



THE IMPACT OF ISLAMIC FINANCIAL LITERACY, ISLAMIC BRANDING, AND HALAL LIFESTYLE ON GEN Z'S INTEREST IN USING ISLAMIC BANKING PRODUCTS AND SERVICES

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Abstract

This research was designed to explore how Islamic Financial Literacy, Islamic Branding, and Halal Lifestyle shaped Generation Z's interest in utilizing Islamic banking services. The participants consisted of 150 undergraduate students from the Islamic Economics program at UIN Sultan Aji Muhammad Idris Samarinda, who represented the Gen Z population. Data collection was carried out using a 40-item questionnaire based on a Likert scale, and the responses were analyzed with the help of Partial Least Squares Structural Equation Modeling (PLS-SEM). The measurement model confirmed the constructs' reliability and validity, thereby providing a solid basis for the subsequent structural model analysis. Findings revealed that Islamic Financial Literacy exerted the strongest influence on students' interest in Islamic banking, followed by the roles of Islamic Branding and Halal Lifestyle. These outcomes emphasized that knowledge of Sharia-compliant finance, value-driven branding, and adherence to religious lifestyle norms are critical drivers of Gen Z's engagement with Islamic banking products and services. In addition, the study enriched the academic discourse by integrating cognitive, affective, and ethical dimensions of consumer behavior, while also offering practical guidance for financial institutions to strengthen educational initiatives, branding approaches, and lifestyle-based engagement strategies targeted at younger consumers.

Keywords: Islamic financial literacy; Islamic branding; halal lifestyle; Islamic banking products & services; gen Z

A. INTRODUCTION

The examination of Islamic financial literacy, Islamic branding, and halal lifestyle offered a comprehensive understanding of the complexities behind Generation Z's financial behavior, especially their interest in Islamic banking products and services. As a digitally native generation, Gen Z possesses unique characteristics such as technological fluency and rapid access to information, which shape their decision-making in financial matters. Although it was not found to moderate the link between attitudes, norms, and intentions, Wuryaningsih and

Safitri (2024) stressed that Islamic financial literacy remained vital in shaping Gen Z's financial behavior and their willingness to engage with Sharia-compliant services. This highlights that knowledge and awareness of Islamic finance are essential for fostering confidence and trust, while branding initiatives strengthen emotional and spiritual connections and a halal lifestyle reinforces the ethical and religious values guiding financial decisions. Taken together, these elements suggest the need for further studies to explore the dynamic interaction of literacy, branding, and lifestyle in shaping the preferences of young consumers in the Islamic financial sector, thereby enriching both theoretical discussions and practical strategies for institutions aiming to engage this demographic effectively.

The influence of Islamic financial literacy is interconnected with other elements, particularly Islamic branding. Djazuli et al. (2022) found that strong branding grounded in Islamic values could act as a mediator between financial literacy and the financial choices of young Muslim consumers. This demonstrates that branding is more than a marketing strategy, as it strengthens knowledge, awareness, and acceptance of Sharia-compliant products among Generation Z. Likewise, Zahari et al. (2024) explored ethical banking among millennials and Gen Z, showing that while technology factors were not strongly tied to ethical intentions, ethical principles remained a key driver of financial behavior. These insights collectively suggest that financial institutions must recalibrate their strategies to address the ethical expectations of younger consumers, particularly by embedding Islamic values and principles into their branding frameworks to strengthen both trust and long-term engagement with Islamic finance.

Moreover, the halal lifestyle, which encompasses a range of beliefs and practices aligned with Islamic principles, adds another dimension to understanding Generation Z's financial choices. While Zulaihati et al. devote their attention on the financial literacy of educators and the influence that it has on their long-term financial behaviors, the general consensus in related literature is that lifestyle choices can significantly influence financial behaviors, including the inclination to save within Islamic financial frameworks (Zulaihati et al., 2020). The integration of halal lifestyle considerations into banking services may enhance the appeal of Islamic financial products to a generation that prioritizes ethical consumption and alignment of their purchases with personal values. The linkage between personal values, financial literacy, and brand perception reveals a notable gap in research, particularly on how lifestyle orientations influence financial decision-making among Generation Z. Existing studies have largely emphasized knowledge and branding, yet lifestyle factors shaped by ethical, cultural, and religious values remain underexplored. Bridging this gap is crucial to gaining a deeper and more holistic insight into the financial behavior of Generation Z within the framework of Islamic banking.

