



Empirical Exploration of TPB Extention on Savings Adoption by Indonesian Gen-Z in Sharia Banking

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ABSTRACT

Indonesia operates a dual financial system comprising conventional and sharia finance. As the world's largest Muslim-majority country, the demand for sharia-compliant banking services is rising, driven by the prohibition of *riba* and the principles of Islamic finance. The establishment of Bank Syariah Indonesia (BSI) in 2021, following a merger of three state-owned sharia banks, underscores the nation's commitment to expanding sharia banking. This study investigates the influence of electronic word of mouth (eWOM) and religiosity on saving intentions among Generation Z customers at BSI. Data were collected from 231 respondents using an online questionnaire with screening questions. The findings reveal that EWOM significantly impacts saving intentions, highlighting the importance of digital interactions in influencing consumer behavior. While religiosity was positively correlated with saving intentions, it was not a significant determinant, suggesting that practical factors such as service quality and trust may outweigh religious considerations. These results contribute to the literature on consumer behavior in sharia banking and provide actionable insights for developing targeted marketing strategies to enhance savings adoption among younger demographics in Indonesia. This research highlights the evolving dynamics of consumer behavior of GenZ in the context of sharia banking's growing digital transformation

INTRODUCTION

Indonesia implements a dual financial system, namely a conventional financial system and a sharia financial system. As the country with the largest Muslim population in the world, they are starting to have awareness and want alternative banking services that are in accordance with Islamic law. This was marked by the operation of PT Bank Muamalat Indonesia on May 1 1992. The progress of sharia banking in Indonesia was marked by the approval of Law no. 10 of 1998 replaced Law no. 7 of 1992. In Law no. 10 of 1998 regulates in detail the legal basis and types of business that can be operated and implemented by sharia banks and provides direction for conventional banks to open sharia branches or even convert themselves completely into sharia banks (Oktaviani and Nanda, 2019).

Two main reasons regarding the background to the establishment of sharia banks, namely: (1) the view that interest in conventional banks is haram because it is included in the category of usury which is prohibited in religion, not only in Islam but also in other heavenly religions; (2) from an economic aspect, handing over business risks to one party is considered to violate the norms of justice and can give rise to a sense of selfishness (Rahmawati, 2019).

However, the development of sharia banking has experienced a decline, especially when seen in the table below.

Table 1. Customer Growth of Third Party Fund in Sharia Bank

| Year | No. of Account (Personal) | No. of Account (Business Unit) | Total | Growth (%) |
|------|---------------------------|--------------------------------|------------|-------------|
| 2016 | 15.488.398 | 3.032.693 | 18.521.091 | - |
| 2017 | 17.955.556 | 3.736.907 | 21.692.463 | 15% |
| 2018 | 19.996.197 | 4.338.359 | 24.334.556 | 11% |
| 2019 | 22.120.609 | 4.894.997 | 27.015.606 | 10% |
| 2020 | 23.272.903 | 5.080.581 | 28.353.484 | 5% |

Source: Statistik Perbankan Syariah OJK, 2020

From table 1, it can be seen that the number of sharia bank third party fund customers from 2016 has decreased successively from 15%, 11%, 10% and 5%. So the President of the Republic of Indonesia took the right steps, on February 1 2021, inaugurating Bank Syariah Indonesia which is a mega merger of 3 state-owned banks, namely PT Bank Syariah Mandiri, PT Bank BNI Syariah and PT Bank BRI Syariah, where the merger resulted in a total assets worth IDR 220 trillion to IDR 225 trillion (Tolok, 2021). However, of the 180 million Muslim population in Indonesia, only 30.27 million were sharia bank customers as of November 2020 (Wicaksono, 2021).

With the merger into sharia banks, it is anticipated that the number of customers saving in Sharia banks will grow, reversing the declining trend indicated in table 1. Identifying potential customer segments is critical to achieving this goal. According to the 2021 Indonesian Statistics report, Generation Z, comprising approximately 74.93 million individuals out of Indonesia's total population of 237.63 million, represents a significant demographic segment with considerable market potential. This highlights an opportunity for Sharia banks to tap into this demographic to increase customer numbers, ultimately contributing to Indonesia's economic growth. However, addressing the behavioral barriers of Gen Z and aligning Sharia banking principles with their values will be key to fostering their intention to save in Islamic banks.

