



The Effect of Product Knowledge, Online Promotion, and Location on Millennial Interest in Using Islamic Bank Financing in Ponorogo Regency

Nyka Sari Pratama¹, Erin Nurda Iwana^{*2}

^{1,2} Universitas Islam Negeri Kiai Ageng Muhammad Besari Ponorogo, Indonesia

Article Info	Abstract
Article history: Received March 10, 2026 Revised April 13, 2026 Accepted June 27, 2026 Available online August 15, 2026 *Corresponding author email: erinnurda20@gmail.com Keywords: Islamic Bank Financing, Location, Millennial Interest, Online Promotion, Product Knowledge Page: 167-176	Introduction/Main Objectives: This study examines the effects of product knowledge, online promotion, and location on millennials' interest in using Islamic bank financing in Suru Village, Ponorogo. Research Methods: A quantitative approach was used with 100 millennial respondents. Data were collected through questionnaires and analysed using validity, reliability, classical assumption, multiple linear regression, t-test, F-test, and coefficient of determination with SPSS 25. Finding/Results: Product knowledge and location did not significantly affect interest, while online promotion had a positive and significant effect. Simultaneously, all three variables significantly influenced millennial interest and explained 50% of its variation. Conclusion: Online promotion is the strongest factor influencing millennials' interest in Islamic bank financing, suggesting that Islamic banks should prioritize digital marketing while improving public understanding of their products AICIE with CC BY license. Copyright © 2026, the author(s)

INTRODUCTION

The development of Islamic banking in Indonesia has experienced significant growth and has become an important sector in the national financial system. Islamic financial institutions provide financial services based on Islamic principles, including fairness, transparency, and the prohibition of usury. Along with the growing public awareness of halal financial practices, Islamic banks continue to expand their products and services to meet diverse financial needs, including financing for productive and consumptive purposes. Islamic bank financing plays an important role in supporting economic activities and improving public welfare. Financing products offered by Islamic banks are designed to provide access to finance while maintaining compliance with Islamic values. However, despite the growth of Islamic banking institutions, public participation in utilizing Islamic financing products remains relatively limited compared to conventional financial services.

One of the important groups that has become the focus of financial service development is the millennial generation. Millennials are recognized as individuals with productive age characteristics, high adaptability to technological development, and strong engagement with digital information. Their financial behavior is increasingly influenced by accessibility, information availability, and digital communication channels. Therefore, understanding the factors influencing millennials' interest in using Islamic banking products becomes increasingly important. Interest is considered an important determinant of individual decision-making behavior. In the context of Islamic banking, interest reflects an individual's tendency and willingness to use financial products, shaped by personal perceptions and external influences. Several factors are assumed to influence interest in using Islamic bank financing, including product knowledge, online promotion, and location.

Product knowledge strengthens consumer confidence by improving understanding of product features, benefits, procedures, and differences between Islamic and conventional financing. Meanwhile, online promotion expands the reach of information and can increase customer interest and engagement through digital platforms. Location is also considered a factor affecting customer decisions. Strategic location and accessibility may influence convenience in obtaining banking services. Nevertheless, the development of digital services potentially reduces the importance of physical proximity, especially among technology-oriented generations. Previous empirical studies have reported different findings regarding the influence of product knowledge, online promotion, and location on customers' interest in using Islamic banking products. Some studies found that product knowledge and online promotion significantly influence customers' interest, while other studies reported insignificant effects for one or more of these variables. Likewise, findings on the influence of location remain inconsistent across research settings. These inconsistencies indicate that the relationships among product knowledge, online promotion, location, and millennials' interest in using Islamic

bank financing require further investigation, particularly in Suru Village, Sooko District, Ponorogo Regency.

This study adopts a consumer behavior perspective, which holds that both internal and external factors influence consumers' interest in using financial products. Product knowledge represents consumers' understanding of Islamic banking products; online promotion reflects digital marketing communication that influences customer awareness and interest; and location represents the accessibility of banking services. Therefore, these three variables were selected because they are theoretically and practically relevant to explaining millennials' interest in using Islamic bank financing. Based on these conditions, this study aims to analyze the effect of product knowledge, online promotion, and location on millennial interest in using Islamic bank financing in Suru Village, Sooko District, Ponorogo Regency. This study is expected to contribute theoretically to the consumer behavior and Islamic banking literature and to provide practical recommendations for Islamic banking institutions to develop more effective marketing strategies.

