



## Determinants of Murabahah Financing for Microfinance

\***Ririn Tri Ratnasari**, *Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia*, [ririnsari@feb.unair.ac.id](mailto:ririnsari@feb.unair.ac.id)

**Faishol Luthfi**, *Faculty of Economics and Business, Universitas Airlangga, Surabaya, Indonesia*, [ishol2107@gmail.com](mailto:ishol2107@gmail.com)

**Wildana Latif Mahmudi**, *Semarang State Polytechnic, Semarang, Indonesia*, [latifwildana@gmail.com](mailto:latifwildana@gmail.com)

\*Corresponding Author

**Abstract.** This study aims to analyze the determinants of the decision of micro and small entrepreneurs in the culinary sector in choosing murabaha financing through microfinance. The subjects of this study are micro and small entrepreneurs at microfinance. The sample of this research is 100 micro and small entrepreneurs of the culinary sector members of microfinance which were taken using convenience sampling method. Data collection techniques using questionnaires and documentation. The analysis technique used in this study is exploratory factor analysis. This study will formulate 20 indicators obtained from the preliminary test and then reduced to a factor or variable. The variable to be examined is the decision of micro and small entrepreneurs in the culinary sector in choosing murabaha financing through the microfinance. The stages of the research method are the preliminary test, library study, and the main test conducted on 100 micro and small entrepreneurs in the culinary sector members of microfinance. The results of this study indicate that there are five factors that influence the decision of micro and small entrepreneurs in the culinary sector in choosing murabaha financing through microfinance. These factors include service convenience factors, factors of compensations, trust factors, microfinance image factors and professionalism factors. Funding also impacts micro and small entrepreneurs, both in terms of Madiyah welfare and spiritual welfare. The impact of financing from the Madiyah welfare side can be shown by an increase in business income. In terms of spiritual welfare, the financing of microfinance has helped increase the worship of micro and small entrepreneurs.

**Keywords:** Micro and Small Entrepreneur Decisions, Microfinance, Exploratory Factor Analysis.

Received: 07.10.2020

Accepted: 16.11.2020

Published: 25.12.2020

### INTRODUCTION

Indonesia, which is a developing country, is currently faced with problems such as poverty and unemployment. One effort to overcome this problem is to move the community to engage in productive economic activities and encourage the real sector. One of them is by developing the Micro and Small Entrepreneur sector. Micro and Small Entrepreneurs have an important and strategic role in national economic development (Bank Indonesia, 2018). At present Micro and Small Entrepreneurs still face a variety of classic problems. These problems include low productivity due to difficulties in accessing capital, markets, technology and information. The implication is that Islamic microfinance institutions emerge, namely microfinance institutions based on the Koran and Hadith (Herianingrum, et. Al, 2019; Maluleke et al., 2019; David & Grobler, 2019; Basılgan & Akman, 2019). Islamic financial institutions that are commonly found in Indonesia are micro finance. This institution helps provide capital access services for Micro and Small Entrepreneurs.

Microfinance financing must be in accordance with the vision of micro finance, namely improving the welfare of micro and small entrepreneurs. Put simply, financing from micro finance must improve the welfare of Micro and Small Entrepreneur entrepreneurs (in terms of both the world and the hereafter). Essential welfare in Islamic economics is world and the hereafter (Herianingrum, et. al., 2019). World welfare occurs through increased income from micro and small entrepreneurs as a result of financing through micro finance. The need for goods and services is more easily fulfilled with high income. Prosperity in Islam economics is one of the results of activity to achieve maqasid al-shariah (Widiastuti et al., 2019). World welfare is called madiyah welfare. The welfare of the hereafter occurs through increased worship of micro and small entrepreneurs as a result of financing through micro finance. Perception in the context of Islamic economics has certain limitations, Muslim consumer perceptions are born of

Islamic teachings (Ratnasari et al., 2019). The ultimate inner peace of a Muslim occurs when the Muslim worships to Allah SWT. Micro finance which is an Islamic microfinance institution is demanded to have emotional closeness with its members (micro and small entrepreneurs). It is through this closeness that micro finance can participate in the well-being of the afterlife of its members. Micro finance can provide moral injections so that members experience increased worship. Inner peace through increased worship is called spiritual welfare.

The majority of the population in Indonesia is Muslim, and there are so many small and medium businesses (Ratnasari et al., 2020). The large number of Muslims in Indonesia certainly makes micro finance more acceptable and growing. The presence of micro finance that is in line with Islamic principles should be of interest to micro and small Muslim entrepreneurs but so far the development of micro finance is still inferior when compared to conventional microfinance institutions. The Ministry of Cooperatives website says that

"The growth of micro finance itself is quite significant. Based on PBMT data, there were 4,500 micro finance in 2015 serving 3.7 million people with assets of around Rp 16 trillion, managed by around 20 thousand people. Data from the Ministry of Cooperatives and Micro and Small Entrepreneurs shows that the number of cooperative business units in Indonesia reaches 150,223 business units, of which 1.5 percent of cooperatives are KSPPS legal entities" (depkop.go.id).

Islam has a long way to have a system regarding financing. Among these types of transactions is *ba'i al-Murabahah* (Antonio, 2011: 101). *Murabaha* financing is one of the most recognized and attractive products for customers of Islamic banking and other Islamic institutions in Indonesia. Herianingrum et al (2019) stated in their study that the distribution of financing with *murabaha* scheme shows the highest number compared to other financing contracts, the dominance of financing is in the financing of *mudharaba*, *musharaka* and *murabaha*. For example, in 2018, from a total of Rp 286,621 billion in financing carried out by Islamic banks and Islamic business units, the portion of *murabaha* financing reached Rp 150,414 billion or around 52.47 percent of the total funds issued compared to the *mudharabah* contract which only reached Rp 16,770 billion 5.85 percent (Islamic Banking Statistics, 2018).

There are several factors that influence the behavior of business consumers, including: environmental factors, business consumers must pay attention to economic factors that are currently running or expected such as the level of production, investment, consumer spending, and interest rates. In addition to these factors, there are also inter-personal and personal factors that influence the behavior of business consumers (Kotler and Armstrong, 2016: 224).

Financing for Micro and Small Entrepreneurs can provide a broad multiplier effect for the regional economy. Funding to MSEs entrepreneurs is not only able to help with capital which in the future will increase income, but is also expected to absorb more labor from time to time. If you see the large role of Micro and Small Entrepreneurs in driving the regional economy, financing to Micro and Small Entrepreneurs will also have an impact on the development of the regional economy.

## LITERATURE REVIEW

### Murabahah Financing

Antonio (2001: 101) explains *ba'i al-murabahah* is the sale and purchase of goods at the original price with additional agreed profits. In *ba'i al-murabahah*, the seller must tell the price of the product he is buying and determine a profit level in addition. *Murabaha* is one of the transactions of buying and selling goods, can be paid in cash can also be paid on hold (credit). *Murabaha* transactions can be paid on credit is true, but *murabaha* is a sale-purchase transaction (goods that will generate profits), and not a credit transaction (borrowing money) that charges interest (*riba/usury*). (Widodo, 2014: 410).

