




Research Article

The Influence of Digital Sharia Banking Services on the Digital Financial Literacy of Generation Z in Malang City

Shalshabilla Putri¹, Rini Safitri²

1. UIN Maulana Malik Ibrahim Malang, Indonesia
E-mail: shalshard12@gmail.com 
2. UIN Maulana Malik Ibrahim Malang, Indonesia
E-mail: rini.safitri@uin-malang.ac.id



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Abstract. The aim of this research is to determine the influence of digital sharia banking services on the digital financial literacy of generation z in Malang City. This study used a quantitative research design. The sampling method used purposive sampling method. Object for this study is generation z in Malang City consisting of from 100 respondents. Data was analysed by simple regression analysis linier with SPSS software. The variables studied are Digital Services (X) and Digital Financial Literacy (Y). The research results show that digital services provided by sharia banking have a significant and positive effect on the digital financial literacy of generation z in Malang City, means that every additional digital sharia banking service can increase the digital financial literacy of generation z in Malang City. It was proven by significance value $0,000 < 0,05$, T value greater than T table

(9,890>1,660). The R-square value is 0.500, which means the contribution of the influence provided by digital services to generation z digital financial literacy in Kudus is 50%, while the remaining 50% is influenced by other variables.

Keywords: Digital Services, Financial Literacy, Digital Financial Literacy

INTRODUCTION

The development of science and information technology brings many changes and shifts in human lifestyle towards the digital era, where computers, laptops, cell phones, the internet, and social networks become more commonly used and become part of people's daily lives, because of their practicality, comfort, and convenience ¹. This is a benchmark for industries in Indonesia regarding how they respond to the challenges of information technology development. For the financial services sector, technological innovation is not a new phenomenon, because between technology and finance has a long symbiotic history, so financial technology or more popularly known as *FinTech* (*Financial Technology*) is also not a new development for the financial services industry ².

The presence of *FinTech* and technological cooperation encourages the growth of financial institutions in Indonesia, one of which is the Islamic financial sector. The Islamic financial sector is a milestone in the realization of the great vision of the Indonesian state, which is to become the leading Islamic economic center in the world ³. As a country with the largest Muslim population number 1 in the world, Indonesia is a very potential market share for the development of the Islamic economy and finance, this can be seen from Islamic financial institutions, namely Islamic banking which continues to grow in a positive direction ⁴. Islamic banking is part of the financial industry that breathes Islamic values, recorded until 2021 there are 10 Sharia Commercial Banks (BUS) with a total of 1,833 bank offices ⁵. In order to keep up with the times and respond to the challenges of technological development, Islamic banking has begun to promote services digitally. Where this service can reach customers anywhere, anytime digitally for 24 hours every day.

Referring to the Otoritas Jasa Keuangan (OJK) Digital Branch Implementation Guidelines, digital services are bank services or services carried out independently by

¹ Asmuni and Muzayyana Tartila, "Strategi Industri Perbankan Syariah Dalam Menghadapi Era Digital," *Jurnal Ilmiah Ekonomi Islam* 8, no. 03 (2022): 3310–3316.

² Lia Muhibatul Aliyah and Nurdin, "Pengaruh Layanan Keuangan Berbasis Teknologi (Fintech) Terhadap Literasi Keuangan Masyarakat Dago Atas, Bandung," *Prosiding Manajemen* 5, no. 1 (2019): 649–656.

³ Eri Sutrisno, "Menuju Indonesia Pusat Ekonomi Syariah Di 2024," *Indonesia.Go.Id*.

⁴ Imelda Islamiyati, Eva Misfah Bayuni, and Intan Manggala W, "Analisis Proyeksi Perkembangan Kinerja Keuangan Terhadap Market Share Bank Syariah Di Indonesia Menggunakan Metode Analisis Trend," *Prosiding Hukum Ekonomi Syariah* 6, no. 2 (2020): 599–602, http://karyailmiah.unisba.ac.id/index.php/hukum_ekonomi_syariah/article/view/23593.