In conclusion, Islamic financial literacy, branding, and halal lifestyle collectively serve as key determinants that shape Generation Z's interest in Islamic banking, reflecting cognitive, emotional, and ethical dimensions of financial behavior. There is a paucity of thorough study that investigates the interconnectedness of these elements, despite the fact that earlier studies have

acknowledged the individual significance of these aspects for themselves. By addressing this gap, financial institutions who are looking to engage with this crucial market sector in a more effective manner may get significant insights.

B. LITERATURE REVIEW

In the contemporary financial landscape, Islamic banking emerges as a significant alternative for individuals seeking Sharia-compliant financial solutions. This alternative is especially pertinent to Generation Z (Gen Z), a demographic with unique values and consumption behaviors influenced by their upbringing and socio-cultural environment. Islamic financial literacy constitutes an essential foundation for understanding the principles of Islamic banking, which fundamentally avoids interest (*riba*) and emphasizes risk-sharing and ethical investments, as highlighted by Aisyah (Aisyah, 2018), and Korbi and Bougatef (Korbi & Bougatef, 2017). Such literacy enhances individual financial competency and facilitates informed decision-making concerning banking options that adhere to Islamic principles.

The core principles underpinning Islamic banking are closely tied to Islamic branding, which represents the integration of Islamic values into branding strategies. This connection is particularly relevant for Generation Z, a group recognized for their strong commitment to religious values in financial decision-making. Findings from Patrisia et al. (2023) indicate that Gen Z's awareness of and alignment with Islamic branding significantly influences their intention to adopt Islamic banking services. Such evidence suggests that branding approaches emphasizing Sharia values resonate strongly with their ethical orientations and lifestyle preferences, thereby encouraging greater acceptance of Islamic financial products. In addition, subjective norms and perceived social values play a crucial role in guiding their financial behaviors, further strengthening the adoption of Islamic banking within this generation (Ayyub et al., 2019; Pantari & Aji, 2020).

Generation Z's tendency to embrace a halal-oriented lifestyle has a considerable impact on how they make financial choices, particularly in relation to their interest in Islamic banking products and services. Such behavior illustrates that lifestyle values rooted in religious and ethical considerations are not peripheral but central factors that shape their decision-making. This finding reinforces the view that adherence to halal principles serves as a vital driver in encouraging the adoption of Sharia-compliant financial services. The halal lifestyle is not merely a dietary guideline but extends to broader ethical consumption frameworks, including finance. This cohort shows a pronounced preference for financial products that reflect their values, influencing their banking decisions (Rachmatulloh & Solekah, 2021). Research indicates that financial products aligned with halal principles resonate with Gen Z's ethical considerations, motivating their engagement with Islamic banking institutions (Alfarizi, 2021).

In addition, Islamic financial literacy plays a crucial part in directing the financial and purchasing behavior of Generation Z. Research by Rachmatulloh and Solekah (2021) showed that greater financial literacy was linked to stronger intentions to save and invest in products consistent with Sharia principles. These

findings suggest that when young consumers have sufficient knowledge of Islamic finance, they are better equipped to make financial choices that reflect both their ethical commitments and religious values. The understanding of Islamic financing principles empowers Gen Z to make competent financial decisions in a context where the complexity of financial instruments can be daunting. Consequently, Islamic banks must prioritize educational initiatives that build financial literacy among younger demographics to foster sustainable growth and customer loyalty (Dewi & Ferdian, 2021).

As digital natives, Gen Z's financial behaviors are further affected by technological advancements and the usability of banking platforms. Research into mobile banking patterns indicates that convenience and security are paramount considerations for this generation when choosing financial products (Shams et al., 2020). Designing Islamic banking applications that prioritize ease of use and strong security features has the potential to significantly boost the engagement of Generation Z with these services. As highlighted by Sharma et al. (2024), this generation shows a strong preference for financial institutions that adopt technological innovations within their service delivery. Consequently, digital platforms that are simple to navigate, reliable, and secure not only encourage higher adoption rates but also strengthen Gen Z's trust and long-term engagement with Sharia-compliant financial products. Emphasizing technology as a facilitator can ultimately serve as a competitive advantage for Islamic banks aiming to attract younger clientele.