As Gen Z emerges as a key market for Indonesia's Sharia banking industry, their values of transparency, ethics, and social responsibility resonate strongly with Islamic banking principles. Sharia banking is rooted in the Quran's emphasis on fairness, ethical trade, and the prohibition of usury (*riba*). The Quran explicitly forbids *riba*, stating, "*Allah has permitted trade and forbidden usury*" (Surah Al-Baqarah 2:275) and encourages fair and lawful transactions, "*Do not consume one another's wealth unjustly but only [in lawful] business by mutual consent*" (Surah An-Nisa 4:29). It also warns against deceitful or ambiguous practices (*gharar*), emphasizing, "*Establish weight in justice and do not make deficient the balance*" (Surah Ar-Rahman 55:9). These principles ensure ethical and transparent financial practices, aligning perfectly with Gen Z's expectations.

Therefore, understanding the factors influencing their intention to adopt savings products in sharia banks is crucial. This research aims to empirically explore the extended Theory of Planned Behavior (TPB), focusing on the roles of Electronic Word-of-Mouth (EWOM) and religiosity in shaping Gen Z's behavioral intentions. By examining these factors, this study seeks to offer insights into how sharia banking in Indonesia can effectively engage this demographic, ensuring that their financial choices align with both their personal values and the principles of Sharia law. The focus on eWOM and religiosity acknowledges the growing importance of digital communication and religious influence in shaping financial behaviors among younger consumers, particularly in Indonesia's dynamic banking environment.

LITERATURE REVIEW

Marketing management refers to the process where a company creates value for its customers and establishes strong customer relationships in exchange for gaining value from those customers (Kotler & Armstrong, 2018). In this context, understanding consumer behavior is crucial, as it involves the processes through which individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy their needs and wants (Solomon, 2020).

The context of this study is sharia banking which used interchangeably with Islamic banking. Islamic Banking is a broader term often used globally, especially in regions with predominantly Muslim populations. It strictly adheres to Islamic law and terminology, often focusing solely on Muslim customers. (Zolota, 2018)

Meanwhile, Sharia banking refers specifically to banking systems that adhere to Sharia principles, emphasizing inclusivity and ethical practices in alignment with Islamic values but often framed in a way to appeal to a broader audience, especially in multi-religious societies like Indonesia. According to Yolanda (2023), Sharia banking in Indonesia has evolved within its governance framework to reflect not just Islamic jurisprudence but also national regulations to foster inclusivity.

Furthermore, this study focuses on Generation Z, individuals born between 1995 and 2012 (Stillman, 2018), who make up a significant portion of the Indonesian population, with approximately 74.93 million or 27.94% of the total population (BPS, 2021). From a business perspective, Generation Z represents a substantial market segment, and understanding their characteristics can assist marketers in optimizing their strategies (Wijoyo et al., 2020). Several studies have also explored the behaviors of Gen Z in Indonesia, highlighting key factors that shape their consumer choices (Hanafiah & Djabbar, 2024; Hanafiah et al., 2020; Hanafiah et al., 2023; Fortunata & Hanafiah, 2024; Lestian & Hanafiah, 2024).

EWOM

According to Jalilvand (2012) electronic word of mouth (EWOM) is a negative or positive statement made by actual, potential or previous consumers about a product or company where this information is available to people or institutions via internet social media. In this study, the electronic word of mouth indicators were adapted from Jalilvand (2012), which include:

1. I often read online reviews of other customers to find out which banks make a good impression on their customers.
2. To make sure I choose the right bank, I often read other customer reviews
3. I often consult other customers' online reviews to help choose an attractive bank
4. I often gather information from online reviews of other customers before I use a particular bank
5. If I don't read other customers' online reviews when I'm signing up with a bank, I worry about my decision
6. When I make transactions at a bank, online reviews from other customers make me confident in making transactions

Religiosity

According to Alam, et al. (2012), Religiosity is part of a culture that can shape people's behavior. In addition, Religiosity also determines what is prohibited and what is not prohibited which influences customer decisions. The indicators for customer loyalty, adapted from Alam, et al. (2012), include:

1. I regularly pray five times a day.
2. I fast regularly during Ramadan.
3. I regularly read the Koran.
4. I pay zakat fitrah every year if I meet the specified criteria.
5. I try to follow Islamic conjunctions in everything in my life.
6. I always try to avoid small sins and big sins.