⁵ BPS, "Jumlah Bank Dan Kantor Bank (Unit), 2019-2021," *Badan Pusat Statistika*, last modified 2021, accessed April 9, 2023, <https://www.bps.go.id/indikator/13/937/1/jumlah-bank-dan-kantor-bank.html>.

customers using electronic means or digital facilities owned by the bank so that customers can obtain information, communicate directly, register, open accounts, conduct bank transactions, and close accounts ⁶. The existence of economic digitalization paves the way to achieve the country's sharia economic goals, this can be realized if the government and society synergize and support each other's sharia financial growth. One form of support that can be done by the public is by knowing Islamic financial products through Islamic financial literacy.

Financial literacy is a series of processes or increasing knowledge, confidence, skills of consumers and the wider community, so that they are able to manage finances better⁷. In line with the development of technology, the term digital financial literacy has also emerged. Digital financial literacy is a function of increasing one's sensitivity through knowledge, confidence, skills in financial management in the field of digital financial services ⁸.

Based on a national survey conducted by OJK, it shows that Indonesia's financial literacy has increased from 2013, 2016, to 2019 consecutively, namely 21.84%, 29.70%, 38.03% and in 2022 the financial literacy index of the Indonesian people has increased rapidly at 49.68% ⁹. However, Indonesia's financial literacy index is still relatively low when compared to neighboring countries, such as Thailand with a financial literacy index of 78%, Malaysia at 81% and Singapore reaching a near-perfect figure of 96% ¹⁰. Meanwhile, the Islamic financial literacy rate of the Indonesian people is at 9.14% in 2022, this percentage is still far behind conventional financial literacy. Based on the existing financial literacy index, it can be assumed that Indonesian people use services and utilize Islamic financial products without being accompanied by knowledge of the products and services they use. So that financial literacy is very important to be promoted so that Indonesia does not lag behind other countries. People are expected to have good financial literacy in order to make the best use of their money, be able to choose and utilize financial products and services that suit their needs, be able to plan finances better and not invest in risky financial instruments.

People in Indonesia are grouped into six generations by the Badan Pusat Statistik (BPS), namely Pre-Boomers, the generation born before 1945; Baby Boomers were born in 1946-1964; Generation X is the generation born in 1965-1980; Millennials born in 1981-1996; Generation Z was born in 1997-2012 and Post Generation Z was born

⁶ Otoritas Jasa Keuangan, *Panduan Penyelenggaraan Digital Branch Oleh Bank Umum*, 2016.

⁷ OJK, "Memperkuat Literasi Dan Inklusi Keuangan Syariah," *OJK Institute*, last modified 2023, <https://www.ojk.go.id/ojk-institute/id/capacitybuilding/upcoming/1340/memperkuat-literasi-dan-inklusi-keuangan-syariah>.

⁸ Nanda Ristiana and Emy Widyastuti, "Analisis Pengaruh Literasi Keuangan Digital Terhadap Minat Mahasiswa Dalam Penggunaan Layanan E-Banking," *Jurnal Mashariful-Syariah: Jurnal Ekonomi dan Perbankan Syariah* 7, no. 1 (2022): 425-444.

⁹ OJK, "Survei Nasional Literasi Dan Inklusi Keuangan Tahun 2022," *Otoritas Jasa Keuangan*.

¹⁰ Salwaa Wilman, Arinda Mentari Putri, and Sylviana Maya Damayanti, "Bagaimana Financial Technology Mempengaruhi Literasi Keuangan Dan Inklusi Keuangan Pemilik Usaha Di Indonesia.," *PROSIDING BIEMA: Business Management, Economic, and Accounting National Seminar 2* (2021): 861-869.

in 2013 until now ¹¹. Based on BPS data, generation z dominates with 74.93 million people or equivalent to 27.94% of the population in Indonesia. Meanwhile, according to BPS data, specifically the people of Malang City are dominated by generation x, millennial generation and generation z.

Generation x, millennials and generation z have something in common when it comes to being technologically fluent. However, generation z shows a very significant difference compared to other generations, namely being able to apply all activities at one time (*multi-tasking*) such as: running social media using mobile phones, *browsing* using PCs, and listening to music using *headsets*. Whatever is done is mostly related to cyberspace because since childhood this generation has known technology and is familiar with sophisticated gadgets that indirectly affect personality¹².