### The Impact of Murabahah Financing

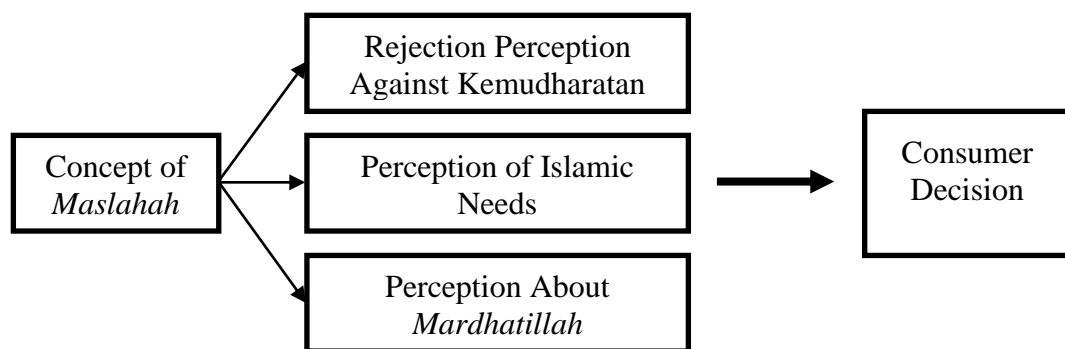
The vision of micro finance is to create an institution that is able to improve the quality of worship of its members (worship in a broad sense), so that it can play a role as a representative of Allah SWT, prospering the lives of members in particular and the general public (Ridwan, 2004: 127). Micro finance products must be in line with the vision of micro finance. One of them is *murabaha* financing products by micro finance. *Murabaha* financing for micro finance must be able to improve the quality of worship of its members and prosper the lives of its members. Prosperity in the world and in the hereafter must be achieved because humans not only live in the human realm but also in the afterlife as in the word of Allah SWT:

It means: "And seek, through that which Allah has given you, the home of the Hereafter; and (yet), do not forget your share of the world. And do good as Allah has done good to you. And desire not

corruption in the land. Indeed, Allah does not like corrupters.” (QS. Al-Qasas [28]:77) (Ministry of Religion, 2019).

### Decision Making Process

Kotler and Keller (2016: 195) explain the stages in the consumer decision making process. Explanation of the five stages are: Problem Recognition, Information Search, Purchasing Decisions, Post-Purchase Behavior. Muflih (2006: 96) argues that the proportion of Muslim consumer behavior is: consumer perception is formed through the concept of *maslahah*, consumers will avoid consuming something that is *mudharat* because the concept of *maslahah* has already been embedded in consumer perception, the perception of *maslahah* that has been embedded in consumers will encourage consumer desires to reach the pleasure of Allah SWT, consumers will limit their consumption to the needs that are truly needed, the efforts of consumers in reaching the pleasure of Allah SWT will form perceptions of Islamic needs, perceptions of Islamic needs that are formed will affect consumer purchasing decisions. An illustration of the six proportions is shown in Figure 1.



**Figure 1. Maslahah theory**

Source: Muflih, 2006

### METHOD

This research uses a mix methods approach, which is a research method by combining two research methods at the same time, qualitative and quantitative in a research activity so that more comprehensive, valid, reliable, and objective data will be obtained (Sugiyono, 2011: 18). First, this research carried out with an exploratory quantitative approach that will be used to analyze what factors influence the decisions of micro and small entrepreneurs in the culinary sector in choosing *murabahah* financing through micro finance. Second, qualitative research is used to find out how the impact of *murabaha* financing on micro and small entrepreneurs.

Indicators that influence the decisions of micro and small entrepreneurs in the culinary sector in choosing *murabaha* financing through micro finance are obtained from the results of data searching through the distribution of questionnaires with the open question format in preliminary tests involving 30 respondents of micro and small entrepreneurs in the culinary sector who have done *murabaha* financing through micro finance. Through the answers to the questionnaire 20 factors were formulated. The measurement scale of variables in this study uses a Likert scale with categories: Strongly disagree = Score 1, Disagree = Score 2, Simply Agree = Score 3, Agree = Score 4, Strongly Agree = Score 5.

In this study, the sample was 100 samples consisting of micro and small entrepreneurs in the culinary sector who had conducted *murabaha* financing through micro finance.

Factor analysis model (Malhotra, 2010: 637):

$$X_i = A_{i1} F_1 + A_{i2} F_2 + A_{i3} F_3 + \dots + A_{im} F_m + V_i U_i$$

Description:

$X_i$  = standardized variable  $i$

$A_{ij}$  = Standardized compound regression coefficient for ordinary factors  $j$

$F$  = ordinary factor

$V_i$  = Standardized regression coefficient of variable  $i$  for unique factors  $i$

$U_i$  = Unique factor for variable  $i$

$M$  = Number of ordinary factors

Malhotra (2010: 638) mentions some statistics related to factor analysis, namely: Barlett's test of sphericity, Correlation Matrix, Communality, Eigen Value, Factor Loading, Load Factor Plot, Factor Matrix, Factor Score, sampling size sufficiency of Kaiser-Meyer-Olkin, Variance Percentage, Residue, Scree Plot while the steps of carrying out the factor analysis are: Formulating the Problem, Making Correlation Matrix, Determining Analysis Method, Determining Number of Factors, Rotating Factors, Interpreting Factors, Calculating Factor Scores, Selecting Substitute Indicators, Determining Fit Model through residues.

Validity test is used to measure the validity of a questionnaire. Sugiyono (2017: 125) explains that the formula used is

$$r_{XY} = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}} \dots\dots\dots(3.2)$$

Description:

- $r_{XY}$  = The correlation coefficient between variables X and Y
- N = Number of samples in the researcher
- X = Total score of variable X question items
- Y = Total score for multiplying of items X and Y

The reliability test is actually a tool to measure the reliability of a questionnaire. Sugiyono (2018: 130) explains that the formula used is:

$$r_{11} = \left( \frac{k}{k-1} \right) \left( 1 - \frac{\sum \sigma_i^2}{\sigma_r^2} \right) \dots\dots\dots(3.3)$$

Description:

- $r_{11}$  = Instrument reliability
- k = the number of questions
- $\sigma_r^2$  = Total variance
- $\sum \sigma_i^2$  = Number of item variances

## RESULTS

### Description of Research Results

The description of the study will be explained about the characteristics of the respondents in this study as well as the description of the answers of the respondents.

**Table 1.** *Characteristics of Respondents*

Basic	Category	Frequency	Percentage
<b>Gender</b>	Male	19 Persons	19 %
	Female	81 Persons	81 %
<b>Last education</b>	SD/MI	4 Persons	4 %
	SMP/MTs	8 Persons	8 %
	SMA/SMK/MA	76 Persons	76 %
	Diploma/S1/S2/S3	12 Persons	12 %
<b>Age</b>	17-19 Years old	0 Person	0 %
	20-22 Years old	5 Persons	5 %
	23-25 Years old	2 Persons	2 %
	>25 Years old	93 Persons	93 %
<b>Long been a member of BMT</b>	<1 Year	25 Persons	25 %
	1-3 Year	23 Persons	23 %
	4-5 Year	6 Persons	6 %
	>5 Year	46 Persons	46 %

Source: Appendix

### Factor Analysis

Table 2 is a table of total variance explained which illustrates the number of factors formed. Factors are formed if they have an eigenvalue > 1.

