence of banking institutions, particularly Islamic banks. Sasambo ethnicity is a reflection of Muslims to strengthen the connection between religion, awareness, and attitudes toward customer preferences. The use of research constructs relating to religiosity factors, awareness, and customer attitudes results in a shift in customer preferences from conventional banks to Islamic banks rather than a shift in customer preferences. Based on this explanation, the goal of this study is to demonstrate how religiosity (both external and internal factors) influences customer awareness and attitudes. Furthermore, the SASAMBO (Sasak Samawa Mbojo) ethnicity's preference for Islamic banks over conventional banks in NTB Province is influenced by Muslim customer awareness and attitudes.

B. METHOD

The type of research used is explanatory research. This research was conducted in West Nusa Tenggara (NTB) Province which includes 3 ethnicities Sasak, Samawa, and Mbojo (SASAMBO). The 3 ethnicities live on 2 islands, namely on the island of Lombok and the island of Sumbawa. The research time or data collection was conducted in 2023. The data collection method uses survey samples, the sample selection process based on the population of conventional bank customers and Islamic banks using non-probability sampling techniques, namely the *Judgement sampling* method. The population in this study are all customers or customers of conventional banks and Islamic banks in NTB province. Based on the law on bank secrecy, the customer population regarding the name and address can not be obtained. Based on the judgment sampling method, the sample size is 120 customers (ethnic Sasak 40 samples, ethnic Samawa 40 samples, and ethnic Mbojo 40 samples). The data collection technique is an online interview guided by data collection tools through the Google Form application.

Operationally, the research variables are defined as follows.

Extrinsic religiosity: related to activities to places of worship (mosques), which provide opportunities to make friends, gain knowledge and relationships; believe in Islam, strongly feel there are many more important things in life; pray mainly to get help and protection; Religion offers comfort in times of difficulty and sadness; Prayer is for peace and happiness; go to the mosque because I enjoy seeing people I know at the mosque; what I believe doesn't matter, as long as I leave the moral life.

Intrinsic religiosity: enjoy reading the Qur'an; important to spend personal time in deep thought and prayer; sometimes feel a strong presence of Allah; my whole life is based on Islam; although believe in my religion, some other things are more important in my life; important for me to spend personal time in meditation.

Customer attitudes: The Bank is beneficial to both lenders and borrowers; Financial and religious issues are inseparable; Islamic banks provide solutions to contemporary financial problems; committed to maintaining a relationship with the bank; strong sense of belonging to the bank.

Customer awareness: aware of banking and its products; Islamic banking practices are different from conventional banks; Islamic banks do not invest in prohibited businesses such as Alcohol, gambling, etc. Islamic banks are strictly based on profit and risk sharing.

Customer preferences: consider choosing an Islamic bank or a conventional bank as the first choice; believe choosing an Islamic bank or a conventional bank is a good idea; interested in choosing Islamic banking or conventional banks; interested in choosing Islamic banking or conventional banks in the future; would recommend Islamic banking or conventional banks to others.

All indicators on the five research variables (extrinsic religiosity, intrinsic religiosity, customer awareness, customer attitude, and customer preference) are measured on an interval scale, with a scale range of 5-1.

Testing research instruments using validity tests, and reliability tests. The analysis model used to test the hypothesis uses PLS-SEM (*Partial Least Square-Structural Equations Modelling*). The PLS-SEM model test steps are as follows.

C. RESULT AND DISCUSSION

Evaluation of the Measurement Model (*Outer Model*). Evaluation of the Measurement Model is carried out through two stages of measurement evaluation, namely, validity test and reliability test.

(1) Convergent Validity Test

This test is designed to assess the validity of each link between indicators and their constructions or latent variables. The manifest variable indicator score can be used to assess validity. Measurement with manifest indicators demonstrates that one indicator in a latent variable changes when other indicators in the same latent variable change. The convergent validity test results are shown in the table below.

Table 1 Outer Loading Value

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic ((O/STDEV))	P values
ER1 <- Extrinsic Religiosity	0.5529	0.5520	0.0701	7.8841	0.0000
ER3 <- Extrinsic Religiosity	0.7610	0.7501	0.0729	10.4372	0.0000
ER4 <- Extrinsic Religiosity	0.7789	0.7723	0.0795	9.8011	0.0000
ER5 <- Extrinsic Religiosity	0.8654	0.8566	0.0514	16.8403	0.0000
IR1 <- Intrinsic Religiosity	0.9092	0.9008	0.0395	22.9973	0.0000
IR2 <- Intrinsic Religiosity	0.8737	0.8674	0.0434	20.1386	0.0000
IR3 <- Intrinsic Religiosity	0.8977	0.8851	0.0454	19.7723	0.0000
IR4 <- Intrinsic Religiosity	0.8749	0.8634	0.0471	18.5868	0.0000
IR6 <- Intrinsic Religiosity	0.7667	0.7579	0.0688	11.1470	0.0000
A1 <- Awareness	0.5111	0.5005	0.1110	4.6051	0.0000
A2 <- Awareness	0.8079	0.8097	0.0339	23.8424	0.0000