Digital Services

Digital services are bank services or services carried out independently by customers using electronic means or digital facilities owned by the bank so that customers can obtain information, communicate directly, register, open accounts, carry out bank transactions, and close accounts. Digital banking services are services for bank customers to obtain information, communicate and carry out banking transactions through electronic media which were developed by optimizing the use of customer data in order to serve customers more quickly, easily and according to customer needs, and can be carried out completely independently by the customer by paying attention to security aspects ¹³. Convenience transaction become mark plus in implementation digital banking services, administering internet banking is application or application technology continuous information developed and utilized. For answer desire customers banking that wants service fast, safe, comfortable cheap and available every time (24 hours/day, 7 days/week) and can accessed where have you been from cell phones, computers, laptops/note books, PDAs, and so on ¹⁴.

According to Abdus Salam ¹⁵, the adoption of digital financial services via mobile phones by Indonesian people among groups of people of productive age, students and students has the potential to grow. The existence of technology and information makes it easy for banks to store and retrieve customer data, thereby helping them maintain good relationships with consumers, resolve consumer

¹¹ BPS, "Jumlah Penduduk Menurut Wilayah, Klasifikasi Generasi, Dan Jenis Kelamin, INDONESIA, Tahun 2020," *Badan Pusat Statistik*, last modified 2020, <https://sensus.bps.go.id/topik/tabular/sp2020/2/1/0>.

¹² Yanuar Surya Putra, "Theoretical Review : Teori Perbedaan Generasi," *Among Makarti* 9, no. 18 (2016): 123-134.

¹³ OJK, "Digital Banking: Permudah Akses Layanan Perbankan Di Masa Pandemi."

¹⁴ Gubernur Bank Indonesia, *Peraturan Bank Indonesia No. 9/15/PBI/2--7*, 2007.

¹⁵ Abdus Salam Dz, "Inklusi Keuangan Perbankan Syariah Berbasis Digital-Banking: Optimalisasi Dan Tantangan," *Al-Amwal : Jurnal Ekonomi dan Perbankan Syari'ah* 10, no. 1 (2018): 63.

complaints, and match products to suit consumer needs ¹⁶. When sharia banks are able to create a good digital service ecosystem, sharia banks are more able to compete with conventional banks, of course this becomes a bargaining power for sharia banks to implement digital services that suit today's needs.

Digital Financial Literacy

Based on Financial Services Authority Regulation Number 76/POJK.07/2016 Financial Literacy is knowledge, skills and beliefs, which influence attitudes and behavior to improve the quality of decision making and financial management in order to achieve prosperity. The level of financial literacy is divided into four parts, namely:

1. Well literate, namely having knowledge and confidence about financial service institutions and financial service products, including features, benefits and risks, rights and obligations related to financial products and services, and having skills in using financial products and services.
2. Sufficient literate, having knowledge and confidence about financial service institutions and financial products and services, including the features, benefits and risks, rights and obligations related to financial products and services.
3. Less literate, only having knowledge about financial service institutions, financial products and services.
4. Not literate, not having knowledge and confidence in financial service institutions and financial products and services, and not having the skills to use financial products and services.

In general, digital financial literacy is the ability in terms of financial knowledge, regarding individual skills and attitudes in managing finances digitally. Digital financial literacy is direct knowledge related to online purchases, online payments through various means, and online banking systems ¹⁷. Electronic money or e-money is one of the digital financial services that is widely used today, especially by generation z in Malang City. Digital financial literacy can be increased by attending seminars or webinars on digital financial literacy, utilizing technology to search for information about digital financial platforms that are safe to use, namely digital financial platforms that are registered with the OJK ¹⁸, as explained in QS Al- Alaq verses 1-5 which read:

اِقْرَأْ بِاسْمِ رَبِّكَ الَّذِي خَلَقَ ۝١ خَلَقَ الْإِنْسَانَ مِنْ عَلَقٍ ۝٢ اِقْرَأْ وَرَبُّكَ الْأَكْرَمُ ۝٣
 الَّذِي عَلَّمَ بِالْقَلَمِ ۝٤ عَلَّمَ الْإِنْسَانَ مَا لَمْ يَعْلَمْ ۝٥

¹⁶ Riyan Pradesyah Sahyu Siregar, "Pengaruh Digitalisasi Perbankan Melalui Self Service Technology Terhadap Kepuasan Nasabah Penggunaan Layanan Digital Bank Syariah Pada Bank Syariah Indonesia KCP Kabanjahe," *Al-Sharf: Jurnal Ekonomi Islam*. 4, no. 2 (2023): 114-128.