**Table 2.** *Total Variance Explained Results*

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of	Cumulative	Total	% of	Cumulative

		Variance	%		Variance	%
1	8,310	43,734	43,734	8,310	43,734	43,734
2	1,446	7,608	51,343	1,446	7,608	51,343
3	1,338	7,040	58,383	1,338	7,040	58,383
4	1,131	5,954	64,336	1,131	5,954	64,336
5	1,039	5,471	69,807	1,039	5,471	69,807
6	0,876	4,611	74,418			
7	0,776	4,085	78,503			
8	0,619	3,259	81,762			
9	0,519	2,731	84,493			
10	0,475	2,498	86,990			
11	0,454	2,388	89,378			
12	0,386	2,030	91,408			
13	0,298	1,569	92,977			
14	0,284	1,496	94,473			
15	0,270	1,419	95,892			
16	0,234	1,230	97,122			
17	0,203	1,068	98,190			
18	0,182	0,958	99,148			
19	0,162	0,852	100,00			

Source: Appendix

Table 2 shows the results of the eigenvalue value which shows the five factors formed, where the five results show the value of the data above one. The next step is the process of component matrix and factor rotation so that the factor matrix becomes simpler and spreads to several different factors. The results of this process are in table 3:

**Table 3. Factor Rotation Results**

	Component				
	1	2	3	4	5
P1	0,044	0,254	0,071	0,734	0,276
P3	0,371	0,381	0,185	0,617	0,140
P4	0,179	0,761	-0,075	0,178	0,295
P5	0,345	0,602	0,321	0,224	0,036
P6	0,388	0,351	0,238	0,341	0,484
P7	0,693	0,074	0,290	0,414	0,154
P8	0,855	0,063	0,045	0,189	0,160
P9	0,822	0,194	0,188	0,067	0,045
P10	0,547	0,293	0,378	0,438	0,118
P11	0,206	-0,050	0,240	0,742	-0,061
P12	0,062	0,319	0,223	-0,006	0,655
P13	0,203	-0,116	0,138	0,219	0,793
P14	0,589	0,394	0,093	-0,103	0,433
P15	0,498	0,402	0,209	0,295	0,117
P16	0,121	0,813	0,343	0,077	-0,031
P17	0,152	0,350	0,682	0,006	0,124
P18	0,200	0,289	0,623	0,359	0,221
P19	0,434	0,288	0,617	0,141	0,173
P20	0,090	-0,088	0,759	0,256	0,144

Source: Appendix

Table 3 shows the results of the factor rotation which shows the distribution of the 19 indicators formed on five factors. The matrix component can be interpreted if it has a loading factor of more than 0.5. Naming factors are based on indicators that have the greatest loading value (Ghozali, 2005 in Hariyadi, 2016: 30). The results of the matrix component table show that the 19 indicators that will form the five factors are as follows:

1. The first factor consists of indicators "Fast disbursement of funds from micro finance (X8)", "Collateral required for financing in micro finance does not burden micro and small entrepreneurs (X9)", "Terms for proposing easy financing for micro finance Ummah (X7) ", "Nominal submission that can be in accordance with the needs of micro and small entrepreneurs (X14) ", " Good service from micro finance (X10) ". There are five indicators included in factor one. The highest loading value lies in the indicator (X8) with a loading value of 0.855. The indicator is about the use of technology-based systems from micro finance. Therefore, the first factor will be named the ease of service factor.
2. The second factor consists of indicators "There is no penalty for late payment installments from micro finance (X16)", light installments from micro finance (X4) ", " use of technology-based systems (X5) ". There are three indicators included in the second factor. The indicator that has the highest loading value is the indicator (X16) with a loading value of 0.813. The indicator concerns the absence of late payment installment penalties from micro finance. Therefore, the second factor will be named the compensation factor.
3. The third factor consists of indicators "Curiosity (X20)", "The existence of a micro finance office building (X17)", "Helping the economy of Muslims (X18)", "Formed cooperatives that prioritize welfare (X19)". There are four indicators included in the third factor. The indicator that has the highest loading value is the indicator (X20) with a loading value of 0.759. The indicator is about the curiosity of micro and small entrepreneurs towards the Islamic financial system from micro finance. Therefore, the third factor will be named the trust factor.
4. The fourth factor consists of indicators "micro finance's image (X11)", "conformity of financing to Islamic law (X1)", "admin fees and small murabahah margins (X3)". There are three indicators included in the fourth factor. The indicator that has the highest loading value is the indicator (X11) with a loading value of 0.742. The indicator is about the big names of micro finance. Therefore, the fourth factor will be named the micro finance's image factor.
5. The fifth factor consists of "professionalism of the Account Officer (X13)" and "installment shuttle (X12)". There are two indicators included in the fifth factor. The indicator with the highest loading value is X13 with a value of 0.793. The indicator discusses the neatness and discipline of the account officer at work. Therefore, the fifth factor will be named the professional factor.

### Validity and Reliability Test

In this study, the measuring instrument used was a questionnaire so that the validity and reliability tests were carried out to measure whether each statement item contained in the questionnaire was able to measure the perceptions of the respondents. The calculated value is declared valid if the r value exceeds the r table value of 0.195. The results can be seen in table 4:

**Table 4. Validity Test Results**

Item	r count	Item	r count
1	0,475	11	0,424
2	0,248	12	0,366
3	0,675	13	0,388
4	0,401	14	0,520
5	0,608	15	0,549
6	0,708	16	0,518
7	0,675	17	0,557
8	0,605	18	0,688
9	0,645	19	0,663
10	0,696	20	0,426

Source: Appendix

Based on the results of the validity test in table 4, the whole question items submitted to respondents have a value of r table greater than 0.195 so that the overall question items are valid. A measuring instrument is said to be reliable if the Cronbach's Alpha value is more than 0.60.

**Table 5. Reliability Test Results**

Cronbach's Alpha	N of Items
0,925	20

Source: Appendix

The results of the Cronbach's Alpha value indicate that all question items from all the indicators studied were stated to be reliable because they have a Cronbach Alpha value > 0.60.

## DISCUSSION

The results of calculations that have been carried out in the previous discussion, have been obtained by five factors. These five factors will be explained one by one as follows:

### Ease of Service

The first factor is the Ease of Service Factor. This factor consists of five indicators "Fast disbursement of funds from micro finance (X8)", "Collateral required for financing in micro finance does not burden micro and small entrepreneurs (X9)", "Easy terms for proposing financing for micro finance (X7)", "Nominal submission that is adjustable with the needs of micro and small entrepreneurs (X14)", " Good service from micro finance (X10)". Indicator X7 has a direct link with indicator X8 so the first factor is called the Ease of Service Factor. Submission of funding to micro finance will be easier to process when the terms of submission are easy. In the sense of the financing documents as a simple filing requirement, it will certainly help the ACC process or whether the submission. When the ACC process is fast, the impact of disbursing funds will be fast too. In addition, the disbursement of funds is fast or not related to the services of micro finance employees. The better the service, the more micro and small entrepreneurs will become members and apply for financing through micro finance. The verse relating to service improvement as follows:

It means: "O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth. And do not aim toward the defective therefrom, spending (from that) while you would not take it (yourself) except with closed eyes. And know that Allah is Free of need and Praiseworthy." (Surah Al-Baqarah [2]: 267) (Ministry of Religion, 2017)

Based on field observations, the authors see that the process of disbursing funds ranges from 3 to 7 days. This makes micro and small entrepreneurs interested. The fast disbursement process will greatly help the needs of micro and small entrepreneurs related to capital and business expansion.