A3 <- Awareness	0.7636	0.7568	0.0494	15.4457	0.0000
A4 <- Awareness	0.7709	0.7622	0.0763	10.0967	0.0000
A5 <- Awareness	0.4273	0.4340	0.1195	3.5775	0.0004
At1 <- Attitude	0.7788	0.7600	0.1071	7.2728	0.0000
At3 <- Attitude	0.8447	0.8250	0.0724	11.6696	0.0000
At4 <- Attitude	0.7906	0.7917	0.0962	8.2183	0.0000
At5 <- Attitude	0.8015	0.8034	0.0953	8.4085	0.0000
P1<- Preferences	0.6646	0.6387	0.1252	5.3063	0.0000
P2<- Preferences	0.8882	0.8734	0.0555	16.0112	0.0000
P3<- Preferences	0.8698	0.8551	0.0546	15.9194	0.0000
P4<- Preferences	0.8565	0.8480	0.0458	18.6816	0.0000
P5<- Preferences	0.8597	0.8593	0.0342	25.1180	0.0000

Source: primary data, processed

According to Chin (1998) in Ghazali (2012: 25), a correlation with a loading value larger than 0.5 has convergent validity. The output reveals that the loading factor exceeds the suggested value of 0.5. Thus, the indicators utilized in this study met the criteria for convergent validity.

The average extracted variance (AVE) with a value greater than 0.5 is used as a determinant of convergent validity. If the AVE value is less than 0.5, it is considered not convergent valid.

Table 2. AVE value (*Average Variance Extracted*)

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic ((O/STDEV))	P values
Extrinsic Religiosity	0.5601	0.5542	0.0533	10.5160	0.0000
Intrinsic Religiosity	0.7498	0.7359	0.0633	11.8519	0.0000
Awareness	0.4548	0.4568	0.0488	9.3232	0.0000
Attitude	0.6469	0.6414	0.0573	11.2823	0.0000
Preference	0.6920	0.6769	0.0708	9.7689	0.0000

Source: primary data, processed

Based on table 2, shows that all constructs or variables have an AVE value above 0.5 except extrinsic religiosity, with the lowest AVE value of 0.3515, while the highest AVE value is 0.8467 on the preference construct.

To declare the reliability of a latent variable, the composite reliability value must be greater than 0.5 and the *Cronbach's alpha* value is greater than 0.5.

Table 3 Cronbach's Alpha Reliability Test Results

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic ((O/STDEV))	P values
Extrinsic Religiosity	0.7278	0.7169	0.0592	12.2923	0.0000
Intrinsic Religiosity	0.9157	0.9071	0.0326	28.1237	0.0000
Awareness	0.6758	0.6680	0.0703	9.6111	0.0000
Attitude	0.8214	0.8193	0.0353	23.2513	0.0000
Preference	0.8873	0.8764	0.0391	22.6902	0.0000

Source: primary data, processed

Based on Table 3, it can be explained that the latent variables measured in this study are based on Cronbach's Alpha value of more than 0.5 good. So it can be said that all latent variables are reliable.

In the PLS model, the significance test is used to determine the influence of factors, specifically exogenous variables, on endogenous variables. To test hypotheses, use the provisions based on the t-table value at a 95% confidence level (α of 5%). Tables 4 and 5 show the findings of assessing the indirect influence route coefficient and direct effect, respectively.

Table 4. Results of testing the indirect effect path coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic (O/STDEV)	P values
Extrinsic Religiosity -> Attitude	0.1924	0.1991	0.0848	2.2689	0.0234
Intrinsic Religiosity -> Attitude	0.0472	0.0450	0.0503	0.9375	0.3486
Extrinsic Religiosity -> Preference	0.2820	0.2817	0.0806	3.4978	0.0005
Intrinsic Religiosity -> Preference	0.0626	0.0667	0.0845	0.7401	0.4593
Awareness -> Preference	0.0525	0.0505	0.0449	1.1678	0.2430