Attitude

In Alam, et al. (2012), attitude refers to the extent to which a person has a favorable or unfavorable evaluation or assessment of the behavior in question. Attitude is considered the first antecedent of behavioral intention. Attitude is a positive or negative belief to perform a certain behavior. An individual will intend to be able to perform a behavior when he or she evaluates it positively. In this study, attitude is measured through indicators adapted from Alam, et al. (2012) which include:

1. I like saving at Islamic Banking because it is free from usury.
2. Using Islamic Banking services is good because of the superiority of its products.
3. I like Islamic Banking services because they are profitable for me.
4. Saving at Islamic Banking will be good for me.
5. Saving at Islamic Banking will give me peace of mind.

Subjective Norm

Imelda et al (2014) explain that subjective norms are a product of a person's belief that a reference (another person who is considered important) thinks it is better to do it or not, plus the person's motivation to comply with their expectations. Subjective norms according to Alam, et al. (2012) are defined as an individual's perception of the possibility that a potential reference group or individual approves or disapproves of performing a given behavior. In this study, subjective norm is measured through the following indicators, adapted from Alam, et al. (2012):

1. Most of the people who are important to me support me in saving at Islamic Banking.
2. Most of my friends/colleagues who have saved in Islamic banks agree that Islamic banks are better than conventional banks.
3. When it comes to sharia finance, I want to be like my friends.
4. I chose to save at Islamic Banking based on recommendations from friends and relatives.
5. The people I listen to can influence me to save at Islamic Banking.

Perceived Behavioral Control

Perceived behavioral control (PBC) is the extent to which a person feels capable of carrying out the behavior (Alam, et al. 2012). Then, the indicators for perceived behavioral control is also adapted from Alam, et al. (2012) which include:

1. I am sure that I will save at Islamic Banking for my next financial transaction
2. I am sure I will like saving at Islamic Banking even though it is more expensive
3. I am sure that I will save at Islamic Banking even if other people advise me to save at conventional banks
4. I am sure I will be able to save at Islamic Banking
5. Saving at Islamic Banking is completely under my control.

Intention to Save

According to Kotler and Keller (2016), purchase intention is a consumer behavior where consumers have a desire to choose a product based on experience in choosing, using and consuming or even in wanting a product. According to Pratama and Suputra (2019) Intention is a person's desire that is driven by a desire after seeing, observing, and comparing and considering the needs they want. The indicators for intention to save is adapted from Alam, et al. (2012) which include:

1. I intend to save at Islamic Banking.
2. There is a big possibility that I will save at Islamic Banking.
3. I hope to save at Islamic Banking.
4. I predict I will save at Islamic Banking.
5. I plan to save at Islamic Banking for my sharia finances.

Theoretical basis and hypothesis development

The Theory of Planned Behavior (TPB) is used as the theoretical basis which predicts behavioral considerations, positing that behavior can be considered and planned. Developed initially by Ajzen, TPB has evolved through research. Ajzen and others highlight that TPB is advantageous compared to other behavioral theories because it identifies beliefs about control over behavioral outcomes. This distinction clarifies intentional versus unintentional behaviors. TPB incorporates three independent variables: (1) Attitude toward behavior, where individuals assess actions as beneficial or unbeneficial; (2) Subjective norms, reflecting perceived social pressures to perform or avoid actions; and (3) Perceived behavioral control, representing perceptions of ease or difficulty in executing behaviors, reflecting past experiences and anticipated obstacles (Ajzen, 1991). These factors collectively explain the formation of behavioral intentions and subsequent actions.