### Compensation

The second factor is the Compensation Factor. There are three indicators that form this factor, namely the indicator "There is no late payment penalty from micro finance (X16)", "a light installment of micro finance (X4)", "the use of technology-based systems (X5)". Compensation related to the absence of fines. The existence of fines in murabaha financing transactions will make it difficult for micro and small entrepreneurs to develop and this makes micro and small entrepreneurs uninterested. The fines in murabaha financing are also gharar because they will bias the selling price of the goods that are transacted so that they will be incompatible with Islamic law.

Based on field observations, the authors see that micro finance does not impose fines on late installments. This is certainly very helpful for micro and small entrepreneurs to develop. In addition, in the absence of fines, the Islamic Sharia principles regarding financing transactions are actually implemented. Funding from micro finance does not contain elements of usury as has been prohibited in the word of Allah SWT below:

It means: "People who eat (take) usury cannot stand but rather as the founding of a person who is possessed by shaitan because of (pressure) insanity. Their situation is like that, because they say (opinion), actually buying and selling is the same as usury, even though Allah has justified the sale and prohibiting usury. Those who have reached him the prohibition from his Lord, then continue to stop (from taking usury), then for him what he has taken first (before the prohibition comes); and his affairs (it's up to) Allah. People who return (taking usury), then that person is the inhabitants of hell; they are eternal in them". (Surat al-Baqarah [2]: 275) (RI Ministry of Religion, 2017).

### Trust

The third factor is the Trust Factor. There are four indicators that form this factor, namely the indicator "Curiosity (X20)", "The existence of a micro finance office building (X17)", "Helping the economy of

Muslims (X18)", "in the form of cooperatives that promote welfare (X19)". Indicators X18 and X19 have a direct relationship with indicators X20 so the third factor is called the Trust Factor. Islamic economic system has the principle (maslahah), promoting the principle of welfare for all parties, it is also in accordance with the principle of cooperatives which have the principle of welfare of members. This principle of well-being is what makes micro and small entrepreneurs interested and believe in trying the Islamic financial system. Theory of business consumer behavior also explains that one of the factors that influence business consumer behavior decisions is a personal factor (Kotler and Keller, 2016: 222). This trust is part of the personal factor.

Based on field observations done by the author, the author sees that so far micro and small entrepreneurs are more often confronted with conventional economic systems, ranging from banks and non-bank financial institutions. Many micro and small entrepreneurs do not have any other choice but to use the existing system. The conventional economic system is also burdensome for some micro and small entrepreneurs, especially related to interest (usury). Islamic economic system offered by micro finance has made micro and small entrepreneurs interested. The trust to try the Islamic financial system that has the principle of welfare is what makes micro and small entrepreneurs choose financing through micro finance.

### Micro finance's image

The fourth factor is the micro finance's image factor. There are three indicators that make up this factor, they are "micro finance's image (X11)", "conformity of financing to Islamic law (X1)", "small admin fees and murabahah margin (X3)". There are three indicators included in the fourth factor, so-called micro finance's image factor. Big name or micro finance's image will have an impact on the level of trust of micro and small entrepreneurs to the micro finance's image.

Based on field observations, the authors see that there are big names in micro finance. Some respondents are interested in becoming a member and choosing financing through micro finance because micro finance is part of a trust light foundation that has educational institutions such as kindergartens. This makes micro and small entrepreneurs who are around the location of micro finance have their own level of trust.

### Professionalism

The fifth factor is the Professional Factor. There are two indicators in this factor namely the indicator "Shuttle installments (X12)" and "Neat and disciplinary Account Officer (X13)". Indicators X12 and X13 have a direct relationship so the fifth factor is called the Professionalism Factor. The spearhead of a micro finance is the account officer. Micro and small entrepreneurs are interested in the neat appearance of account officers and the discipline of account officers in collecting installments. This discipline will make financing installments completed on time.

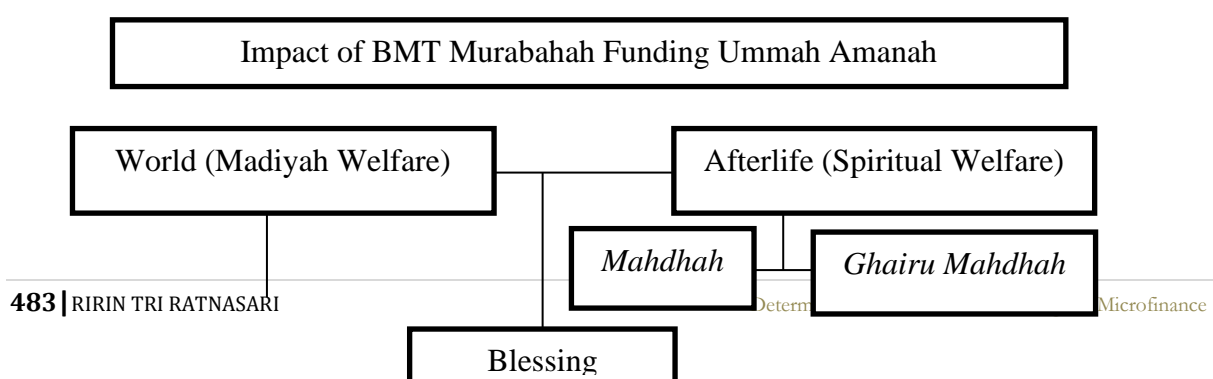
Based on field observations, the authors see that micro and small entrepreneurs who are members of micro finance are very interested in the service of micro finance account officers who are diligent, disciplined and neat. This shows the professionalism of work.

### The Impact of Financing on Micro and Small Entrepreneurs

Funding which is a product of micro finance must lead to the vision of micro finance, namely efforts to improve the quality of worship of its members. The impact of financing from micro finance must cover two sides, namely the world and the hereafter. This is as explained by the word of God:

It means: "And seek, through that which Allah has given you, the home of the Hereafter; and (yet), do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption in the land. Indeed, Allah does not like corrupters"(Q.S Al Qasas [28]: 77) (Ministry of Religion, 2017).

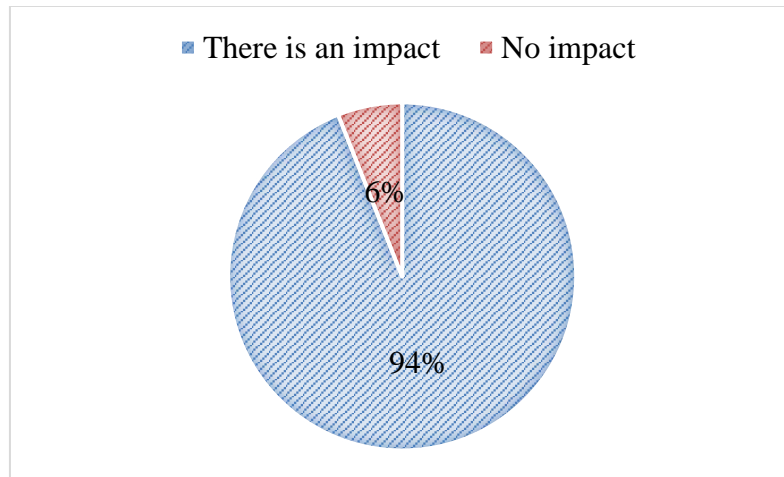
The impact of murabahah micro finance financing for micro and small entrepreneurs in the culinary sector not only covers world affairs but also matters of worship (afterlife). Simply described by Figure 2.