Source: primary data, processed

Table 5. Direct effect path coefficient test results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic (O/STDEV)	P values
Extrinsic Religiosity -> Awareness	0.5489	0.5493	0.0945	5.8118	0.0000
Intrinsic Religiosity -> Awareness	0.1346	0.1355	0.1390	0.9686	0.3328
Extrinsic Religiosity -> Attitude	0.0902	0.0747	0.1470	0.6139	0.5393
Intrinsic Religiosity -> Attitude	-0.0219	-0.0095	0.1574	0.1393	0.8893
Awareness -> Attitude	0.3505	0.3567	0.1230	2.8490	0.0044
Awareness -> Preference	0.5416	0.5400	0.0906	5.9777	0.0000
Attitude -> Preference	0.1497	0.1316	0.1028	1.4563	0.1454

The significance test in the PLS-SEM model aims to determine the indirect and direct effects of variables, in this instance exogenous variables on endogenous variables. To test hypotheses, use the provisions based on the t-table value at a 95% confidence level ($\alpha=5\%$). The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in concluding the indirect and direct effects on each latent variable refers to Table 9 and Table 10, while the explanation is described as follows.

Total effect: indirect relationship

Testing the total effect of the indirect relationship of extrinsic religiosity on preferences: the statistical t value for the extrinsic religiosity variable (RE) on the influence on the preference variable (P) is 3.6672, if the statistical t value is compared with the t-table at α 5 per cent which is 1.96, then the t statistic (3.6672) is greater than the t table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that extrinsic religiosity has a significant and positive effect on the preference of Islamic banks and conventional banks by Muslim customers of SASAMBO ethnicity.

Testing the total effect of the indirect relationship of intrinsic religiosity on preference: the value of t statistics for the extrinsic religiosity variable (RI) on the effect on the preference variable (P) is 3.6957, if the value of t statistics is compared with the t-table at α 5 per cent which is 1.96, then t statistics (3.6957) is greater than t table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that intrinsic religiosity has a significant and positive effect on the preference of Islamic banks and conventional banks by Muslim customers of SASAMBO ethnicity.

Total effect: direct relationship

Hypothesis testing of the effect of extrinsic religiosity on awareness: the t-statistic value for the extrinsic religiosity variable (RE) on the influence on the awareness variable (K) is 3.8358, if the t-statistic value is compared with the t-table at α 5 per cent, which is 1.96, then the t-statistic (3.8358) is greater than the t-table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that extrinsic religiosity has a significant and positive effect on awareness.

Hypothesis testing of the effect of extrinsic religiosity on attitude: the t-statistic value for the extrinsic religiosity variable (RE) on the attitude variable (P) is 0.4438, if the t-statistic value is compared with the t-table at α 5 per cent, which is 1.96, then the t-statistic (0.4438) is smaller than the t table (1.96). Thus it is concluded to accept H_0 or reject H_a , meaning that extrinsic religiosity has no significant effect on Attitude.

Hypothesis testing of the effect of intrinsic religiosity on awareness: the t-statistic value for the intrinsic religiosity variable (RI) on the effect on the awareness variable (K) is 4.1582, if the t-statistic value is compared with the t-table at α 5 per cent which is 1.96, then the t-statistic (4.1582) is greater than the t-table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that intrinsic religiosity has a significant and positive effect on awareness.

Hypothesis testing of the effect of intrinsic religiosity on attitude: the statistical t value for the intrinsic religiosity variable (RI) on the effect on the attitude variable (S) is 1.4930, if the statistical t value is compared with the t-table at α 5 per cent which is 1.96, then the t statistic (1.4930) is smaller than the t table (1.96). Thus it is concluded to accept H_0 or reject H_a , meaning that intrinsic religiosity has no significant effect on Attitude.

Hypothesis testing of the effect of awareness on attitude: the t-statistic value for the awareness variable (K) on the effect on the attitude variable (S) is 2.4866, if the t-statistic value is compared with the t-table at α 5 per cent, which is 1.96, then the t-statistic (2.4866) is

greater than the t-table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that awareness has a significant effect on attitude.

Hypothesis testing of the effect of awareness on preferences: the statistical t value for the awareness variable (K) on the influence on the preference variable (P) is 8.4675, if the statistical t value is compared with the t-table at α 5 per cent which is 1.96, then the t statistic (8.4675) is greater than the t table (1.96). Thus it is concluded to reject H_0 or accept H_a , meaning that awareness has a significant and positive effect on the preference of Islamic banks and conventional banks by SASAMBO ethnic customers.

Hypothesis testing of the effect of attitude on preference: the statistical t value for the attitude variable (S) on the influence on the preference variable (P) is 0.1621, if the statistical t value is compared with the t-table at α 5 per cent which is 1.96, then the t statistic (0.1621) is smaller than the t table (1.96). Thus it is concluded to accept H_0 or reject H_a , meaning that attitude has no significant effect on the preference of Islamic banks and conventional banks by SASAMBO ethnic customers.