¹⁷ H. Prasad, D. Meghwal, and V. Dayama, "Digital Financial Literacy: A Study of Households of Udaipur," *Journal of Business and Management* 5, no. 1 (n.d.): 23-32.

¹⁸ Nisa Umami and Rita Syofyan, "Pengaruh Literasi Keuangan Digital Dan Konformitas Terhadap Perilaku Konsumtif Mahasiswa Universitas Negeri Padang," *JURNAL SALINGKA NAGARI* 02, no. 1 (2023): 341-354.

Meaning: "Read with (mentioning) the name of your God who created. He created man from a clot of blood. Read, and your Lord is the Most Gracious, Who teaches (humans) by means of kalam. He taught man what he did not know." (QS Al- Alaq : 1-5)

In verse on remind We that must the law for somebody For look for knowledge, in order to have extensive knowledge . So that a human capable manage his finances with kind and distant self from Allah's prohibitions, such as usury as stated in the following excerpt from QS Al – Baqarah verse 275 :

... اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ..

It means : "God has justify sell buy and forbid usury ." (QS Al-Baqarah: 275).

Literacy is a person's understanding of finance in a sharia manner, in the context it can be interpreted that consumers of sharia financial institution products and services or the wider community are expected to not only know the products and services of sharia financial institutions but the public is able to understand and use financial institution products and services. Sharia as a step to change people's behavior in financial management to achieve economic prosperity ¹⁹.

Several previous studies have examined the relationship between digital service variables and financial literacy. Research conducted by Aliyah and Nurdin (2019) examined the effect of technology-based financial services (*FinTech*) on the financial literacy of the people of Dago Atas Bandung using primary data. The results of this study prove that *FinTech* service variables have a positive effect on financial literacy ²⁰. Research conducted by Damayanti and Zakarias (2020) examined the millennial generation as *FinTech* users: its impact on financial literacy and inclusion in Indonesia using data in the form of questionnaires with millennial respondents born between 1981-2000. The results of this study prove that *FinTech* activity variables such as transactional and informational finance have no effect on financial literacy. However, when *the FinTech* service variable plus three demographic variables (age, gender, education level) becomes influential on financial literacy ²¹. Research conducted by Yasin et al., (2021) examined digital services projected by *m-banking* and *i-banking* in Islamic banking on Islamic financial literacy. The results of the study stated that *m-banking and i-banking* have a significant and positive effect on the literacy of Islamic banks of the millennial generation in Kudus ²². Some differences in

¹⁹ Anriza Witi Nasution and Marlya Fatira AK, "Analisis Faktor Kesadaran Literasi Keuangan Syariah Mahasiswa Keuangan Dan Perbankan Syariah," *EQUILIBRIUM: Jurnal Ekonomi Syariah* 7, no. 1 (2019): 40–63.

²⁰ Aliyah and Nurdin, "Pengaruh Layanan Keuangan Berbasis Teknologi (Fintech) Terhadap Literasi Keuangan Masyarakat Dago Atas, Bandung."

²¹ Sylviana Maya Damayanti and Rizaldi Zakarias, "Generasi Milenial Sebagai Pengguna Fintech : Dampaknya Terhadap Literasi Dan Inklusi Keuangan Di Indonesia," *Ekonomi dan Bisnis* 7, no. 2 (2020): 105–120.

²² Rozaq M Yasin, Nurzahroh Lailiyah, and Mochamad Edris, "Analisis Pengaruh Layanan Digital Perbankan Syariah Terhadap Literasi Keuangan Syariah Generasi Milenial" 6, no. 1 (2021): 75–89.

the results of previous studies are caused by differences in respondents, types of data, and periods used.