**Figure 2.** Coverage Structure Impacts of Financing

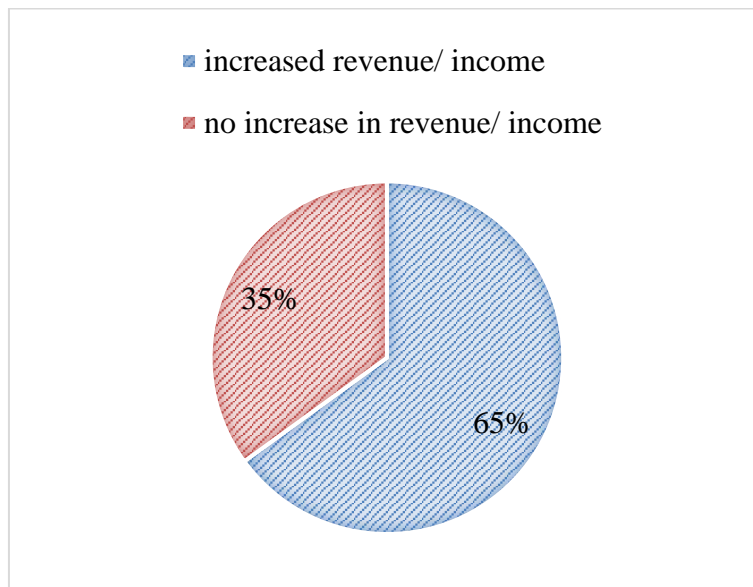
Respondent data shows that the majority of respondents experienced an impact on world and hereafter affairs after financing through micro finance. This is explained in Figure 2.



Source: Appendix

**Figure 3.** Number of Respondents Who Feel the Impact of Financing

Figure 3 explains that there are a total of 6 people who feel they have not experienced any financial impacts both for world affairs and the afterlife, while 94 people or 94% of the total other respondents experienced positive impacts both in terms of worldly and ukhrawi (afterlife affairs). The impact on world affairs in general can be seen through an increase in world welfare which is illustrated by an increase in the income of micro and small entrepreneurs. This will be explained in Figure 3.



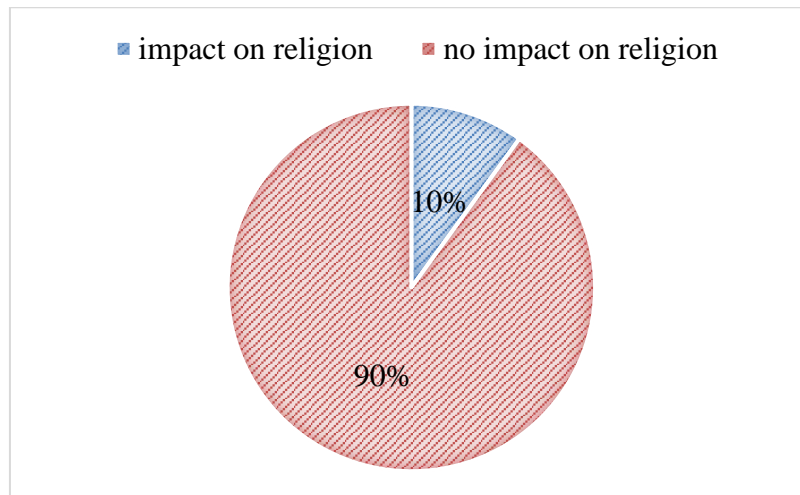
Source: Appendix

**Figure 4.** Number of Respondents Who Have Increased Business Income (Madiyah Welfare)

Figure 4 explains that as many as 61 people or 64.8% percent of the total respondents experienced an increase in operating income while the remaining 35.10% or 33 respondents did not

experience an increase in operating income. This is caused by the allocation of funds from the proceeds of financing used for the productive sector so that businesses grow and the effect is an increase in operating revenues. Some respondents did not experience this due to several reasons, namely the allocation of funds resulting from financing to the consumer sector and inappropriate business strategies.

The impact of financing related to ukhrawi (afterlife affairs) of micro and small entrepreneurs from the results of micro finance financing can also be seen from the response patterns of the respondents described in figure 6.



Source: Appendix

**Figure 6.** Number of Respondents Who Have Impact on Spiritual Welfare

Figure 6 explains that the number of respondents who felt murabaha financing of micro finance had an impact on religious affairs was 10.63 percent or 10 people, while the remaining 84 people felt that financing only had an impact on world affairs. From figure 6 it can be concluded that the impact of financing on religious affairs is still not massive and significant. This is because the condition of account officers who must follow the rules of micro finance is related to work targets so that the approach to micro finance members becomes less. Da'wah can occur through an account officer who does meet with members of micro finance everyday.

Worship in the broadest sense encompasses everything that is loved by God and His pleasure, words and deeds physically and mentally. These include prayer, fasting, almsgiving, hajj, true speech, devotion to parents, friendship, keeping promises, and others. So it includes the fardhu, muamalah, and even akhlakul karimah (Nasution, 1999). So, Worship in Islam encompasses all aspects of human life without any limits in every step and act of man.

Worship are divided into mahdhah (ubudiyah/ ritual) and ghairu mahdhah (muamalah). Mahdhah worship is worship that is reflected in the five pillars of Islam, namely the syahadat (creed), prayer, zakat, fasting, and hajj. Mahdhah worship is a worship that is determined by the method and practice. While Ghairu Mahdhah is all worship that is not included or outside of Mahdhah worship. Something can be said of ghairu mahdhah worship when it is only intended to achieve the pleasure of God (Marzuki, 2017). If further elaborated, some respondents who feel affected by the funding related to spiritual welfare can be divided into two scopes, namely the matters of worship of mahdhah and ghairu mahdhah which are explained in Table 6.

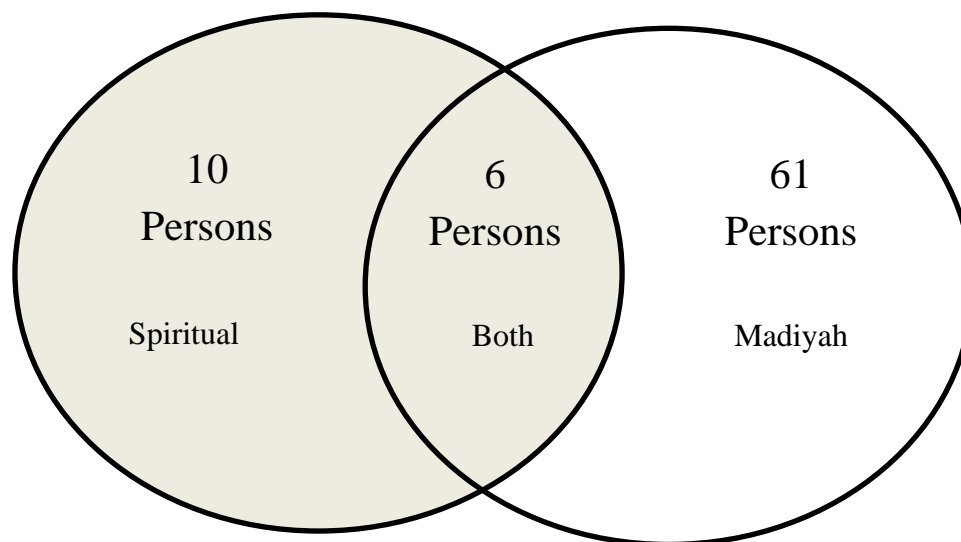
**Table 6.** Respondents Who Have Impacts on Spiritual Welfare