The intersection of religiosity and rationality offers further insight into Gen Z's orientation toward Islamic banking. Studies show that while rational economic motives drive many of their financial choices, religious beliefs also significantly impact their banking preferences (Aysan et al., 2018; Ali, 2021). Islamic banks that understand and articulate their value propositions in a way that resonates with both the rational and emotional dimensions of Gen Z are likely to cultivate more meaningful relationships with this demographic. Enhancing service quality to meet Gen Z's expectations while aligning with their ethical beliefs is critical for the sustained growth of Islamic banking.

Engagement with Islamic banking, motivated by factors such as financial literacy and ethical consumption, defines a new paradigm for economic participation among Gen Z. The increasing prevalence of Sharia-sensitive financial products underscores the significance of understanding this market segment. With the ongoing evolution of Islamic banking, it is imperative that stakeholders remain adaptive to shifts in consumer preferences and technological advancements. This adaptability will ensure the sustainability and relevance of Islamic banking institutions in an increasingly competitive financial landscape.

In conclusion, the integration of Islamic financial literacy, Islamic branding, and halal lifestyles fundamentally shapes Gen Z's perceptions and interactions with Islamic banking products. Islamic financial institutions are able to establish focused strategies that respond to the demands of this generation by first acknowledging the distinctive values and characteristics of this generation. In turn, this process contributes to fostering a culture that prioritizes ethical investment practices while

simultaneously promoting broader financial inclusion. Promoting responsible financial practices that are rooted in ethical and religious principles can broaden access to financial services while at the same time enhancing the long-term sustainability and trustworthiness of Islamic banking among younger consumers.

C. METHOD

This study adopted a quantitative approach to investigate the extent to which Islamic financial literacy, Islamic branding, and commitment to a halal lifestyle influenced Generation Z's level of interest in engaging with the products and services offered by Islamic financial institutions. This methodological approach allowed for a structured assessment of the relationships among these variables, offering empirical evidence on the factors that influence young consumers' engagement with Sharia-compliant financial offerings. The participants for this study were 150 students from the Islamic Economics Study Program at UINSI Samarinda, a demographic consisting of individuals born between 1997 and 2012. This age range is pertinent as it encapsulates Generation Z, recognized for their inclination towards financial technology and alternative banking models, particularly those aligned with their religious beliefs (Daqar et al., 2020; (Syahira & Umiyati, 2023).

The study utilized a structured questionnaire containing 40 items measured on a five-point Likert scale, enabling the quantification of varied responses regarding the constructs of interest. This scale provided a robust basis for capturing the nuances of students' perceptions concerning Islamic financial literacy, branding strategies in Islamic banking, and preferences regarding halal products (Syahira & Umiyati, 2023). The objectives were articulated clearly, aiming to reveal the correlation between these constructs and the interest demonstrated by students towards Islamic banking services.

The data collecting process was carried out by means of an online survey that was transmitted to the students who were chosen. This allowed for the efficient collection of responses in a manner that was friendly to the students' needs. Academic environment. As noted in previous studies, survey-based methodologies are effective in gathering quantitative insights, particularly when analyzing the behaviors and preferences of younger demographics who are well-versed in digital platforms (Syahira & Umiyati, 2023; Kabir et al., 2022). The participant pool drawn from a university context ensured a level of standardization and uniformity in responses, crucial for subsequent analysis.

For the purposes of data analysis, this study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) with the aid of SmartPLS version 4. This technique is widely acknowledged for its capability to manage complex models and is especially suitable for exploratory research that involves examining multiple interrelated constructs (WIDAD & Mssassi, 2024). Through this approach, the research was able to investigate more thoroughly the ways in which Islamic financial literacy, Islamic branding, and halal lifestyle collectively shape Generation Z's interest in Islamic banking services. The application of PLS-SEM offered a strong methodological framework to capture the multidimensional characteristics of

the variables and their dynamic interactions.

Last but not least, it is anticipated that the conclusions that were produced from the investigation will make a significant contribution to the ongoing discussion regarding Islamic banking, particularly in how younger generations perceive and interact with financial products. The results may provide insights that could influence marketing strategies and outreach programs targeting Generation Z, aiding in increasing the adoption of Islamic financial products among this demographic (Saptasari & Aji, 2020; Amani, 2023). The findings of this study could have extensive ramifications, including the dissemination of information to stakeholders regarding the relevance of promoting Islamic financial literacy among young people in order to increase their participation with Islamic banking services.