METHOD

This study employed a quantitative research approach to analyze the effect of product knowledge, online promotion, and location on millennial interest in using Islamic bank financing. A quantitative approach was selected because this study focused on measuring relationships among variables and testing research hypotheses through statistical procedures. The research was conducted in Suru Village, Sooko District, Ponorogo Regency. The location was selected because it represents an area with active millennial communities and provides relevant conditions to examine factors affecting interest in Islamic bank financing. The study population consisted of millennials residing in the research area. The sample was selected using predetermined criteria and comprised 100 respondents. Respondents were selected according to characteristics relevant to the research objectives to ensure that the collected data accurately represented the target population.

The sampling technique employed in this study was purposive sampling. This technique was selected because the respondents had to meet specific criteria, namely millennials residing in Suru Village, Sooko District, Ponorogo Regency, who were considered relevant to the objectives of this study. Therefore, purposive sampling ensured that the collected data appropriately represented the target population. This study used primary data collected through the distribution of questionnaires. The questionnaire was developed based on research indicators and measured on a Likert scale ranging from strongly disagree to agree strongly. Data were collected directly to obtain respondents' perceptions of the variables examined. The variables in this study consisted of three independent variables and one dependent variable. Product knowledge (X1) refers to respondents' understanding of Islamic banking financing products, including product characteristics, benefits, procedures, and product advantages.

Online promotion (X2) refers to promotional activities conducted through digital media and online communication channels that influence customer awareness and interest.

Location (X3) refers to accessibility, convenience, and strategic positioning related to obtaining banking services. Meanwhile, millennial interest in using Islamic bank financing (Y) refers to respondents' willingness and intention to use Islamic banks' financing services. The data analysis was conducted using the Statistical Package for the Social Sciences (SPSS) version 25. Several analytical techniques were employed to test the research model. Validity testing was used to measure whether research instruments accurately represented the variables. Reliability testing was conducted to determine measurement consistency. Prior to hypothesis testing, the research instrument was evaluated for validity and reliability. The validity test indicated that all questionnaire items satisfied the required validity criteria. Furthermore, the reliability test demonstrated that all research variables achieved acceptable Cronbach's Alpha values, indicating that the instrument was reliable for data collection and subsequent statistical analysis.

Classical assumption testing included normality testing, multicollinearity testing, and heteroscedasticity testing to ensure that the regression model fulfilled statistical assumptions. Furthermore, multiple linear regression was used to assess the influence of the independent variables on the dependent variable. Hypothesis testing consisted of partial significance testing (t-test) to determine individual variable effects and simultaneous significance testing (F-test) to determine collective variable effects. In addition, the coefficient of determination (R^2) was used to measure the proportion of variation in millennial interest explained by product knowledge, online promotion, and location.

RESULT AND DISCUSSION

This study analyzed the effect of product knowledge, online promotion, and location on millennial interest in using Islamic bank financing. The analysis was conducted using questionnaire data collected from 100 respondents and processed using SPSS version 25. Before testing the hypotheses, the research instruments were evaluated for validity and reliability. The validity test results indicated that all questionnaire items fulfilled the required criteria and were considered valid in measuring the variables. Reliability testing also showed acceptable consistency values, indicating that the instruments were reliable for data collection.

Furthermore, classical assumption tests were conducted to ensure that the regression model fulfilled statistical requirements. The normality test indicated that the data distribution met the assumptions of normality. Multicollinearity testing showed no strong correlation among the independent variables, while heteroscedasticity testing indicated no evidence of variance irregularities. Therefore, the regression model was considered suitable for further analysis. Multiple linear regression analysis was then conducted to determine the influence of independent variables on millennial interest in using Islamic bank financing.

Table 1. Summary of Hypothesis Testing Results

Hypothesis	Variable Relationship	t-value	Sig.	Decision
H1	Product Knowledge (X1) → Interest (Y)	-0.413	0.681	Rejected
H2	Online Promotion (X2) → Interest (Y)	7.526	0.000	Accepted
H3	Location (X3) → Interest (Y)	1.837	0.069	Rejected

Source: Processed Research Data (SPSS 25)

The first hypothesis examined the effect of product knowledge on millennial interest. The results showed that product knowledge did not significantly affect interest in using Islamic bank financing. This finding indicates that knowledge regarding Islamic banking products alone is insufficient to encourage financing decisions among millennials. Although respondents may understand product characteristics and benefits, such understanding does not necessarily translate into behavioral intention. This finding may indicate that millennials tend to consider other practical factors beyond product understanding. Access to information, convenience, financial needs, and communication approaches may contribute more strongly to financing decisions.

This finding is consistent with the study conducted by Siti Raihana and Riza Aulia Azhary (2019), which reported that product knowledge did not significantly influence public interest in Islamic banking. However, it differs from the findings of Dhiena Fadhilah (2020), Dumasari Siregar (2020), and Akhmad Darmawan et al. (2019), who found that product knowledge had a significant positive effect on customers' interest. These differences may be attributed to variations in respondent characteristics, research locations, and the rapid development of digital financial services. In the context of this study, millennials tend to prioritize practical benefits and accessibility over relying solely on their knowledge of Islamic banking products. The second hypothesis tested the influence of online promotion. The findings revealed that online promotion had a positive and significant effect on millennial interest. This result indicates that promotional activities delivered through digital channels successfully increase awareness and attract interest among millennials.