Resp.	Answer	Mahdhah	Ghairu mahdhah
1	Helping the economy of Muslims		V
6	Routine to the Mosque (prayer in congregation)	V	
11	Helping Muslims (economics)		V
13	More often take recitation		V
39	Religious sharing (with an Account Officer)		V
47	Prayers become more diligent	V	
57	Often follows the recitation at the mosque		V

59	Advancing the economy of Muslims		V
63	Helping the economy of Muslims (alms)		V
74	Assist in the question and answer of the Islamic religion		V

Source : Appendix

Table 6 explains that out of a total of 10 affected customers in the matters of the afterlife, they are divided into two people who feel that their mahdhah worship is increasing and eight people feel that their ghairu mahdhah worship is increasing. It can be concluded that murabaha financing from micro finance has an impact on the worship of its members, namely micro and small entrepreneurs in the culinary sector, both mahdhah and ghairu mahdhah.



**Figure 7.** Number of Respondents Who Have Impact on Spiritual Welfare and Madiyah Welfare

Figure 7 explains that there were 6 respondents who were both affected, both in terms of madiyah welfare and spiritual welfare. The impact on both welfare, namely spiritual welfare and madiyah welfare like this is indeed in accordance with the initial vision of micro finance as an Islamic microfinance institution. Ridwan (2004: 31) explains that the presence of micro finance as a newcomer in community empowerment through the savings and loan system and Islamic financing is intended to be a more innovative alternative in financial services. In accordance with his vision, micro finance must lead to efforts to create an institution that is able to improve the quality of worship of its members (worship in the broadest sense) so that it can act as a representative-servant of Allah SWT, prospering the lives of members in particular and the general public (Ridwan, 2004: 127). The results of interviews with respondents indicate that the impact of murabaha micro finance financing is developing businesses from micro and small entrepreneurs in the culinary sector. Operating income per month is increased so that the welfare madiyah is achieved. Socialization, communication, and advice as a form of social contact between the account officer and small micro entrepreneurs at the time of the transaction make micro and small entrepreneurs become more motivated in terms of worship. The increasing side of worship has implications for inner peace so that spiritual well-being is achieved.

## CONCLUSION

The conclusion that can be drawn from the results of the study is found five factors that influence the decision of micro and small entrepreneurs in the culinary sector in choosing murabahah financing through micro finance, namely ease of service, compensation, trust, micro finance's image and professionalism. The indicator that has the highest loading value is fast disbursement of funds from micro finance. This shows that indirectly all indicators of the factors formed by the decision of the micro small entrepreneurs in the culinary sector in choosing murabahah financing are influenced by the rapid disbursement process. Murabaha financing from micro finance on micro and small entrepreneurs has an impact on the world side but also the afterlife. Viewed from the world side, financing from micro finance

helps the economy of micro and small entrepreneurs through increasing business income and this is called *madiyah* welfare. In terms of the afterlife, financing increases the worship of micro and small entrepreneurs both *mahdhah* and *ghairu mahdhah* worship. This is called spiritual welfare.

Suggestions for micro finance to maintain or even speed up the process of disbursement of funds, especially for members of micro finance who have long been members, because this has proven to be liked by micro and small entrepreneurs in the culinary sector who are members of micro finance. In addition, micro finance needs to pay more attention to members in the sense that when the member is a micro and small entrepreneur, he will have a fast (daily) cash flow rate so that micro finance must pay more attention to the process of disbursement of funds.

## REFERENCES

- Adeniji, Anthonia Adenike, Adewale Omotayo Osibanjo, Abolaji Joachim Abidoun dan Edith Ebeguki Oni-Ojo. (2015). Corporate Image: A Strategy for Enhancing Customer Loyalty and Profitability. *Journal of South African Business Research*, Vol. 2015, 1-12
- Al Muazin. (2017). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Pembelian Sepatu Bekas (Studi Pada Konsumen Sepatu Bekas Kendari Beach). Skripsi dipublikasikan. Kendari: Fakultas Ekonomi Dan Bisnis Universitas Halu Oleo.
- Ali, Muhammad, Syed Reza, Puan Chin Hong. (2015). Factors affecting intention to use Islamic Personal Financing in Pakistan: Evidence from the modified TRA model. *Journal of Islamic Marketing*, Vol. 8 Issue: 3, pp.330-344
- Amirullah. (2015). Metode Penelitian Manajemen. Malang: Bayumedia Publishing.
- Ancok, Djamaluddin dan Fuat Nashori Suroso. (2001). Psikologi Islam. Yogyakarta: Pustaka Pelajar.
- Andriani. (2005). "Baitul Maal wat Tamwil; Konsep dan Mekanisme di Indonesia". *Jurnal Empirisma*, Volume 14 Nomer 2, STAIN Kediri.
- Anshori, Muslich & Sri Iswati. (2009). Metodologi Penelitian Kuantitatif. Surabaya Airlangga University Press (AUP).
- Azwar, S. (1995). Sikap Manusia: Teori, Kasus dan Pengukuran. Yogyakarta: Pustaka Pelajar
- Azzahrah, Mufida Amalia. (2014). "Analisis Faktor-Faktor Yang Memengaruhi Permintaan Pembiayaan Mudharabah Bagi Umkm Dan Efektifitas Pembiayaan Mudharabah Bagi Umkm (Studi Kasus: BMT X Jakarta). Skripsi Tidak Dipublikasikan. Institut Pertanian Bogor.
- Bank Indonesia. (2015). Profil Bisnis Usaha Mikro, Kecil Dan Menengah (UMKM). Jakarta: Bank Indonesia.
- Budiaji, Weksi. (2013). Skala Pengukuran dan Jumlah Respon Skala Likert (hal.127-133). *Jurnal Ilmu Pertanian dan Perikanan*, vol.2 no.2.
- Basilgan, M., & Akman, A. S. (2019). An Empirical Analysis On The Impact Of The Foreign Direct Investments On Export Performance: Turkey Case. *International Journal Of Economics And Finance Studies*, 11(2), 89-105.
- Burns, Alvin C dan Ronald F. Bush. (2014). *Marketing Research Seventh Edition*. Essex: Pearson Education Limited.
- Casson M. Yeung B, Basu A., Wadson N. (2006). *The Oxford Handbook of Enterpreneurship*. New York: Oxford University Press Inc.
- Dinas Koperasi dan UMKM Provinsi Jawa Timur. (2019). Jumlah UMKM dan Tenaga Kerja di Provinsi Jawa Timur. Retrieved on 11 February, 2019, from <http://diskopukm.jatimprov.go.id/subkonten/details/57>.
- Drucker F, Peter. (1994). *Kewirausahaan*. Jakarta: PT Gelora Aksara Pratama.
- David, O. O., & Grobler, W. (2019). Agricultural Production in South Africa: Information and Communication Technology (ICT) Spillover. *International Journal of eBusiness and eGovernment Studies*, 11(2), 167-190.
- Dwiastuti, Rini, Agustina Shinta dan Riyanti Isaskar. (2012). *Ilmu Perilaku Konsumen*. Malang: Universitas Brawijaya Press.
- Fadilah, Nur dan Soeharjoto. (2014). Determinasi Permintaan Pembiayaan Konsumsi Bank Umum Syariah Di Indonesia. *Media Ekonomi*, Vol. 24 No. 1.
- Fatmah, Fitri Virdiany. (2014). Pengaruh Kualitas Layanan Dan Promosi Terhadap Preferensi Anggota Dalam Pengajuan Pembiayaan Mudharabah Di Kjkms Bmt-Mmu Cabang Sidogiri Pasuruan. *El-Qist*, Vol. 04, No. 01.
- Fauzi, Waida Irani Mohd, Sany Sanuri Mohd Mokhtar, Shamsuritawati Sharif and Rushemi Zain Yusoff. (2013). Retail Store Attributes In Islamic Perspectives. Malaysia: School of Business Management, College of Business School of Quantitative Sciences, College of Arts and Sciences Universiti Utara Malaysia