Hypothesis Development

Empirical studies on the Theory of Planned Behavior (TPB) in the context of Sharia banking have consistently shown that attitude, subjective norms, and perceived behavioral control significantly influence consumers' intentions to adopt Sharia-compliant banking services. Research indicates that positive attitudes toward Sharia banking, driven by perceived ethical and religious values, enhance consumer adoption (Ali et al., 2021; Zakaria et al., 2021). Additionally, subjective norms, including social and cultural pressures, play a crucial role in shaping intentions to use Islamic financial products (Hassan et al., 2020). Furthermore, perceived behavioral control, influenced by factors such as ease of use and availability of products, has been found to directly impact the likelihood of engaging with Sharia banks (Chong et al., 2019; Rahman et al., 2018). These findings suggest that the adoption of Sharia banking services is driven by a combination of individual attitudes, social influences, and perceived control over the behavior.

While the existing studies provide valuable insights into the application of the Theory of Planned Behavior (TPB) in the context of Sharia banking, there is a growing need for further extension of TPB, particularly to account for the evolving influence of digital and social media on consumer behavior. Given that Generation Z is more digitally connected than previous cohorts, traditional TPB models may need to incorporate modern factors such as Electronic Word of Mouth (eWOM) to better capture the social and informational dynamics influencing their decision-making. Additionally, the role of religiosity, deeply ingrained in the Indonesian context, necessitates further exploration to understand how these factors interact with TPB constructs to shape the financial behaviors of Generation Z.

This study focuses on Generation Z and Sharia banking in Indonesia, where integrating Electronic Word of Mouth (eWOM) and religiosity within the Theory of Planned Behavior (TPB) framework becomes particularly relevant. Generation Z, known for being tech-savvy and highly socially connected, frequently turns to online reviews and social media platforms to guide their financial decisions, including banking services. In this context, eWOM can significantly shape their attitudes and subjective norms toward Sharia banking, influencing their perceptions of its benefits, credibility, and alignment with Islamic values (Jalilvand & Samiei, 2012). Positive eWOM has the potential to foster more favorable attitudes toward Sharia banking products, amplify perceived social pressure to adopt these services, and strengthen perceived behavioral control, particularly if Generation Z views these services as accessible and well-suited to their financial needs (Daugherty & Hoffman, 2014). Additionally, religiosity plays a central role in shaping the financial decisions of Generation Z in Indonesia, where Islamic values are deeply embedded in daily life. Given that Sharia banking operates in accordance with Islamic financial principles, it may resonate with Generation Z's religious beliefs, influencing both their attitudes and social norms toward these services (Agarwala et al., 2019). The intersection of eWOM and religiosity provides a comprehensive framework to better

understand how Generation Z's intentions to engage with Sharia banking are formed, guided by a combination of social influences and personal values.

Hence, based on above literature and previous studies, this research proposed several hypotheses:

H1: Religiosity positively influence intention to save in sharia banking

H2: Attitude positively influence intention to save in sharia banking

H3: Subjective Norm positively influence intention to save in sharia banking

H4: Perceived behavioral control positively influence intention to save in sharia banking

H5: Electronic word of mouth positively influence intention to save in sharia banking

Therefore, to address all hypotheses, it can be seen by the following research framework (figure 1). This framework is designed to make it easier to understand the relationship between all variables in this research.

