

ABSTRACT

This study was conducted with the aim of analyzing the factors influencing the purchasing decisions of conventional credit products or sharia financing by Micro and Small Enterprises (MSEs). This study is expected to provide benefits for stakeholders. The factors analyzed include product quality (X1), interest rates (X2), profit sharing (X3), income levels (X4), religiosity (X5), and demand for conventional credit products or sharia financing by MSEs in Semarang City (Y).

This research employed a quantitative research method using binary logistic regression analysis and explanatory approach. The research population was comprised of MSEs residing in Semarang City. Data collection was conducted by distributing an online questionnaire via Google Forms to obtain respondents or a research sample. A total of 105 respondents were obtained using a purposive sampling technique. The research data was processed and tested using binary logistic regression analysis using IBM SPSS Statistics 27 software.

The research results indicate that the variables of product quality (X1), interest rate (X2), profit-sharing rate (X3), income level (X4), and religiosity level (X5) simultaneously (together) affect the probability of making a decision for conventional credit products or Sharia financing by MSEs actors in Semarang City (Y). Meanwhile, partially, the product quality variable (X1) have a positive and significant effect, the interest rate variable (X2) has a positive and significant effect, the profit-sharing rate variable (X3) has a positive and significant effect, the income level variable (X4) have a positive and significant effect, and the religiosity level variable (X5) has a positive and significant effect.

Keywords: product quality, interest rate, profit sharing, income, religiosity, purchasing decisions, binary logistic regression, credit, sharia financing, MSEs, Semarang City

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