The role of FinTech is not only limited to business capital financing but also extends to various aspects such as digital services and financial regulators. There is no research on the effect of digital services on the level of digital financial literacy of generation z in Malang City, so this study was conducted in order to examine the role of Islamic banking digital services in increasing Islamic financial literacy for generation z in Malang City. This research is interesting to study because 25.21% of the total population of Malang City which amounts to 843,810 people are generation z.

As a generation who dominating in society, generation z is the hope of the nation as the successor of economic development so that digital financial literacy is important for generation z in Malang City to become the basis of knowledge about managing finances so that it is beneficial for them in the near term as well as a long period of time ²³, and based on research by Astuti et al., (2023) that the level of financial literacy of generation z is still in the low category ²⁴.

Based on the review and results of previous research regarding digital services and digital financial literacy, a hypothesis emerged

H : Sharia banking digital services have a significant influence on the financial literacy of generation z in Malang City

RESEARCH METHOD

This type of research is quantitative research with a descriptive approach. The research location is Malang City. According to the Central Statistics Agency (BPS), 25.21% of the total 843,810 people residents of Malang City are generation z ²⁵. This is an attraction for carrying out research in Malang City. The sample was determined using the *purposive sampling method* and the Slovin formula, so that a total of 100 samples were obtained. The data used in this research is primary data in the form of respondents' answers to 24 question items. The operational definition for the digital service variable (x) is efficiency, meeting needs, system availability and privacy. For the digital financial literacy variable, the operational definitions of knowledge, ability, awareness of risk and financial responsibility are used.

The data analysis technique for the questionnaire instrument was carried out by testing the validity and reliability of each variable, then testing classical assumptions to fulfill the simple linear regression assumptions used to test the hypothesis in this research. To determine the magnitude of the influence of digital

²³ Oriza Triani Wulandari et al., "The Influence of Competence, Motivation on Job Satisfaction and Its Impact on Performance," *Wasathiyah : Journal of Islamic Studies* 4, no. 1 (2023), <https://doi.org/10.24967/feb.voio.1436>.

²⁴ Niken Probondani Astuti et al., "Peningkatan Literasi Perbankan Syariah Bagi Generasi Zilenial Melalui Kunjungan Edukasi Ke Bank Muamalat," *JIPMAS: Jurnal Visi Pengabdian Kepada Masyarakat* 04, no. 02 (2023): 117-128.

²⁵ BPS, "Jumlah Penduduk Menurut Kelompok Umur Generasi (Jiwa), 2020," *Badan Pusat Statistik*.

sharia banking services on the digital financial literacy of generation z in Malang City, a simple linear regression test was carried out, the formula used was:

$$Y = a + bX + e$$

Y = Digital Financial Literacy (Variable dependent)

X = Digital Services (Variable independent)

e = Error term

a = Constant

b = Direction number coefficient regression, which shows number enhancement or decline variable dependent which is based on variables independent . If b (+) then it goes up, and b (-) then happen decrease X = subject on the variable independent who has mark certain.

To test the research hypothesis, a partial test (t-test) and coefficient of determination test (R₂ test) were carried out .

RESULTS AND DISCUSSION

This research was carried out in Malang City with a population of the entire z generation in Malang City, the sample was determined using a *purposive sampling method* with the criteria that the respondent was an Indonesian citizen who has digital sharia banking services, then the number of samples was determined using the *Slovin formula* so that a sample size of 100 respondents was obtained. In collecting data, researchers used *Google form* which contains 30 questions with a Likert scale of 4 for answer choices, namely Strongly Agree (SS), Agree (S), Disagree (TS), Strongly Disagree (STS).