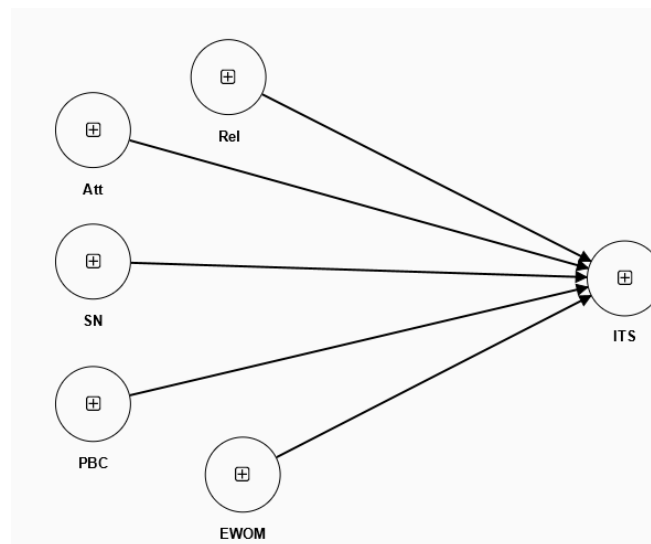


Figure 1. Research Framework

METHODOLOGY

The principal objective of this causal investigation is to investigate the correlations among the analyzed variables. A quantitative methodology was employed, emphasizing data collection and measurement by self-reporting. The questionnaire, created in a Google Forms format (shout.com), was disseminated over multiple internet platforms, including WhatsApp, Twitter, and Facebook. A snowball sampling strategy was employed to obtain the necessary number of responses until the total required respondents were achieved. This involved the researcher sending the questionnaire to friends and family members, who then forwarded it to others. In addition, purposive non-probability sampling ensured that respondents were members of Generation Z, and the following screening questions were asked: "Are you Muslim?", "Are you aged between 10 and 25 years?", and "are you familiar with sharia banking". A total of 231 questionnaires were distributed, which was determined using G Power 3.1 software to achieve minimum of 80% statistical power, based on parameters such as effect size = 0.15, error margin = 5%, and power of $(1-\beta) = 80\%$, with three predictors.

In terms of demographics, most respondents were female (80.5%, or 186 respondents). Age-wise, the study was predominantly made up of respondents aged 21-25 years, who accounted for 92.2% (213 respondents). Regarding employment, 81,9% (189 respondents) were university students and 66,7% (154 respondents) with monthly expenses in the range of Rp. 2.5 mio – Rp. 5mio.

The methodology applied in this research is component or variance-based Structural Equation Modeling (SEM), specifically using Partial Least Squares (PLS) with the Smart-PLS version 4 software that involved two key stages, in line with the recommended approach in PLS-SEM (Hair et al., 2017). The first stage was the evaluation of the measurement model (outer model), which involved assessing the reliability and validity of the constructs through indicators such as loadings, composite reliability, and average variance extracted (AVE). The second stage focused on the structural model (inner model) to test the hypothesized relationships, including path coefficients, t-values, and the coefficient of determination (R^2), to determine the strength and significance of the relationships between the constructs.

RESULTS

SmartPLS 4 is used for the purpose of SEM in this study, and there are two stages of model analysis in the PLS. The first stage is the evaluation of the measurement model or outer model. Then, the second stage is assessing the structural model or inner model analysis to determine the hypotheses decision.

For measurement model, in table 2, it can be seen that all indicators for each construct have an outer loading value ≥ 0.70 , and Composite Reliability values exceeding the recommended threshold of 0.70, indicating good internal consistency for each construct (Hair et al., 2017). Followed with the average variance extracted (AVE) that are all above 0.5 that meets the convergent validity.

Table 2. Indicator Reliability and Convergent Validity Test Results (Loadings and AVE)

| Variabel | Item | Outer Loading | AVE | CR |
|------------------------------|-------|---------------|-------|-------|
| Intention to Save | ITS1 | 0.886 | 0.812 | 0.956 |
| | ITS2 | 0.907 | | |
| | ITS3 | 0.913 | | |
| | ITS4 | 0.905 | | |
| | ITS5 | 0.895 | | |
| Attitude | ATT1 | 0.756 | 0.670 | 0.910 |
| | ATT2 | 0.897 | | |
| | ATT3 | 0.865 | | |
| | ATT4 | 0.830 | | |
| | ATT5 | 0.731 | | |
| Subjective Norms | SN1 | 0.842 | 0.724 | 0.929 |
| | SN2 | 0.822 | | |
| | SN3 | 0.910 | | |
| | SN4 | 0.871 | | |
| | SN5 | 0.805 | | |
| Perceived Behavioral Control | PBC1 | 0.942 | 0.766 | 0.951 |
| | PBC2 | 0.725 | | |
| | PBC3 | 0.955 | | |
| | PBC4 | 0.867 | | |
| | PBC5 | 0.795 | | |
| | PBC6 | 0.944 | | |
| EWOM | EWOM1 | 0.876 | 0.782 | 0.956 |
| | EWOM2 | 0.938 | | |
| | EWOM3 | 0.901 | | |
| | EWOM4 | 0.851 | | |
| | EWOM5 | 0.810 | | |
| | EWOM6 | 0.923 | | |
| Religiusitas | R1 | 0.837 | 0.722 | 0.940 |

| | | | | |
|--|----|-------|--|--|
| | R2 | 0.872 | | |
| | R3 | 0.891 | | |
| | R4 | 0.848 | | |
| | R5 | 0.788 | | |
| | R6 | 0.860 | | |