D. RESULT AND DISCUSSION

Measurement Model Analysis

The evaluation of the measurement model was carried out to assess the reliability and validity of the constructs. As presented in **Figure 1**, the PLS-SEM research model illustrates the associations among Islamic Financial Literacy (X1), Islamic Branding (X2), Halal Lifestyle (X3), and Interest in Islamic Banking (Y1), together with their observed indicators. The results for outer loadings and the average variance extracted (AVE), displayed in **Table 1**, demonstrate that all constructs met the requirements for convergent validity. More specifically, all item loadings exceeded the cut-off value of 0.70, with figures ranging between 0.796 and 0.904, confirming that each indicator provided a strong representation of its corresponding construct. In addition, the AVE values were reported at 0.764 for Islamic Financial Literacy, 0.729 for Islamic Branding, 0.695 for Halal Lifestyle, and 0.698 for Interest in Islamic Banking. As all AVE values exceeded the recommended threshold of 0.50, it can be inferred that the constructs were able to explain more than half of the variance in their respective indicators. Based on these outcomes, the measurement model can be considered to exhibit a solid degree of convergent validity and thus serves as a reliable foundation for subsequent structural model analysis.

Figure 1. Research PLS-SEM Model

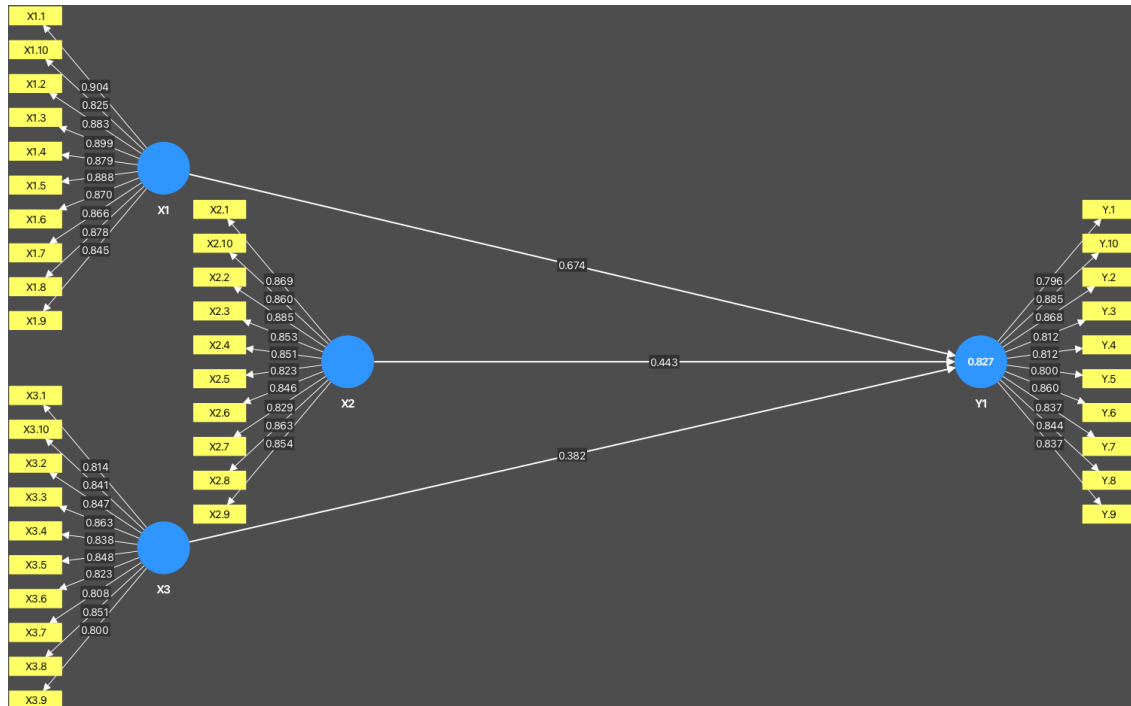


Table 1. Outer Loading and AVE

Variables	Outer Loading	AVE
Islamic Financial Literacy (X1)		0.764
X1.1	0.904	
X1.2	0.883	
X1.3	0.899	
X1.4	0.879	
X1.5	0.888	
X1.6	0.870	
X1.7	0.866	
X1.8	0.878	
X1.9	0.845	
X1.10	0.825	
Islamic Branding (X2)		0.729
X2.1	0.869	
X2.2	0.885	
X2.3	0.853	
X2.4	0.851	
X2.5	0.823	
X2.6	0.846	
X2.7	0.829	
X2.8	0.863	
X2.9	0.854	
X2.10	0.860	
Halal Lifestyle (X3)		0.695
X3.1	0.814	
X3.2	0.847	

