

Strategy for improving Islamic capital market literacy through Islamic investment gallery

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Received: 2 December 2023; Revised: 12 February 2024; Accepted: 2 April 2024

Abstract: The presence of the Islamic capital market is considered important, but the level of utilization of Islamic capital market instruments is still very low. Efforts to increase inclusion can be made through increasing literacy in the Islamic capital market among the public. This research aims to identify the strategies of the Investment Gallery in enhancing the literacy of the capital market. This study is a qualitative research study, with the main informant being the person in charge of the Sharia Investment Gallery who is considered to truly understand and comprehend the issues being researched. Additional informants include the director and members of KSPMS as the managers of the Investment Gallery. The research found that in designing activities for the Sharia Investment Gallery, it refers to the concept of Segmenting, Targeting, and Positioning. Market segmentation is conducted to identify potential markets to target so that an increase in the number of investors can be achieved. Meanwhile, in determining the target market, GIS considers the size and potential segments of the market, as not all demographics can be served. This is done to build trust among the community, GIS adopts an approach based on user perception by offering stock products commonly used in daily life to initiate investment.

Keywords: Investment Gallery; Islamic Capital Market; financial literacy

INTRODUCTION

The Capital Market in Indonesia plays a strategic role in the development of the national economy as one of the sources of financing for businesses and an investment avenue for the public (OJK, 2023). It is evident that many industries and companies utilize it as a means to attract investments and as an alternative source of funding, enabling companies to operate on a broader scale, ultimately leading to increased income and prosperity for the broader society (Fianto & Herlambang, 2023).

The progress of the capital market serves as a benchmark for the prosperity of a nation, making the presence of the capital market highly important. To support the government's economic recovery program through the capital market (Nugraha, 2021), efforts to change society's perception of investment are required. Fundamentally, investment is a part of financial transactions in economic activities aimed at managing assets to make them more productive and beneficial to others. As long as there are no Shariah prohibitions in financial transactions, it is permissible (Djazuli, 2007). One form of investment is by placing wealth or funds in the capital market.

To fulfill the public's desire to invest based on Sharia principles, the Sharia Capital Market has emerged, which is part of the Sharia financial industry regulated by the Financial Services Authority (OJK), where all activities are in line with Sharia principles (IDX Islamic, 2019). The



significant potential and opportunities in Islamic finance should be harnessed for the future. One of the advantages of Indonesia's Sharia capital market is that the stock transaction process fully complies with Sharia principles from end to end (Kominfo, 2023).

Efforts to enhance inclusion have been made through the improvement of financial literacy in society, such as providing education to ensure that the public understands appropriate and legal Sharia investments (OJK, 2023). The meaning of financial literacy is education in the field of finance (Howlett et al., 2008), enabling individuals to have knowledge in managing finances (Kiyosaki, 2008). On the other hand, some opinions state that financial literacy is the ability to read and understand everything related to financial matters. There are four things understood in financial literacy, namely: budgeting, saving, borrowing, and investing. This is evidenced by programs organized by the Indonesia Stock Exchange (PT Bursa Efek Indonesia) through the "Ayo Menabung Saham" campaign to encourage the public to start investing in the capital market. Similarly, educational programs are also conducted in collaboration with educational institutions to help students gain a better understanding of the capital market (Merawati, 2015).

IAIN Ambon, as an educational institution, has actively played a role in supporting the development of the Sharia capital market in Maluku. One of the ways is by enhancing students' knowledge as information agents about the capital market, offering courses on Sharia capital markets and related investment topics as part of the curriculum. Moreover, to broaden students' understanding, IAIN Ambon has collaborated with the Indonesia Stock Exchange (BEI) in the Maluku Province, establishing the Sharia Investment Gallery (GIS) to provide facilities for students to access all information about the capital market. Under the umbrella of the Sharia Investment Gallery, the Sharia Capital Market Study Group (KSPMS) has been formed, an on-campus activity that accommodates students interested in studying and promoting the Sharia capital market within the campus community.

Although the existence of the Sharia capital market is considered important, the level of utilization of Sharia capital market instruments can be described as very low, as seen from the results of the National Sharia Capital Market Survey, which indicates that the inclusion rate is only around 5.19%, with a literacy rate of about 15%. This is much lower compared to other financial industries such as banking, which has an inclusion rate of 74% and a literacy rate of 49%. The low levels of financial literacy and inclusion are also evident in Maluku (Rakyat Maluku, 2022). The understanding and use of capital market products and services by the public are limited, and this can be attributed to several factors.