Source: Researcher Output (SmartPLS 4)

In table 3, HTMT test is part measurement model to test the discriminant validity. In more recent literature, Franke and Sarstedt (2019) confirm that 1 can be interpreted as an upper boundary of acceptable construct correlations and this condition does not represent a definite violation of discriminant validity. To sum, the measurement model meet the reliability and the validity test. Then we continue to structural model.

Table 3. HTMT Test Results

| | EWOM | ITS | SN | PBC | R | ATT |
|-------------|-------------|------------|-----------|------------|----------|------------|
| EWOM | | | | | | |
| ITS | 0.659 | | | | | |
| SN | 0.561 | 0.727 | | | | |
| PBC | 0.651 | 0.675 | 0.781 | | | |
| R | 0.569 | 0.706 | 0.840 | 0.768 | | |
| ATT | 0.715 | 0.774 | 0.717 | 0.643 | 0.715 | |

At this the second stage of analysis, the relationship between constructs was assessed. In this regard, coefficient of determination (R^2) and effect size (f^2) can be seen in table 4 and 5. Then, the hypothesis testing was conducted by performing the bootstrapping procedure.

Tabel 4. Coefficient of Determination (R^2) Values

| Relationship | R^2 | Predictive Accuracy |
|---------------------|-------------------------|----------------------------|
| Intention to Save | 0.624 | Substantial |

In table 4, the effect ranges from 0 to 1, with higher values indicating a higher level of predictive accuracy. As R^2 values refer to the predictive accuracy of the predictor constructs on the respective variables (Hair et al., 2017). The the combination of Att SN, PBC, EWOM, Religiosity can predicts 62.4% of Intention to save and described as substantial predictive accuracy. (Cohen, 1992)

Tabel 5. Effect Size (F2) Values

| Relationship | f ² | Effect Size |
|--------------|----------------|-------------|
| Att -> ITS | 0.142 | Small |
| SN-> ITS | 0.039 | Small |
| PBC -> ITS | 0.021 | Small |
| EWOM -> ITS | 0.051 | Small |
| Rel -> ITS | 0.021 | Small |

In table 5, effect size (f²) value signifies the contribution of a construct toward the R² value of a target construct in a structural model (Hair et al., 2017). Such contribution or effect size would be based on the value of 0.02, 0.15, and 0.35, which are interpreted as a small, medium, and large, respectively (Cohen, 1992). As such, it can be seen in table 6 that Att, SN, PBC, EWOM, Rel, are having the small effect.

Tabel 6. Hypotheses Testing for the Direct Relationships

| No | Hypotheses (Relationship) | β value | t value | P value | Remarks (Decision) |
|----|---------------------------|---------|---------|---------|--------------------|
| H1 | ATT → ITS | 0.339 | 6.098 | 0.000 | Accepted |
| H2 | SN → ITS | 0.940 | 2.803 | 0.005 | Accepted |
| H3 | PBC → ITS | 0.138 | 2.083 | 0.038 | Accepted |
| H4 | EWOM → ITS | 0.197 | 3.038 | 0.003 | Accepted |
| H5 | Rel → ITS | 0.685 | 2.063 | 0.040 | Rejected |

The Effect of Attitude on Intention to Save

The analysis for H1 reveals that attitude (Att) significantly influences intention to save (ITS) in sharia banking, with an original sample value of 0.339, a t-statistics value of 6.908 (> 1.96), and a p-value of 0.000 (< 0.05). This indicates that attitude has a strong and positive effect on intention to save, which indicates that a positive attitude significantly enhances the likelihood of consumers intending to use banking services. Similar to a study by Resty and Hidayat (2021) that demonstrates that attitudes have a substantial positive influence on the behavioral intentions of millennial customers towards Islamic banks. Furthermore, Bananuka et al. found that attitude serves as a strong predictor of the intention to adopt Islamic banking, reinforcing the notion that favorable attitudes towards banking services directly correlate with increased intentions to engage with those services (Bananuka et al., 2019).