Online promotion allows Islamic banking institutions to communicate product information efficiently and interactively. Social media, digital campaigns, and online communication platforms help shape customer perceptions and encourage the adoption of financial services. Considering that millennials are highly exposed to digital environments, promotional effectiveness becomes increasingly important. This result supports the findings of Dumasari Siregar (2020) and Risa (2020), who concluded that promotional activities significantly influence customers' interest in Islamic banking products. The consistency of these findings indicates that digital promotion has become an effective communication strategy for increasing millennials' awareness and encouraging their intention to use Islamic banking financing. Given

the rapid advancement of information technology, Islamic banking institutions should continually optimize their digital marketing across social media, websites, and other online communication platforms.

The third hypothesis examined the effect of location. The results demonstrated that location did not significantly influence millennial interest in using Islamic bank financing. This finding suggests that physical accessibility is becoming less dominant as digital financial services become more available. Modern consumers, especially millennials, increasingly prioritize convenience, speed of information, and digital accessibility over physical distance. Therefore, strategic location alone may no longer be sufficient to attract customer interest. The findings of this study are consistent with the research conducted by Akhmad Darmawan et al. (2019), which also reported that location did not significantly influence customers' interest. However, these findings differ from those of Siti Raihana and Riza Aulia Azhary (2019), who found that location had a significant positive effect. Differences in research settings and customer characteristics may explain this inconsistency. In recent years, the increasing availability of digital banking services has reduced customers' reliance on physical branches, particularly among millennials, who are familiar with technology-based financial services.

Table 2. Simultaneous Test and Coefficient of Determination

Analysis	Value	Decision
F-value	31.965	Significant
F-table	3.090	H0 Rejected
Sig.	0.000	Significant
R ²	0.500	50%

Source: Processed Research Data (SPSS 25)

Simultaneous testing using the F-test showed that product knowledge, online promotion, and location collectively had a significant effect on millennial interest in using Islamic bank financing. These findings indicate that although not all variables significantly influence interest individually, their combined contribution remains important. The coefficient of determination (R²) indicated that 50% of the variation in millennial interest could be explained by product knowledge, online promotion, and location. The remaining variation was influenced by other variables not included in this study.

Overall, the findings emphasize the importance of strengthening digital marketing strategies within Islamic banking institutions. Online promotion appears to play a more strategic role than conventional approaches in attracting millennial consumers. Therefore,

Islamic banks should continuously develop communication strategies that align with technological advancement and customer behavior.

CONCLUSION

This study aimed to analyze the effect of product knowledge, online promotion, and location on millennial interest in using Islamic bank financing in Suru Village, Sooko District, Ponorogo Regency. The findings revealed that product knowledge did not significantly affect millennial interest in using Islamic bank financing. This result indicates that understanding product information alone is not sufficient to encourage financing decisions among millennials.

Likewise, location did not show a significant effect, suggesting that accessibility to physical banking services is becoming less influential due to technological advancement and digital financial services. In contrast, online promotion demonstrated a positive and significant effect on millennial interest. This finding confirms that digital communication and promotional activities have become important determinants in influencing millennials' financial preferences and decisions. Since millennials are highly connected to digital platforms, online promotion provides broader opportunities for Islamic banking institutions to increase awareness and customer engagement. Simultaneously, product knowledge, online promotion, and location significantly influenced millennial interest in using Islamic bank financing. The coefficient of determination indicated that the research model explained 50% of the variation in interest, with the remaining percentage attributable to other variables outside the scope of this study.

This study contributes to the literature on Islamic banking consumer behavior by providing empirical evidence regarding the influence of product knowledge, online promotion, and location on millennials' interest in using Islamic bank financing. The findings suggest that Islamic banking institutions should prioritize digital promotional strategies while continuously improving public understanding of Islamic banking products through educational activities. Nevertheless, this study was limited to millennials in Suru Village, Sooko District, Ponorogo Regency, and employed a quantitative approach using questionnaire data. Therefore, future research is recommended to involve broader research areas, larger sample sizes, additional variables, and mixed research methods to obtain a more comprehensive understanding of customer interest in Islamic bank financing. The findings of this study provide practical implications for Islamic banking institutions to strengthen digital marketing strategies and optimize communication channels that better align with millennial characteristics. Promotional approaches should emphasize accessibility, interactive communication, and clarity of information to increase customer interest.

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