- Gampala, Prabhakar. (2018). Credit Impact on Performance Of Micro And Small Enterprises In Telangana. *Academy of Entrepreneurship Journal*. Volume 24, Issue 1.
- Ghozali, Imam. (2011). *Aplikasi Multivariat Dengan Program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Goodhope, Orji O. (2013). Major Classic Consumer Buying Behaviour Models: Implications for Marketing Decision-Making. *Journal of Economics and Sustainable Development*, vol 4 no 4. 164-172.
- Gravetter, Frederick J dan Lori-Ann B. Forzano. (2016). *Research Methods for the Behavioral Sciences*. Stamford: Cengage Learning
- Hafiliyah, Diah Fithrah. (2018). Pengaruh Religiusitas Dan Theory Of Planned Behavior Terhadap Niat Investasi Pada Saham Syariah. Tesis Tidak Dipublikasikan. Universitas Airlangga Surabaya.
- Harianti, (2017). Analisis Faktor-Faktor Yang Mempengaruhi Permintaan Kredit Cepat Aman Pada PT. Pegadaian Di Kota Makassar. Skripsi Tidak Dipublikasikan. Universitas Islam Negeri Alauddin Makassar
- Hayati, Asfarina. (2014). Faktor Yang Mempengaruhi Keputusan Konsumen Muslim Memilih Hotel Syariah Grand Kalimas Surabaya. Skripsi diterbitkan. Surabaya: Fakultas Ekonomi Dan Bisnis Universitas Airlangga.
- Herianingrum, Sri, Muhammad Nafik, Qudsi Fauzi, Nisful Laila. (2019). The Effect of Government Expenditure on Islamic Human Development Index. *Opción*, Año 35, No. 88
- Herianingrum, Sri, Fitri Drasmawita, Ririn Tri Ratnasari, Hanif Fadhila. (2019). The Social Function of IMI's in The Exemption of Micro Business Loans. *Opción*, Año 35, No. 88
- Herianingrum, S.; Ratnasari, R. T.; Widiastuti, T.; Mawardi, I.; Amalia, R. C.; Fadhlillah, H. (2019). The impact of Islamic bank financing on business. *Entrepreneurship and Sustainability Issues* 7(1): 133-145.
- Hersey dan Blanchard. (1992). *Manajemen Perilaku Organisasi: Pendayagunaan Sumberdaya Manusia*. Jakarta: Erlangga.
- Janti, Suhar. (2014). Analisis Validitas dan Reliabilitas Dengan Skala Likert Terhadap Pengembangan SI/TI Dalam Penentuan Pengambilan Keputusan Penerapan Strategic Planning Pada Industri Garmen (155-160). *Prosiding Seminar Nasional Aplikasi Sainis dan Teknologi (SNAST) 2014*
- Joewono. (2010). *The Five Arrows of New Business Development*. Jakarta: Arrbey
- Kartajaya, Hermawan dan Muhammad Syakir Sula. (2006). *Syariah Marketing*. Bandung: PT Mizan Pustaka.
- Karim, Adiwarmen A. (2010). *Bank Islam: Analisis Fiqih dan Keuangan Edisi Keempat*. Jakarta: PT. Raja Grafindo Persada.
- Kasmir. (2006). *Kewirausahaan*. Jakarta: PT. Raja Grafindo Persada.
- Khayruzzaman. (2016). Impact of Religiosity on Buying Behaviour of Financial Products: A Literature Review. *International Journal of Finance and Banking Research*, Vol 2 no 1 (18-23).
- Kementerian Koperasi. (2016). *Langka Perhimpunan BMT Selaras Dengan Reformasi Total Koperasi*. Retrieved on 11 Oktober 2018 from <http://www.dekop.go.id/content/read/menkop-puspayoga-langkah-perhimpunan-bmt-indonesia-selaras-dengan-reformasi-total-koperasi/>.
- Kotler, Phillip and Gary Armstrong. (2016). *Principles Of Marketing*, 15th Edition. Harlow: Pearson Education Limited.
- Kotler and Kevin Lane Keller. (2016). *Marketing Management*, 15th Edition. Harlow: Pearson Education Limited
- Luthfi, Faishol. (2016). Analisis Faktor-Faktor yang Mempengaruhi Preferensi Menabung Mahasiswa Santri di Perbankan Syariah. Skripsi Tidak Dipublikasikan. Universitas Diponegoro.
- Malhotra, Naresh K. (2010). *Marketing Research: An Applied Orientation*. Sixth Edition. New Jersey: Pearson Education, Inc.
- Maryani, M. (2016). Perilaku Konsumen Dalam Perspektif Ekonomi Islam. *Iqtisodiyah: Jurnal Ekonomi dan Bisnis Islam*, Vol. 2, No. 2.
- Maluleke, W., Dlamini, S., & Rakololo, W. M. (2019). Betrayal Of A Post-Colonial Ideal: The Effect Of Corruption On Provision Of Low-Income Houses In South Africa. *International Journal Of Business And Management Studies*, 11(1), 139-176.
- Moediarso, Hisnarilla Century. (2012). Pengaruh Karakter Amanah Amil Terhadap Niat Memilih Menjadi Donatur Tetap Pada Dompot Dhuafa Jawa Timur. Skripsi tidak diterbitkan. Surabaya: Fakultas Ekonomi Dan Bisnis Universitas Airlangga.
- Muflih, Muhammad. (2006). *Perilaku Konsumen dalam Perspektif Ilmu Ekonomi Islam*. Jakarta: PT Raja Grafindo Persada.
- Muhlis. (2011). *Perilaku Menabung Di Perbankan Syariah Jawa Tengah*. Disertasi Tidak Dipublikasikan. Universitas Diponegoro Semarang.