First, there is a lack of adequate understanding of how to transact in the capital market. Second, there is a common perception among the public that capital market products and services come with high risks. Third, the majority of capital market products and services are primarily utilized by the upper-middle-class population (Fatimah, 2018). It cannot be denied that investment interest is influenced by knowledge about investments (Firdaus & Ifrochah, 2022). Someone with financial skills will decide to plan their finances optimally (Kurihara, 2013). There are four things understood in financial literacy, namely: budgeting, saving, borrowing, and investing (Remund, 2010). With knowledge, skills, and confidence, it will influence attitudes and behaviors to improve the quality of decision-making and financial management in order to achieve well-being (OJK, 2023).

This article will discuss a series of intensive strategies undertaken by GIS IAIN Ambon in designing activities for various groups to provide continuous education and socialization so that understanding of literacy in the Islamic capital market in the community can continue to increase.

METHODS

This research is a qualitative study with research procedures that produce descriptive data in the form of written or oral words from individuals and observed behaviors (Meleong, 2014). The purpose of this research is to describe and elaborate on segmenting, targeting, and positioning in the activities of the Sharia Investment Gallery to enhance financial literacy in the Sharia capital market. The research location was determined using a purposive method. The subjects in this research are the Responsible Person of the Sharia Investment Gallery at IAIN Ambon as the primary informant who truly understands and comprehends the researched issues, while the additional informants are the Director and members of KSPMS. Data collection methods include interviews, observation, and document analysis. The data analysis steps used include data reduction, data presentation, and drawing conclusions.

RESULTS AND DISCUSSION

Sharia Investment Gallery

The Sharia Investment Gallery is the result of collaboration between the Indonesia Stock Exchange and investment companies as a means to introduce the capital market to the academic world from an early stage, with the aim of presenting the capital market not only in theory but also in practice. The information and data available in the Investment Gallery in the form of publications and printed materials about the capital market published by the Indonesia Stock Exchange, including regulations and Capital Market Laws, are all intended for academic purposes and not for commercial purposes in stock trading transactions.

Since 2017, IAIN Ambon has established the Sharia Investment Gallery through cooperation with the Indonesia Stock Exchange and Philips Sekuritas. As a Semi-Autonomous Institution (LSO), the Investment Gallery is under the auspices of the Faculty of Islamic Economics and Business at IAIN Ambon.

Over the years, the Investment Gallery has provided services including account opening, capital market education, deepening theoretical knowledge, and practicing simulated real-time trading in the capital market. To ensure that the Investment Gallery operates as expected, all services and activities are supported, monitored, and directly reported by the Indonesia Stock Exchange and securities companies.

Activities of the Sharia Investment Gallery

These activities are carried out regularly to enhance financial literacy and financial inclusion, especially in the Sharia capital market.

Stock Market School

Stock Market School is a regular socialization and education program organized by the Indonesia Stock Exchange. This program is open to the public and can be attended by anyone, including students, lecturers, employees, and the general public, within the campus environment. The mechanism is in accordance with the standards of the Indonesian Capital Market and is guided directly by trainers representing the Indonesia Stock Exchange and securities. The goal of this activity is not only to promote literacy but also to achieve inclusion. This activity is carried out as part of the Sharia Investment Gallery's engagement in conducting socialization and education for the community, especially within the campus environment.

Sharia Capital Market Seminar

Another educational activity is the national seminar or public lecture on the Sharia Capital Market, featuring speakers from the local to national scale who have extensive experience in managing Sharia-based investments. The main objective of this activity is to enhance financial literacy, combat illegal investments by promoting proper and legitimate investment practices, thus reducing the fear of the public to start investing. In its implementation, this activity also takes the form of collaborative seminars with KSPMS from other campuses, attracting up to 500 participants, including students, lecturers, employees, and the general public in Ambon City. These seminar activities serve as an initial step in educating the public to improve Sharia capital market literacy.

Trading Simulation

In addition to understanding investment theory, the Sharia Investment Gallery (GIS) also complements its activities with trading simulations, which are training sessions on simulating the steps involved in buying and selling stocks while considering the risks and returns. Participants gain an understanding of when the right time is to make stock purchases and sales. Participants not only grasp the theory but also engage in practical exercises. This activity is expected to equip participants with the skills to analyze stocks and make smarter investment decisions in the capital market.

Competitions

Competitions are also utilized as a means to educate students and pupils about the Sharia capital market. Various competitions are organized, including stock labs, trading competitions, essay competitions, and more. It's not uncommon for the Sharia Investment Gallery (GIS) to send delegations to participate in competitions at other campuses, both at the regional and national levels, such as stock trading competitions and Capital Market Ambassadors. Over the past five years, GIS at IAIN Ambon has made significant contributions to supporting investment education activities in the capital market, resulting in GIS IAIN Ambon receiving the GI Award in 2020 and 2022. In 2023, GIS IAIN Ambon was selected as the pilot project for the Investment Gallery in Maluku.