X3.3	0.863
X3.4	0.838
X3.5	0.848
X3.6	0.823
X3.7	0.808
X3.8	0.851
X3.9	0.800
X3.10	0.841
Interest in Islamic Banking (Y)	0.698
Y1	0.796
Y2	0.868
Y3	0.812
Y4	0.812
Y5	0.800
Y6	0.860
Y7	0.837
Y8	0.844
Y9	0.837
Y10	0.885

Validity and Reliability

To ensure the strength of the measurement model, a series of validity and reliability assessments were conducted during the analysis process. The outcomes of the discriminant validity evaluation, summarized in Table 2, reveal that the correlations among the constructs consistently fell below the established threshold. This outcome affirms that every construct captures a unique dimension of the model, thereby avoiding any significant overlap between variables. Such evidence supports the conclusion that the constructs are clearly distinguished from one another and capable of representing different conceptual aspects in a robust manner.

Furthermore, the reliability evaluation, as summarized in **Table 3**, shows that the indicators of internal consistency, including Cronbach's alpha, rho_A, and composite reliability, exceed the minimum recommended threshold of 0.70. Specifically, Islamic Financial Literacy recorded 0.966, 0.966, and 0.970; Islamic Banking achieved 0.959, 0.960, and 0.964; Halal Lifestyle produced 0.951, 0.958, and 0.958; while Interest in Islamic Banking obtained 0.952, 0.952, and 0.959. These consistently high values indicate that all constructs demonstrate excellent stability and coherence, confirming that the measurement tools employed are both statistically reliable and conceptually dependable across the study framework.

Table 2. Discriminant Validity

	X1	X2	X3	Y1
X1				
X2	0.046			
X3	0.059	0.083		
Y1	0.715	0.477	0.435	

Table 3. Cronbach's Alpha, rho_A, & Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliabilit (rho_c)
X1	0.966	0.966	0.97
X2	0.959	0.960	0.96
X3	0.951	0.958	0.95
Y1	0.952	0.952	0.95

Structural Model Analysis (Structural / Inner Model) R-Square

The structural model was analyzed to evaluate the extent to which the proposed framework could explain and predict Generation Z's interest in participating in Islamic banking. This analysis was crucial for measuring the model's explanatory strength and its capacity to capture the key relationships influencing young consumers' intentions to adopt Sharia-compliant financial products and services. The R-square value for Interest in Islamic Banking was recorded at 0.827, with the adjusted R-square at 0.823, as shown in Table 4. These results suggest that Islamic Financial Literacy, Islamic Branding, and Halal Lifestyle together account for approximately 82.7% of the variation in Gen Z's interest in Islamic banking. Such findings demonstrate that the model possesses strong predictive capability in explaining this behavior. Moreover, the high R-square value demonstrates that the predictors contribute substantially to the explanatory power of the model. In other words, only a relatively small proportion of variation is left unexplained, which confirms the robustness of the structural framework. These results also reinforce the notion that the selected variables are highly relevant in shaping Gen Z's behavioral inclination toward Islamic banking.

Table 4. R-square

	R-square	R-square adjusted
Y1	0.827	0.823

Direct Influence

As presented in **Table 5**, the direct effect analysis indicates that all independent variables exert a positive and statistically significant impact on the dependent construct. Of these, Islamic Financial Literacy proved to be the strongest predictor of Interest in Islamic Banking, with an original sample coefficient of 0.674, supported by a t-statistic of 17.639 and a p-value of 0.000, reflecting a highly significant effect. Halal Lifestyle also made a meaningful contribution, with a coefficient of 0.382, a t-statistic of 9.641, and a p-value of 0.000. In a similar manner, Islamic Branding demonstrated a significant effect, recording a coefficient of 0.443, a t-statistic of 9.609, and a p-value of 0.000. Taken together, these results highlight that all three factors substantially influence Gen Z's interest in Islamic banking, with Islamic Financial Literacy emerging as the most dominant determinant.

