
FACTORS INFLUENCING GENERATION Z STUDENTS IN BANTEN PROVINCE TO USE SHARIA MOBILE BANKING IN 2024

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Abstract

Generation Z, born in the digital era, has become increasingly reliant on mobile banking services for financial transactions. This shift in consumer behavior towards digital transactions is accelerating in Indonesia, particularly in Banten Province, where Sharia Banks are expanding their market penetration. The adoption of Islamic Mobile Banking is influenced by perceived ease, convenience, and benefits. The ease of access and financial benefits obtained are determining factors for customers to use the service. This research aims to explore the factors affecting Generation Z students' interest and behavior in using Sharia mobile banking services at Islamic Banks in Banten Province in 2024. The study uses a quantitative research method, focusing on all Generation Z customers of Islamic Banks in Banten Province. The sample size is 100 people, providing a fairly representative sample. The research aims to provide a deeper understanding of consumer preferences in Islamic finance and contribute to the development of Islamic banking services that are more in line with the needs of students in the region.

Keywords: Generation Z, Mobile Banking, Islamic Bank

Introduction

Today's technology has made it easier for Generation Z to conduct financial transactions through Mobile Banking services provided by banking institutions. Generation Z, which is a group of individuals born in the digital era, has grown and developed with technology as an integral part of their daily lives. In this context, Mobile Banking is one of the innovations that is very relevant and useful for this generation (Hapsari et al., 2024). Mobile Banking gives Generation Z the ability to access their accounts quickly and easily. Through banking apps installed on their smartphones, they can easily log into their accounts, check their balances, and manage their financial transactions without having to visit the bank. With Mobile Banking, Gen Z can make monthly bill payments such as electricity, water, telephone, and internet directly through their banking app, saving time and making it effortless. This phenomenon reflects the shift in consumer behavior from conventional transactions to digital transactions, including in terms of financial management and banking services. In Banten Province, where Sharia Bank is increasingly expanding market penetration.

Generation Z tends to rely on the Internet connection when using Mobile Banking applications. In Indonesia, the rapid growth of Generation Z, along with the development of information technology is accelerating this trend. They are entering a productive era that encourages the widespread adoption of digital technology, including the use of banking services through online platforms such as Mobile Banking (Nusaibah, 2023).

The influence of perceived ease, convenience, and benefits on the use of Islamic Mobile Banking is the major focus of research related to the adoption of Islamic financial technology. Some studies have found that perceived convenience and benefits have a significant positive impact on interest in using Islamic Mobile Banking, where the ease of access and financial benefits obtained are determining factors for customers to use the service (Rahma et al., 2022). This shows the complexity of factors influencing the adoption of Islamic financial technology, which requires a diverse approach to designing marketing and education strategies for potential customers.

Research on the factors that influence Generation Z students in using Mobile Banking at Islamic Banks in Banten Province in 2024 has a significant contribution in the context of developing the Islamic financial industry and understanding consumer behavior. Generation Z students are the main subject of research because of their important role in driving the adoption of financial technology, while Islamic banks in Banten Province are the focus of research because of their existence in supporting Sharia-based economic growth in the region.

Based on the background that has been described, researchers are interested in conducting research with the title "Factors Affecting Generation Z Students Using Mobile Banking at Islamic Banks in Banten Province" to explore the factors that influence the interest and behavior of Generation Z students in using Sharia mobile banking services. This research is expected to provide a deeper understanding of consumer preferences in the field of Islamic finance, as well as contribute to the development of Islamic banking services that are more in line with the needs of students in the region.

Methods

The research method used in this research is the quantitative research method. In this study, researchers took the population, referring to all Generation Z who were customers of Islamic Banks in Banten Province. Islamic Bank customers are Generation Z who use banking services based on Sharia principles. In this study, the population includes all of the customers who actively use Islamic Banking products and services in the Banten Province area. The number of samples taken using the Lemeshow formula was 100 people. Research with a sample of this size can provide a fairly good representation of the population and increase the validity and reliability of the research results. In this study, the Non-Probability Sampling Technique was used to draw samples. This technique selects respondents without a random selection process, but based on certain criteria relevant to the research objectives. The criteria for determining the sample of respondents are at least 18-27 years old and students in Banten Province who use Mobile Banking at Islamic Banks.