The Effect of Subjective Norm on Intention to Save

The analysis for H2 reveals that subjective norm (SN) significantly influences intention to save (ITS) in sharia banking, with an original sample value of 0.940, a t-statistics value of 2.803 (> 1.96), and a p-value of 0.005 (< 0.05). This indicates that subjective norm positively and significantly affects intention to save. This means the perceived social pressure to perform or not perform a certain behavior, can greatly influence individual decision-making processes in various contexts, including banking. Previous research has consistently shown that subjective norms positively impact behavioral intentions in the banking sector. For instance, Halipah et al. (2021) found that an increase in subjective norms correlates with an increase in the intention to use financing products from Muamalat Banks. Similarly, Raza et al. (2019) reported a strong positive relationship between subjective norms and behavioral intention to adopt Islamic insurance products.

The Effect of Perceived Behavioral Control on Intention to Save

The analysis for H3 indicates that perceived behavioral control (PBC) positive and significantly influences intention to save (ITS) in sharia banking, with an original sample value of 0.138, a t-statistics value of 2.083 (> 1.96), and a p-value of 0.038 (< 0.05). This means individuals who feel they have greater control over their actions are more likely to intend to save in sharia banking. Previous study has consistently demonstrated that PBC positively influences behavioral intentions in banking contexts. For instance, Nisar (2023) study on green banking revealed that perceived behavioral control significantly impacts bankers' intentions to adopt sustainable practices. Similarly, the role of PBC in influencing behavioral intentions has been corroborated in studies focusing on Islamic banking. For example, Raza et al. (2019) highlighted that perceived behavioral control significantly affects the intention to adopt Islamic insurance products, suggesting that when consumers believe they have the ability to navigate the complexities of Islamic banking, their intention to engage with these services increases.

The Effect of EWOM on Intention to Save

The analysis for H3 indicates that electronic word of mouth (EWOM) has positive and significant influences intention to save (ITS) in sharia banking, with an original sample value of 0.197, a t-statistics value of 3.038 (> 1.96), and a p-value of 0.003 (< 0.05). this means any positive online statement made by current or former customers about a product or service will impact on consumer behavior intention to save in sharia banking.

This result inline with Pritjahjono et al. (2023) study that found customer satisfaction and loyalty in digital banking services are significantly affected by eWOM. Furthermore, the study by Yusuf et al. (2018) highlights that eWOM engagement significantly influences consumers' purchase intentions in social commerce, reinforcing the idea that positive online reviews and recommendations can drive consumer behavior (Yusuf et al., 2018). This finding is particularly relevant for the banking industry, where consumers often seek validation from peers before making financial decisions.

The Effect of Religiosity on Intention to Save

The analysis for H5 reveals that Religiosity (Rel) has a positive correlation but insignificant effect on intention to save (ITS) in sharia banking, with an original sample value of 0.685, a t-statistics value of 2.063 (> 1.96), and a p-value of 0.040 (< 0.05). This result is relevant to, Suhartanto's study (2019) that highlights the intention of non-customers to engage with Islamic banks. His finding suggests that religiosity may not be a critical determinant for individuals considering Islamic banking services, as their decisions are more influenced by perceptions of the bank's reputation and reliability (Suhartanto, 2019). This aligns with the notion that while religiosity can shape attitudes towards Islamic banking, it does not necessarily translate into a significant behavioral intention to utilize these services.

DISCUSSION

The findings of this study offer valuable insights into the behavioral determinants influencing savings adoption among Indonesian Gen-Z in sharia banking, grounded in the extended Theory of Planned Behavior (TPB). Firstly, the analysis reveals that attitude significantly and positively influences the intention to save. This indicates that a favorable disposition towards sharia banking enhances the likelihood of engaging with its services. The result is consistent with previous studies by Resty and Hidayat (2021), as well as Bananuka et al. (2019), which emphasize the pivotal role of attitude in shaping behavioral intentions within the context of Islamic finance.