Table 5. Direct Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1 -> Y1	0.674	0.673	0.038	17.639	0.000
X2 -> Y1	0.443	0.442	0.046	9.609	0.000
X3 -> Y1	0.382	0.383	0.040	9.641	0.000

Model Fit Analysis

Further evidence of the appropriateness of the PLS-SEM model used in this study was provided through the overall model fit evaluation. As shown in Table 6, the Standardized Root Mean Square Residual (SRMR) was 0.046 for both the saturated and estimated models, well below the recommended cutoff of 0.08, indicating a strong alignment between the models and the observed data. Similarly, the d_ULS and d_G values were consistent across the models at 1.759 and 1.214, respectively, with a chi-square value of 885.847. The Normed Fit Index (NFI) of 0.859 also fell within an acceptable range, further supporting the adequacy of the model fit. Collectively, these results confirm that the proposed relationships among Islamic Financial Literacy, Islamic Branding, Halal Lifestyle, and Generation Z's interest in Islamic banking are strongly supported. Overall, the findings demonstrate that both the measurement and structural models exhibit robust validity and reliability, providing a solid foundation for interpreting the study's results.

Table 6. Model Fit

	Saturated model	Estimated model
SRMR	0.046	0.046
d_ULS	1.759	1.759
d_G	1.214	1.214
Chi-square	885.847	885.847
NFI	0.859	0.859

In general, the findings from both the measurement and structural model analyses offer strong empirical support for the proposed research framework. The discriminant validity and reliability tests confirm that the constructs are robust and internally consistent, while the high outer loadings and AVE values indicate that each indicator accurately represents its respective variable. Furthermore, the structural model results show that Islamic Financial Literacy, Islamic Branding, and Halal Lifestyle collectively account for over 82% of the variance in Generation Z's interest in Islamic banking, with Islamic Financial Literacy identified as the most dominant factor. The adequacy of the model is also reinforced by the model fit indices, all of which fall within acceptable benchmarks, thereby confirming the appropriateness of the PLS-SEM technique for this study. Collectively, these findings highlight the pivotal influence of literacy, branding, and lifestyle dimensions in shaping young consumers' engagement with Sharia-compliant financial products, offering a comprehensive platform for deeper discussion and

interpretation in subsequent sections.

The results of this research emphasize the significant influence of Islamic Financial Literacy on Generation Z's engagement with Islamic banking. This finding is consistent with Albaity and Rahman (2019), who identify financial literacy as a key determinant of consumer decision-making within Islamic finance. A thorough understanding of Sharia-compliant financial principles enhances trust and encourages consumers to actively participate in Islamic banking, a pattern observable across various contexts. Additionally, the findings support the view of Wuryaningsih and Safitri (2024), highlighting that Islamic Financial Literacy differentiates behavior between Islamic and conventional banking, and that targeted educational initiatives are crucial for fostering a strong Islamic financial ecosystem.

Moreover, the significant role of Islamic Branding on Gen Z's engagement with Islamic banking further corroborates existing literature on the importance of branding in building consumer trust and loyalty. While the study by Bashir et al. does not directly relate to Islamic banking, it elucidates how effective branding strategies can foster a stronger emotional connection among consumers, supporting the notion that branding strategies must encompass ethical considerations to resonate with consumers (Bashir et al., 2018). The present research reinforces the established links between branding and consumer motivation and suggests that adherence to Islamic values within branding strategies can provide an additional layer of appeal to Muslim consumers. This insight echoes the ideas presented by Nurfahmiyati et al., which emphasize the intertwining of lifestyle choices with ethical marketing in halal industries (Nurfahmiyati et al., 2023).

The findings concerning the influence of a Halal Lifestyle on Gen Z consumers also merit special attention. This lifestyle choice reflects a broader trend where financial decision-making aligns with religious principles and ethical consumption, as noted by Widyakto et al., who explore how lifestyle choices contribute significantly to financial behavior (Widyakto et al., 2022). The consistency seen between the values embodied in a Halal lifestyle and the utilization of Islamic banking products supports a narrative regarding loyalty and commitment to Islamic principles within consumer behavior. Previous studies, like those conducted by Salsabila and Ihsan, reinforce the assertion that awareness and alignment with halal lifestyles can significantly affect purchasing decisions (Salsabila & Ihsan, 2023).