The number of samples in this research is as follows

$$n = 96,04 = 96$$

By using the Lemeshow formula above, the sample value (n) obtained is 96.04 which is then rounded up to 96 people. The minimum sample size for this research is 96.04 people. However, to make it easier, it was made into 100 respondents. The main purpose of this study is to assess the impact of testing the variables X1 Ease, X2: Comfort, X3: Benefits, and Y: Islamic Bank Mobile Banking. The format of the questionnaire scale is provided by using a ratio scale of 1 to 5. The data analysis process in the multiple regression, analysis method begins with the stage of checking data quality, collecting descriptive statistics, and testing hypotheses partially through the T-test. The results of the validity test for the convenience variable (X) which consists of 3 questions represented by the symbols X1.1 to X1.3. The results of the validity test for 2 questions on the convenience quality variable, 2 questions on the benefit variable, and 3 questions on the variable Y use of Islamic Mobile Banking with a significant value (2-tailed) from the test results of $0.00 < 0.01$ which is the maximum standard for validity testing. Meanwhile, the reliability assessment is used to measure a questionnaire that functions as an indicator of a variable or construct. A questionnaire is considered reliable if someone's answer to the questions posed shows consistency or stability over a long time. The reliability test uses Cronbach Alpha with Cronbach Alpha test criteria > 0.60 , so the variable is declared reliable. The following are the results of the reliability test:

Table 1 Reliability Test Results

No	Variables	Croncbach Alpha Value	Description
1.	Ease	0,686	Reliable
2.	Comfort	0,753	Reliable
3.	Benefits	0,671	Reliable
4.	Islamic Bank Mobile Banking	0,556	Reliable

Based on Table 1 above, it is known that all research variables from X1: ease, X2: comfort, variable X3: benefits, and variable Y: Islamic Bank Mobile Banking are all reliable. Next is the Classical Assumption Test, The Classic Assumption Test is a series of statistical tests used to check the validity of the basic assumptions of regression analysis. These assumptions include normality, heteroscedasticity, and linearity tests. The general criteria for determining the success of a classical assumption test is a significance value greater than 0.05, which indicates that the assumptions are met. However, if the significance value is less than 0.05, the assumption is considered unfulfilled. Furthermore, Multiple Linear Regression Analysis and Multiple Linear Regression Analysis were used to understand the effect or linear correlation between two or more independent variables on one dependent variable. Multiple linear regression analyses were used to test the effect of convenience, comfort, and benefits, on mobile usage. Islamic banking so this study has a regression equation, namely:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \varepsilon$$

Description:

Y = Islamic Bank Mobile Banking

X1 = Ease

X2 = Comfort

X3 = Benefits

Furthermore, the last test is Hypothesis Testing. Hypothesis testing is a statistical procedure to test claims or statements about population parameters based on sample data. The F test, coefficient of determination, and t-test are important tools in statistics used in linear regression analysis.

Result and Discussions

The results showed that the variables that influence the Gen Z students who use Islamic banks in Banten Province in 2024 have different impacts. It is proven that the Ease (X1) and comfort (X2) factors have a significant influence on the interest in using Islamic bank mobile banking services. Conversely, the benefit factor (X3) does not have a significant effect. The statistical test results showed that the convenience variable has a significance value of 0.005 and the convenience variable has a significance value of 0.000, each below the 0.05 threshold, which indicates a strong influence. In contrast, the benefit variable has a significance value of 0.331, which exceeds the 0.05 threshold, indicating that there is no significant influence. This finding underscores the importance of ease-of-use and convenience aspects in the design and implementation of Islamic mobile banking services to attract Generation Z students. Interestingly, although benefits are often considered an important factor in technology adoption, this study shows for Generation Z students in Banten Province, this aspect is not a major determining factor in their decision to use Islamic mobile banking. This may indicate that Generation Z is more concerned with a smooth and convenient user experience compared to the benefits offered. These findings provide valuable insights for Islamic banking institutions in designing more effective marketing and product development strategies to attract the Generation Z market segment, focusing on improving the ease of use and convenience of their mobile banking services.