Discussion Groups

Discussion activities take place in two forms. Firstly, among the Sharia Investment Gallery (GIS) operators, from mentors to students who are members of KSPMS (Capital Market Study Club). This activity aims to provide mutual support among GIS operators and serves as a platform for exchanging ideas to discuss program activities and developments in investment products and general investment knowledge. Secondly, in the form of "Obrolan Asyik Seputar Investasi Saham" (Casual Conversations about Stock Investments), conducted by KSPMS with students who are new to the capital market. For the general audience, the Investment Gallery also offers a Talkshow on Introduction to Sharia Stocks.

Reading Corner

Opening a free reading corner for all students, providing a variety of books related to the Islamic capital market. With the establishment of a reading corner created by students who are members of KSPMS, it is hoped to enhance the literacy of all students. This activity also often includes book discussions.

Strategy of Galeri Investasi Syariah Activities

An approach that can be used to develop messages and marketing strategies that align with target segmentation is STP, which stands for Segmenting, Targeting, and Positioning. Segmenting or market segmentation is the process of identifying a heterogeneous market by grouping it into potential segments that share similar needs or homogeneity (Kasali, 2001). Market segmentation can also be understood as an effort to divide the market into distinguishable groups based on their needs, characteristics, or behaviors that may require specific products and marketing strategies to reach them resources (Kotler & Armstrong, 2001). Market segmentation makes it easier to carry out activities that are suitable for reaching the target audience. There are four main variables used for market segmentation: geographic segmentation, which divides the market into units based on geography such as countries, regions, cities, or housing complexes; demographic segmentation, which divides the market into groups based on variables like age, gender, income, occupation, religion, race, and nationality; psychographic segmentation, which divides the market based on social characteristics, lifestyle, or personality; and behavioral segmentation, which divides the market based on knowledge, attitudes, usage, or market reactions to a product. Market segmentation is done to identify potential markets to target so that an increase in the number of investors can be achieved. The segmenting strategy employed by GIS IAIN Ambon is based on geographical and demographic segmentation. Geographical segmentation, in conducting activities, is not only focused on the campus environment but also extends to potential areas to target the desired market and meet the needs of potential investors. GIS, along with KSPMS, utilizes social media platforms such as Instagram and Facebook to educate and promote awareness of Shariah capital market instruments to make them easily known to the public. Meanwhile, the demographic segmentation includes: students, housewives, faculty members, employees, and alumni. The targeted age group is around 17-60 years old, reflecting their needs, desire to understand, and use capital market instruments.

After segmenting and identifying the targeted segments, the next step is Targeting. Targeting involves selecting target markets to determine which market segments are most suitable to pursue. This typically involves choosing one or more segments to focus on. When evaluating different market segments, it is important to first examine the size and growth of the segments, the attractiveness of the segment structure (including the presence of competitors), and the alignment of the target and available resources (Kotler & Armstrong, 2001). Targeting In determining the target market, GIS IAIN Ambon considers the size and potential segments of the market, as not all demographics can be served. The target market of GIS IAIN Ambon essentially aligns with its goals, which are literacy and inclusion in the Islamic capital market. For educational literacy and awareness among students, the target is for them to become investors after gaining income and understanding suitable financial instruments for investment. If the target market includes faculty members, housewives, and employees, they are considered to have a high potential for inclusion as they already have income. Meanwhile, if the target is students, it focuses more on literacy goals, although it's not uncommon for students to also progress to inclusion in investment activities.

Next is Positioning, which involves determining the right position by building an image and trust in the eyes of consumers. It's about what makes consumers remember a product due to its advantages or how a product is perceived differently from competitors. In positioning, manufacturers will design the company's offerings to occupy a distinct value and place in the minds of the target consumers (Kotler & Armstrong, 2001). This activity is carried out as a strategy to create differences, advantages, and benefits that make consumers always remember

the product (Fanggidae, 2006). Positioning To build trust among the community and students, GIS IAIN Ambon adopts an approach based on user perception, in this case, the products offered for investment are stocks and products commonly used in daily life. The hope of GIS IAIN Ambon is that by taking this approach, it will make the community or students more confident and willing to engage in inclusionary activities.

CONCLUSION

In designing the activity program, the enhancement of Islamic capital market literacy at the Islamic Investment Gallery of IAIN Ambon refers to the concept of Segmenting, Targeting, and Positioning. Segmenting is based on geographical segmentation and demographic segmentation. Geographical segmentation targets the campus environment and potential residents outside the campus, while demographic segmentation includes students, alumni, faculty members, employees, and housewives. The primary target market is students, alumni, faculty members, employees, and housewives, and Positioning. This strategy aims to increase public literacy to become stock investors in the Islamic capital market.

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