Instrument Test

The instrument test results using the validity test were carried out by comparing the R_{calculated value} for each question item with the R_{table moment} , which is 0.196, if the R_{calculated value} > R_{table} then the item is declared valid. Reliability test was carried out with *Cronbach Alpha* where a variable can be declared reliable if it produces a Cronbach value alpha > 0.60. Instrument testing is carried out using special indicators for each variable, which are listed in the following table:

Table 1

Variable	Dimensions	Indicator
Digital Services	1. Efficiency 2. Fulfillment of Needs 3. System Availability 4. Privacy (Parasuraman et al., 2005 in Segonang et al., 2021) ²⁶	1. Accuracy in using or accessing the site. 2. Compliance with the company's performance with what it promises on the site. 3. The technical functionality of the site can function as it should. 4. Ability to maintain the integrity of consumer privacy data.

²⁶ Safura Mutiara Segonang, Prof. Lizar Alfansi, and Seprianti Eka Putri, "Analisis Peningkatan Kualitas Pelayanan Menggunakan Pendekatan E-Servqual, Importance Performance Analysis (IPA) Dan Potential Gain Customer Value (PGCV) Pada Website Pt.Pos Indonesiaiew," *Manager Review* 3, no. 2 (2021): 95-122.

Digital Financial Literacy	<ol style="list-style-type: none"> 1. Knowledge 2. Ability 3. Be aware of the risks 4. Financial responsibility (Wise, 2020 in Yasin et al., 2021)²⁷ 	<ol style="list-style-type: none"> 1. Knowledge of finance. 2. Ability to make good financial decisions. 3. Be aware of the risks you will face when deciding to use the service. 4. Responsibility for managing finances.
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Based on processed data, that coefficient validity of variables x and y with range value 0.573 to 0.925 more big of 0.196 then test the validity can declared valid. The reliability test results show that *the Cronbach's Alpha* value digital service variable (αX) of 0.967 and *Cronbach's Alpha* value variable digital financial literacy (αY) is 0.968. This value is more big of 0.60 then reliability test results can stated reliable.

Test Assumptions Classic

Test assumptions classic done with three tests, namely normality test, linearity test and heteroscedasticity test. The normality test was carried out using the *Kolmogorov-Smirnov* test, based on normality test results is known that mark significance $0,057 > 0,050$, then can concluded that residual values are normally distributed. The linearity test is carried out with *deviation from linearity*, the test results show mark significance $0,301 > 0,05$. So you can concluded that there is significant linear relationship between Sharia Banking Digital Services with Generation Z Digital Financial Literacy. Heteroscedasticity test carried out using the *Glejser* test produces a significance value for Digital Services (X) of $0,168 > 0,05$. It can be concluded that no symptoms occur heteroskedasticity. Then the Digital Services variable (X) can be used for analyze variable Literacy Digital Finance (Y).

Simple Linear Regression Analysis

Testing with analytical methods simple linear regression is for predict how much big connection positive digital services available in sharia banking to generation z digital financial literacy and predicting mark from generation z digital financial literacy if mark sharia banking digital services experience increase or decline. This analysis using data based distributed questionnaires. This test calculation done with SPSS help, as for the results from analysis tests simple linear regression can seen in the table following:

Table 2 Simple Linear Regression Test Results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,248	2,934		2,812	,006
X_TOTAL	,775	,078	,707	9,890	,000

Source : Results of primary data processing, 2024

²⁷ Yasin, Lailiah, and Edris, "Analisis Pengaruh Layanan Digital Perbankan Syariah Terhadap Literasi Keuangan Syariah Generasi Milenial."

From Table 2 on show the results obtained constant value (a) is 8,248 , whereas mark digital services (x) (b/ coefficient regression) of 0.775 . From results the can entered in equality the regression as following :

$$Y = a + bX + e$$

$$Y = 8.248 + 0.775X$$

The result of the equation on can translated constant as big as 8.248 which means that mark consistency variable sharia banking digital services as big as 8, 248. Coefficient X regression is 0.775 which states that additional 1% value sharia banking digital services so generation z digital financial literacy will increase of 0.775. Coefficient regression the worth positive, so can said that direction the influence of digital services (variable X) on digital financial literacy (variable Y) is positive. Based on mark significance obtained from table on equal to 0.000 < 0.05 so can concluded that sharia banking digital services influence on generation z digital financial literacy.