Secondly, subjective norms were found to have a substantial positive effect on saving intentions. This highlights the critical role of social pressure and the influence of peers, family, or societal expectations in motivating individuals to adopt financial practices in sharia banking. The findings align with the works of Halipah et al. (2021) and Raza et al. (2019), who demonstrated a robust connection between subjective norms and behavioral intentions, particularly in the adoption of Islamic financial products. These findings underscore the importance of fostering positive attitudes and leveraging social influence as strategies to increase savings adoption in sharia banking.

Thirdly, the study highlights the significance of perceived behavioral control (PBC) and electronic word of mouth (EWOM) in shaping saving intentions. The positive and significant influence of PBC indicates that individuals who perceive greater ease and control in managing their financial behavior are more likely to save in sharia banking. This corroborates findings from Nisar (2023) and Raza et al. (2019), which highlight PBC as a critical determinant of behavioral intentions in the financial services domain.

Fourthly, EWOM emerged as a significant predictor, emphasizing the role of online reviews and recommendations in driving consumer behavior. This result is consistent with the studies of Pritjahjono et al. (2023) and Yusuf et al. (2018), which demonstrate the impact of digital peer influence on consumer decision-making in banking and social commerce. These insights highlight the growing relevance of digital communication in influencing Gen-Z's financial

behavior and suggest that sharia banks should actively manage their online reputation to capitalize on this trend.

Lastly, religiosity, while positively correlated, did not significantly influence saving intentions. This finding supports Suhartanto (2019), who suggested that factors such as the bank's reputation and reliability outweigh religiosity in shaping behavioral intentions. This implies that sharia banking institutions should focus on building trust and reliability alongside emphasizing religious compliance to broaden their appeal.

CONCLUSIONS AND RECOMMENDATIONS

The findings of this study demonstrate the applicability of the Theory of Planned Behavior (TPB) to the context of sharia banking in Indonesia, particularly in understanding the savings behavior of Gen-Z. Sharia banking in Indonesia operates within a framework of Islamic principles, offering ethical, interest-free financial services, yet adoption remains limited among younger consumers. This research emphasizes the critical roles of attitudes, subjective norms, and perceived behavioral control (PBC) as significant predictors of saving intentions. Attitudes and subjective norms, in particular, emerge as pivotal factors, highlighting the importance of fostering favorable perceptions of sharia banking services and leveraging social influences to encourage savings behavior. These findings are consistent with the broader banking literature, where customer attitudes and perceived social pressures significantly shape behavioral intentions (Pitchay et al., 2019; Sudarsono, 2023).

The study further integrates the role of electronic word of mouth (EWOM) as a significant determinant of saving intentions, reflecting the increasing influence of digital engagement in financial decision-making. Given the rapid digital transformation in Indonesia, this insight underscores the importance of maintaining a strong online presence and encouraging positive EWOM to build trust and influence consumer behavior. Religiosity, while positively correlated with saving intentions, was not found to have a statistically significant effect. This result suggests that while religiosity provides the foundation for sharia banking, practical considerations such as convenience, service quality, and perceived reliability may carry more weight in shaping behavioral intentions among Indonesian Gen-Z. This observation aligns with prior research, which demonstrates variability in the influence of TPB components depending on contextual factors and additional variables (Pitchay et al., 2019).

The insights provided by this study highlight the relevance of TPB in analyzing consumer behavior within sharia banking and offer practical implications for enhancing savings adoption in Indonesia. Policymakers and financial institutions are encouraged to focus on strategies that strengthen positive attitudes, capitalize on social norms, build consumer confidence, and manage digital communication channels effectively. Addressing these behavioral and contextual drivers will be critical in expanding the reach of sharia banking among Indonesia's younger generation and promoting sustainable financial inclusion.

FURTHER STUDY

Future research could expand on this study by exploring additional variables that may influence saving intentions, such as financial literacy, trust, and perceived risk, which are increasingly relevant in the evolving financial landscape. Incorporating demographic factors, such as income levels, education, and employment status, could provide deeper insights into variations in behavioral intentions. Furthermore, examining the role of digital banking adoption, particularly in the context of fintech and mobile banking services, could offer valuable perspectives on technology-driven influences. Future studies might also consider cross-cultural comparisons or longitudinal designs to capture changes in saving behavior over time and in different socio-economic contexts, thereby enriching the understanding of consumer behavior in sharia banking.

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