The classic assumption test carried out through normality test, heteroscedasticity test, multicollinearity test and linearity test.

Table 2 Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		132
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.52234176
Most Extreme Differences	Absolute	.069
	Positive	.037
	Negative	-.069
Test Statistic		.069
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Based on the results of the Normality Test above, it is known that the test data was indicated as normal with an asymmetry sig value. 0.200 which is greater than the standard of 0.05.

Table 3 Heteroscedasticity Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.769	1.586		-1.745	.086
	X1	.151	.138	.198	1.088	.281
	X2	-.023	.162	-.025	-.143	.887
	X3	.093	.173	.071	.541	.590

Based on the Heteros Test Results above, it is known that the test data was indicated as normal with a value of X1 0.281; X2 0.887; and X3 0.590 greater than the standard of 0.05.

Table 4 Multicollinearity Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.355	1.399		.969	.335		
	X1	.272	.095	.246	2.860	.005	.613	1.631
	X2	.598	.115	.444	5.190	.000	.621	1.611
	X3	.148	.152	.069	.975	.331	.912	1.096

Based on the Multicollinearity Test Results above, it is known that the test data was indicated normal with Tolerance values X1, X2 and X3 are 0.613; 0.621; and 0.912 greater than the standard of 0.10. The VIF values of X1, X2 and X3 are 1,631; 1,611; and 1,096.

Table 5 Linearity Test

ANOVA Table						
		Sum of Squares	df	Mean Square	F	Sig.
	(Combined)	35.867	4	8.967	2.337	.059

Y * X3	Between Groups	Linearity	32.538	1	32.538	8.479	.004
		Deviation from Linearity	3.328	3	1.109	.289	.833
	Within Groups		487.376	127	3.838		
	Total		523.242	131			

Based on the Linearity Test above, it is known that the test data is identified as normal with a Deviation from Linearity value of 0.833 greater than the standard 0.05.

Table 6 F test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.648 ^a	.420	.406	1.540

Based on the Multiple and Simple Linear Regression Test above in the F Test, it is known that the Adjusted R Square data is 0.406, that is mean there is an influence of X1, X2, and X3 together on Y by 406%.

Table 7 Partial T Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.355	1.399		.969	.335
	X1	.272	.095	.246	2.860	.005
	X2	.598	.115	.444	5.190	.000
	X3	.148	.152	.069	.975	.331

Based on the Multiple and Simple Linear Regression Test above in the Partial T-Test, it is known that the data above the Signification Value (sig) of Variable X1 is 0.005 and Variable X2 is 0.000. Because the significance value (sig) of variables X1 and X2 is less than 0.05 according to the standard, it means that there is an influence on Y. The Signification Value (sig) for Variable X3 is 0.331 more than 0.05, it is not by the standard and does not affect Y.

Discussion

Based on the results of the study, researchers found that the results of variable X1 (Ease) affected interest in using Islamic Banks as evidenced by the results of the T-test in the Multiple or Simple Linear Regression Test. The results of the T-test significance of 0.005 were less than 0.05 and the T value was $2.860 > 1.664$ which means that there is a positive influence between the convenience provided. Convenience affects the interest in using Sharia Mobile Banking in Generation Z because the easier it is to use the mobile banking application, the more Generation Z in the Banten area wants to use it in the technological era, convenience also makes Generation Z in the Banten area its pleasure. Convenience can be called practical use, it can also be said to be fast. Generation Z in the Banten area with their respective activities because this easy access will support them. So it is said to be influential compared to previous research and these results support previous research conducted (Pambudi, Mufsiroh, Hinawati, & Khabib, 2023) which says that this convenience factor affects a student's interest in using mobile banking from Indonesian Islamic banks. This convenience variable can compete in the age of technology with Conventional Bank Mobile Banking because they are equally practical, fast and efficient.