The structural model in PLS is measured using the dependent construct of the *path* coefficient value or *t-value of each path* to test the significance between constructs in the structural model. The value is used to measure the level of variation in changes in the independent variable on the dependent variable. The higher it is, the better the prediction model of the proposed research model (Jogiyanto & Abdillah, 2016: 62). This evaluation consists of several criteria, namely the coefficient of determination (R^2) or ($\text{adj } R^2$), and *Effect Size* (f^2).

Coefficient of Determination (R^2)

Table 6. Value of the Coefficient of Determination (R^2)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic (O/STDEV)	P values
Awareness	0.4155	0.4324	0.1092	3.8052	0.0001
Attitude	0.0779	0.1214	0.0571	1.3622	0.1732
Preference	0.2984	0.3111	0.1029	2.9007	0.0038

Source: primary data, processed

Table 7 Value of adjusted coefficient of determination ($\text{Adj } R^2$)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic (O/STDEV)	P values
Awareness	0.4055	0.4227	0.1111	3.6513	0.0003
Attitude	0.0540	0.0987	0.0586	0.9211	0.3571
Preference	0.2864	0.2993	0.1046	2.7373	0.0062

Source: primary data, processed

Based on the results of data testing presented in Tables 6 and 7, it can be seen that for the construct of determinants of preferences for Islamic banks and conventional banks, the values of R^2 and $\text{adj } R^2$ are 0.2984, and 0.2864, respectively. This value indicates that the strength of the relationship between variables in the analysis is categorised as moderate. This means that the construct of preference for Islamic banks and conventional banks is influenced by awareness and attitudes by 29.84 per cent and 70.16 per cent is influenced by other variables outside the model including bank image, performance and bank reputation.

Effect size (f^2)

Table 8. Effect Size Coefficient Value (f^2)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	t statistic (O/STDEV)	P values
Extrinsic Religiosity -> Awareness	0.2978	0.3264	0.1214	2.4531	0.0142
Extrinsic Religiosity -> Attitude	0.0050	0.0195	0.0260	0.1936	0.8465
Intrinsic Religiosity -> Awareness	0.0179	0.0436	0.0560	0.3202	0.7489
Intrinsic Religiosity -> Attitude	0.0029	0.0148	0.0197	0.1489	0.8816
Awareness -> Attitude	0.0779	0.0938	0.0623	1.2494	0.2116
Awareness -> Preferences	0.3194	0.3472	0.1583	2.0178	0.0437
Attitude -> Preferences	0.0299	0.0396	0.0426	0.7014	0.4831

Source: primary data, processed

The effect size (f^2) cost suggests whether or not no longer there is a significant relationship between variables. That every variable with an f^2 value of more than 0.02, can be labelled as having an effect or impact. primarily based on Table 13, it could explain the relationship between extrinsic religiosity to awareness and attitude, the connection between intrinsic religiosity to awareness and attitude, the relationship between awareness to attitude, the connection between awareness to desire, and the connection between attitude to choice. wherein there are most effective 2 relationships with an effect length f^2 value extra than 0.02, particularly the connection between intrinsic religiosity to focus, and the connection of awareness to customer options in terms of choosing Islamic banks and conventional banks.

This study revealed the factors that can influence customer preferences regarding the presence of Islamic banks and conventional banks. It is very important and essential, which is useful for developing development strategies to achieve competitive advantage in the financial sector. The religious dimensions (external and internal) of the SASAMBO ethnic group have significant effects. This means that external and internal religiosity represented by knowledge and belief in Islam, prayer for peace and happiness, consolation and cultivation of moral values can explain the consciousness of the client. This finding is consistent with research findings (Islam and Rahman, 2017; Kaakeh et al., 2019; Mortimer et al., 2020). In addition, external and internal religiosity affects the awareness of using religion for self-justification, such as adopting Islamic banking products and services for security, convenience, and friendliness. Another argument can be made that the social dimension of Islamic values and worship is consistently an important factor in influencing the ideas and attitudes of SASAMBO's ethnic Muslim customers, thus this finding is consistent with research findings (Junaidi et.al., 2021, Mortimer et al., 2020).

Conversely, religiosity (extrinsic and intrinsic) does not affect consumer attitudes. This means the religiosity dimension has not been capable of persuading customers that financial troubles are something that cannot be separated from religion. similarly, clients do not trust that Islamic banks can offer answers to contemporary monetary problems, and are not

committed to preserving relationships, and a robust sense of belonging to the bank. This finding is the anti-thesis of the speculation constructed, and is inconsistent when related to the findings based on studies (Bananuka et.al., 2019, Junaidi et.al., 2021; Mumuni et.al., 2018, Rahman et.al., 2015), which reveals that religiosity positively influences customer attitudes and preferences.