The integration of these three factors, Islamic Financial Literacy, Islamic Branding, and Halal Lifestyle, provides a nuanced understanding of consumer interest in Islamic banking. By framing interest through a triadic lens, this research elucidates how cognitive foundations (financial literacy), emotional associations (branding), and ethical engagements (halal lifestyle) interconnect to influence decision-making processes. Such intricate interplay advances the discourse beyond isolated assessments of each determinant to a holistic viewpoint that acknowledges their collaborative influence on consumer behavior in Islamic finance contexts.

In comparison to prior studies that focused predominantly on singular factors, the current findings paint a more comprehensive picture of Gen Z's motivations within Islamic banking. Similar studies by Gani and Bahari highlight the significance of branding and market dynamics in influencing consumer behavior in Islamic finance, echoing this study's emphasis on the unique interplay of factors that particularly resonate with younger consumers (Gani & Bahari, 2021). The deeper understanding of how a Halal lifestyle influences financial choices among younger generations enriches the scholarly discourse on the relationship between religious values and financial literacy in the Islamic banking context. This viewpoint emphasizes that, beyond shaping ethical and cultural consumption behaviors, the Halal lifestyle also carries practical implications for financial institutions aiming to appeal to and sustain the engagement of Gen Z consumers.

Overall, this research provides valuable insights into the dynamics of consumer behavior in the context of Islamic banking by combining cognitive, emotional, behavioral, and ethical perspectives into a unified framework. The evidence suggests that Generation Z's inclination toward Islamic financial services cannot be regarded as a straightforward outcome of a single factor; instead, it represents a complex and layered construct that emerges from the interaction of multiple influences. Their financial literacy enhances confidence in Sharia-compliant systems, while perceptions of Islamic branding strengthen emotional and identity-based connections with financial institutions, and a commitment to a Halal lifestyle reflects the ethical values that shape everyday financial choices. Together, these elements create a holistic understanding of how young consumers engage with Islamic banking, highlighting the importance of addressing knowledge, values, and branding strategies simultaneously. This holistic engagement reflects how young consumers internalize financial literacy as a form of cognitive awareness, interpret branding as an emotional and trust-based association, and practice lifestyle choices as an ethical commitment to religious and cultural principles. By highlighting these interconnected dimensions, the study extends the discourse on Islamic finance beyond transactional perspectives and demonstrates that Gen Z's behavioral intentions are deeply rooted in their values, identity, and worldview. Such insights provide both theoretical contributions to the academic field and practical implications for financial institutions seeking to design strategies that resonate more meaningfully with the aspirations of younger generations.

E. CONCLUSION

This study set out to investigate the extent to which Islamic Financial Literacy, Islamic Branding, and Halal Lifestyle influenced Generation Z's inclination to utilize Islamic banking products and services. The results of the analysis revealed that each of these three variables contributed meaningfully to shaping consumer interest, emphasizing their combined relevance in explaining young consumers' financial preferences. Among the factors examined, Islamic Financial Literacy emerged as the most powerful and decisive element, suggesting that a strong understanding of Sharia-compliant financial principles serves as the primary driver of trust and engagement with Islamic banking institutions. This outcome

indicated that when young people had better knowledge and comprehension of Sharia-based financial principles, their level of confidence and trust toward Islamic banking institutions increased considerably. Moreover, Islamic Branding served to enhance the emotional and spiritual attachment between consumers and the banks, while the practice of a Halal Lifestyle represented the ethical and religious considerations that guided financial decision-making among younger individuals.

The findings further emphasized that the simultaneous integration of educational initiatives, persuasive branding strategies, and lifestyle-oriented approaches was essential in promoting Islamic financial services more effectively. By combining these aspects, Islamic banks were able to strengthen their competitive position and ensure long-term sustainability in addressing the expectations and values of Generation Z. Moreover, the present study added value to the existing scholarship by offering an integrative perspective that combined cognitive, emotional, and ethical elements in interpreting consumer behavior toward Islamic finance. This multidimensional lens allowed for a richer explanation of the ways in which knowledge, perceptions, and values operate collectively, rather than in isolation, in shaping financial preferences. By adopting this perspective, the research offered a comprehensive view of the factors shaping Generation Z's tendency to use Islamic banking services, thereby broadening the existing understanding of consumer decision-making patterns within the sector.

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