Based on the results of the X2 variable (Comfort), it affects the interest in using Islamic Bank mobile banking as evidenced by the results of the T-test in the Multiple or Simple Linear Regression Test.

The results of the T-test have a significance of 0.000, which is less than 0.05, so it can be said to be influential because the element of "convenience" is an important means for Generation Z to keep their financial to be more safe. This convenience makes Generation Z using Sharia Mobile Banking a pleasure to use. Islamic banks in Indonesia have been registered with the Financial Services Authority, which reinforces that the OJK was formed to be committed to ensuring that all activities in the financial services sector are carried out in an orderly, fair, transparent, and responsible manner just to build a financial system that develops sustainably and stably can protect the interests of consumers and society. The Financial Services Authority (OJK) has the task of implementing an integrated system of regulation and supervision of all activities in the financial services sector. The Financial Services Authority (OJK) is tasked with regulating and supervising financial services activities in the banking sector, the capital market sector, and the IKNB sector. Islamic banks have convenience because Islamic banks have the principle of profit sharing, which is beneficial for Generation Z. As well as the aspect of fairness in transactions for Generation Z, there is an ethical investment. As well as the aspect of fairness in transactions for Generation Z, there is an ethical investment. Comfort that emphasizes the value of togetherness. Compared with previous research and these results turned out to support previous research conducted (Nurhaliza, Fadhil, Kurniawan, & Nurbaiti, 2024) which said that the study revealed that the majority of students positively assessed the use of mobile banking at Islamic Banks and considered it an effective tool for managing financial transactions with a high level of security, students also appreciated the convenience of access to Islamic banking information. So, this convenience affects the interest in using Islamic Bank Mobile Banking.

Based on the results of variable X3 (Benefits), it does not affect interest in using Islamic Bank Mobile Banking as evidenced by the results of the T-test in the Multiple or Simple Linear Regression Test. The T-test has a significant value of 0.331, which is greater than 0.05, The t-value is $0.975 < 1.664$, which means no effect. Researchers analyzed that Generation Z in Banten has not been able to feel the benefits of Islamic Bank Mobile Banking. After being compared, the results of this study turned out to have no effect and this contradicts previous research conducted. (Ningsih, 2022) Proving the lack of trust in Islamic Banks that 43% of millennial Muslim respondents and Gen Z in Banten do not believe that banks fully comply with sharia, so they do not want to use Islamic banks, this is corroborated by previous research (Shinta, 2024). Generation Z in Banten also does not understand all the benefits provided by Sharia mobile banking. There is a lack of literacy in Generation Z in Banten. From this research, Generation Z in Banten feels that there are no benefits or less than the benefits provided by Sharia Mobile Banking. The author's attitude towards government policy for the interest of Sharia Mobile Banking in Generation Z is to include or collaborate with Islamic Banks in Islamic State Universities or Islamic private universities, which automatically require students to use Islamic Banks and will get used to using tools such as Sharia Mobile Banking. Why through universities, college students use banks for transactions such as UKT payments, payment of other tuition fees and that uses mobile banking. According to the author's opinion, because the Banten region has many Islamic boarding schools, generation Z there, it can also pay for payments for Islamic boarding schools that require them to use Islamic Banks for facilities and infrastructure.

Conclusion

This study concludes that Generation Z's interest in using Islamic Bank Mobile Banking in Banten is significantly driven by convenience and comfort but not by perceived benefits. Convenience, characterized by ease of use and practical functionality, appeals to the tech-savvy Generation Z, while comfort is bolstered by the ethical principles and financial security associated with Islamic banking, supported by regulatory oversight from the Financial Services Authority (OJK). However, a lack of awareness of the benefits offered by Sharia-compliant banking diminishes interest, highlighting a need for increased financial literacy initiatives. Integrating Islamic banking within university transactions and Islamic boarding schools could enhance familiarity and trust, encouraging Generation Z in Banten to adopt Sharia Mobile Banking.

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