- Mustafa, Hasan. (2010). Teknik Sampling. Bandung: Alfabeta.
- Nazir, Moh. (2003). Metode Penelitian. Jakarta: Ghalia Indonesia.
- Notoatmojo. (2003). Ilmu Kesehatan Masyarakat. Jakarta: Rineka Cipta
- Othman, AbdulQawi dan Lynn Owen. (2001). Adopting and Measuring Customer Service Quality (SQ) in Islamic Banks: A Case Study in Kuwait Finance House. *International Journal of Islamic Financial Services*. Vol. 3, No. 1.
- Pambudy, R. (1999). Perilaku Komunikasi, perilaku Wirausaha Ternak dan Penyuluhan Dalam Sistem Agribisnis Peternakan Ayam. Disertasi Tidak Dipublikasikan. Institut Pertanian Bogor.
- Parasuraman, A, et al. (1991). *Marketing Service*. New York: The Free Press.
- Parasuraman, A, Valarie A Zeithaml dan Leonard L. Berry. (1998). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, Vol 64 no 1 (12-40).
- Pramana, Deby. (2017). Pengaruh Pembiayaan Terhadap Kinerja Usaha Dan Kesejahteraan Usaha Mikro Kecil Dan Menengah Pada Bank Pembiayaan Rakyat Syariah Di Pamekasan. Tesis Tidak Dipublikasikan. Universitas Airlangga Surabaya.
- Prasetyo dan John. (2005). Perilaku Konsumen Edisi Ke-1. Yogyakarta: Andi.
- Pusat Pengkajian Dan Pengembangan Ekonomi Islam (P3EI) Universitas Islam Indonesia Yogyakarta. (2014). *Ekonomi Islam*. Jakarta: PT RajaGrafindo Persada.
- Rakhmat. (2001). Psikologi Komunikasi Edisi Revisi. Bandung: Remaja Rosda Karya
- Ratnasari, Ririn Tri, Fatin Fadlillah Hasib, dan Moh, Qudsi Fauzi. (2015). Religiosity on Shopping Orientation and Behavioral Intention For Moslem and Non-Moslem Costumers. 6th Global Islamic Marketing Conference. [www.EJournal.unair.ac.id](http://www.EJournal.unair.ac.id).
- Ratnasari, Ririn Tri, (2012). *Manajemen Pemasaran Islam*. Modul 1. Surabaya: Departemen Ekonomi Syariah Fakultas Ekonomi dan Bisnis Universitas Airlangga.
- Ratnasari, Ririn Tri, dan Mastuti H Aksa. (2011). *Manajemen Pemasaran Jasa*. Bogor: Ghalia Indonesia.
- Ratnasari, Ririn Tri, Sri, Gunawan, Bayu, Taufik, Possumah, Sylva, Alif, Rusmita, Tika, Widiastuti. (2019). Halal Food Certification for Improving The Competitiveness of Small and Medium Enterprises. *Opción*, Año 35, Especial No.22: 510-525
- Ratnasari, Ririn Tri, Gunawan, Sri, Bin Abu Talib, Jasmi, Herianingrum, Sri, Widiastuti, Tika, Septiarini, Dina, Fitriasia. (2020). The Moderating Effects of Gender between Patient Intimacy, Trust, and Loyalty. *International Journal of Innovation, Creativity and Change*, 12(10),1-16.
- Ratnasari, Ririn Tri, Gunawan, Sri, Septiarini, Dina Fitriasia, Rusmita, Sylva Alif, Kirana, Kusuma Chandra. (2020). Customer Satisfaction between Perceptions of Environment Destination Brand and Behavioral Intention. *International Journal of Innovation, Creativity and Change*, 10(12), 472-487
- Ratnasari, R.T., Gunawan, S., Mawardi, I., Kirana, K.C. (2020). Emotional experience on behavioral intention for halal tourism. *Journal of Islamic Marketing*.
- Ratnasari, Ririn Tri, Gunawan, Sri, Fauzi, Mohammad, Qudsi, Septiarini, Dina Fitriasia. (2018). Patient Intimacy and Innovation Development to Improve Health Service Performance. *International Journal of Engineering and Technology*, 7(2), 338-339.
- Ratnasari, Ririn, Tri, Rahmandani, Nadira. (2020). The Correlation of Financial Development on Energy Consumption: A Study Case in Indonesia. *Test Engineering and Management*, 83, 3560-3564.
- Ridwan, Muhammad. (2004). *Manajemen Baitul maal wa tamwil*. Yogyakarta : UII Press
- Salam, Syamsir & Aripin, Jaenal. (2006). *Metodologi Penelitian Sosial*. Jakarta: UIN Jakarta Press.
- Schiffman, Leon dan Leslie Lazar Kanuk. (2008). *Perilaku Konsumen*. Edisi 7. Jakarta: Indeks.
- Soetanto A. (2002). *Kewiraswastaan*. Jakarta: Ghalia Indonesia.
- Sudjono. (1996). *Pengantar Evaluasi Pendidikan*. Jakarta: Raja Grafindo Persada.
- Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta, CV.
- Suharyono. (2017). Sikap dan Perilaku Wirausahawan. *Jurnal Ilmu dan Budaya*, Vol. 40, No.56.
- Sula, Muhammad Syakir dan Hermawan Kartajaya. (2006). *Syariah Marketing*. Bandung: PT Mizan Pustaka.
- Suryana. (2003). *Memahami Karakteristik Kewirausahaan*. Direktorat Pendidikan Menengah Kejuruan. Direktorat Jenderal Pendidikan Dasar dan Menengah Departemen Pendidikan Nasional.
- Tjiptono, Fandy. (1997). *Strategi Pemasaran*. Yogyakarta: ANDI.
- Tribunnews. (2018). "Malam ini Surabaya Resmi Menerima Penghargaan Lee Kwan Yew, Risma Mengaku Sempat Minder. Retrieved 11 February 2019 from <http://m.tribunnews.com/regional/2018/07/09/malam-ini-surabaya-resmi-menerima-penghargaan-lee-kwan-yew-risma-mengaku-sempt-minder?page=all>.
- Wardiwiyono, S. (2012). Internal control system for Islamic micro financing: An exploratory study of Baitul Maal wat Tamwil in the City of Yogyakarta Indonesia. *International Journal of Islamic and Middle Eastern Finance and Management*, 5(4), 340-352.

- Widoyono, Joko Lelono Bambang. (2011). Analisis Faktor-Faktor Yang Mempengaruhi Permintaan Pembiayaan Lembaga Keuangan Syariah (Studi Kasus Pada Bmt Muamalah Mandiri Baturetno Wonogiri). Tesis Tidak Dipublikasikan. Universitas Negeri Surakarta.
- Widiastuti, T., Kirana, K. C., Ratnasari, R. T., Insani, T. D., & Robani, A. (2019). Measuring The Corruption Measurement Model (CMM) Based on Maqasid Shariah Framework. *Humanties and Social Science Reviews*, 7(2), 282-286.
- Zaba-Nieroda, Renata. (2011). Developing Corporate Image. The Malopolska School of Economics in Tarnow Research Papers Collection. Issue 1/2011.
- Zaroni, Akhmad Nur. (2012). Landasan Filosofis Perilaku Konsumen Dalam Perspektif Ekonomi Islam dan Konvensional. *Mazahib*, vol 10 no 1.
- Zikmund, William G dan Barry J babin. (2013). *Menjelajahi Riset Pemasaran*. Jakarta: Salemba Empat.