The relationship between awareness and customer preferences of Islamic banks and conventional banks. The results of this study show that awareness factors have a significant and positive effect on customer preferences. Through the information side, customer awareness has been applied, customers have knowledge and understanding of the differences between Islamic banking practices and traditional banks. Customers understand that specially managed Sharia banks do not invest in businesses prohibited by Islamic teachings (eg alcohol sales, gambling, and prostitution establishments). The results of this finding are consistent with research findings (J Junaidi et al., 2021; Islam and Rahman, 2017; A Kaakeh et al., 2019) which show the ability to experience and recognize goods and services offered by financial institutions. is called consciousness. However, when customers are aware of banking products and services, most are interested in using Islamic money transfer methods (Amin, 2020; Islam and Rahman, 2017; Muslichah et al., 2020). As it has been argued, the decision of ethnic Muslim customers of SASAMBO to choose between Islamic and conventional banks is significantly influenced by their level of awareness.

The relationship between attitudes and customer preferences for Islamic banks and conventional banks. The findings reveal that attitudinal factors do not affect customer preferences. Attitude factors that emphasise aspects of mutual benefit between the two parties (customers and banks). This means that the attitude of SASAMBO ethnic customers has not optimally helped banking parties to provide recommendations to the public about the existence of Islamic banks or conventional banks in the future. Because the advantages of banking institutions in the future evolve and adapt along with the massive development of the digital economy and finance. Regarding the preference for Islamic banks, a person should positively exhibit certain behaviours concerning Islamic law in the context of Islamic finance. People tend to have a positive attitude towards certain situations or things that they believe will benefit them both materially and spiritually. The findings of this study are therefore inconsistent when linked to the findings in the study of (J Junaidi et al., 2021; Abou-Youssef et al., 2015; Amin et al., 2017; J Bananuka, Kasera, et al., 2019; Abdulkader Kaakeh et al., 2019; Hajime Kamiyama & Kashiwagi, 2019).

D. CONCLUSION

Based on the results and discussion of this research, it can be concluded as follows.

Extrinsic and intrinsic religiosity have a considerable impact on awareness, even as extrinsic and intrinsic religiosity haven't any big impact on attitudes. The awareness factor is tested to have a considerable effect on customer preferences for deciding between Islamic banks and conventional banks. The attitude factor was verified to have no considerable impact on customer alternatives for selecting Islamic banks and traditional banks. Extrinsic religiosity is constantly followed by way of an instrumental orientation and clings to all appropriate actions, this is manifested through actions that maximise an individual's internal pride, which is beneficial for presenting religious security and comfort, friendliness and distraction or self-justification no matter the effects of external factors of each person.

Customers' belief that the Islamic banking system is by Sharia concepts has a good sized effect on their consciousness of the usage of the Islamic banking device. Intrinsic religiosity tends to motivate a person primarily based on their religion, specifically when someone conducts monetary transactions. This mindset views faith as a manner of life based on its preliminary function in behaviour, via focus and attitudes for example towards Islamic

banking merchandise. customers' attention to the idea of Islam causes them to be aware of which merchandise and tactics are suitable and inappropriate, but while Customers' are privy to these products and services, most people become interested in the usage of Islamic financial transaction methods. Attitude is an evaluative effect of superb or terrible emotions displayed using individuals toward certain items, or perspectives on a principle and the most crucial element is complying with Islamic regulations in figuring out attitudes as banking customers.

E. SUGGESTIONS AND ACKNOWLEDGMENTS

Islamic banks' development cannot be isolated from religious feelings, as they are inherently founded on Islamic law or principles. In other words, religion must be included as part of a plan for acquiring new or retaining existing clients, particularly those from traditional groups. Although Islamic banks are founded on Islamic teachings and values, the Muslim client base is not uniform. In other words, the Muslim customer market cannot be viewed as a monolithic entity; hence, market segmentation of Muslims is essential in Islamic banks' marketing strategies, and Islamic banks must be able to apply diverse techniques to each sector.

In general, both Islamic and conventional bank clients say that service, convenience, and security are essential factors in choosing a bank. Last but not least, Islamic banks must be on par with, if not better than, mainstream banks in terms of financial technology utilization. If Islamic banks can achieve these requirements, they will be able to compete with traditional banks in meeting the demands and wishes of their clients. Thus, Islamic banks must continue to develop if they are to grab greater prospective markets.

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