Hypothesis testing
Partial Test (T-Test)

Table 3 t-test results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,248	2,934		2,812	,006
X_TOTAL	,775	,078	,707	9,890	,000

Source : Results of primary data processing , 20 24

In table 3 is known that mark t count value as big as 9,890 more big from mark t table 1.660 with mark significance 0.00 < 0.05. Can taken conclusion that sharia banking digital services influential positive and significant to generation z digital financial literacy Because mark t count value > t table and value significant more small from 0.05 so hypothesis accepted. So that matter This show that sharia banking digital services own influence positive and significant to generation z digital financial literacy.

Coefficient of Determination Test (R² Test)

The coefficient of determination test aims to find out how big the influence is digital services (X) against Digital Financial Literacy (Y).

Table 4 Determination Coefficient Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,707 ^a	,500	,494	6,853

Source : Results of primary data processing , 2024

From the results of Table 4 explain that big mark relationship (R) of 0.707 . From this output obtained coefficient determination (R Square) of 0.500 which contains understanding that influence variable free digital services against variable bound digital financial literacy is as big as 50%, while the other 50% is influenced by other factors.

Based on the test results, it is known that digital sharia banking services have a positive effect on the digital financial literacy of generation z, meaning that every addition to digital sharia banking services will increase the digital financial literacy of generation z. If there is a decline in digital sharia banking services, the digital financial literacy of generation Z will decrease. This is reinforced and supported by the sig value. smaller than the alpha value, namely $0.000 < 0.05$, meaning that digital sharia banking services have a positive and significant effect on the digital financial literacy of generation z. Furthermore, it can be seen that the results of the t calculated are greater than the t table, namely $9.890 > 1.660$, meaning the hypothesis is accepted. So this shows that digital sharia banking services have a positive and significant influence on the digital financial literacy of generation z.

The existence of economic digitalization paves the way for achieving Indonesia's sharia economic goals, wich is to become the leading sharia economic center in the world. In order to answer the challenges of technological development and realize the grand vision of the sharia economy, sharia banking has begun to provide digital services. Digital services are one of the services provided by banking, based on BI Regulation no.9/15PBI/2007, the form of digital services, namely ATM, telephone banking , electronics fund transfer, internet banking and mobile banking. This great vision can be realized if society and the government work together to support the growth of sharia finance, through understanding sharia finance. Digital financial literacy can be done to increase public understanding.

Generation Z, as the generation that dominates the population in Indonesia, is a generation that masters technology and information better than previous generations. With existing technological developments and the characteristics of Generation Z itself, it is very possible that Generation Z needs digital financial literacy. This need is in accordance with the word of Allah SWT. in a fragment of QS Al-Mujadalah verse 11, which reads:

... اللَّهُ الَّذِينَ آمَنُوا مِنْكُمْ وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ ... ﴿١١﴾

Meaning : "Allah will exalt those who believers between you and those who are given knowledge a number of degrees" (QS. Al-Mujadalah:11)

The verse above explains that financial knowledge or financial literacy is very important so that we do not fall into things that are detrimental and hated by Allah, naudzubillah himindzalik .

Research result This supported by evidence empirical from study Previously researched by Yasin et al., (2021), the results of this research stated that digital sharia banking services had a significant effect on the sharia financial literacy of the millennial generation. It can be said that when sharia banks do not provide digital services, the sharia financial literacy of the millennial generation will be low. or

reduced. This is reinforced by the R-square value of 0.775, which means that the contribution of influence provided by m-banking and i-banking services to the sharia financial literacy of the millennial generation in Kudus is 77.5%, while the remaining 22.5% is influenced by other variables.

CONCLUSIONS

Based on the results of research on the influence of digital sharia banking services on the digital financial literacy of generation z studies in Malang City and various descriptions in previous chapters, the author can conclude that digital sharia banking services have a significant positive influence on the digital financial literacy of generation z in the city Malang, so the hypothesis is accepted. As a generation that understands technology and information, Generation Z carries out more activities through their smart phones or gadgets. This trend factor supports Generation Z being able to carry out digital financial literacy through their smart devices. Not only that, sharia banking also supports people's financial literacy through several digital services they offer. There are many digital services provided by sharia banking in Malang City, such as mobile services banking, internet banking, and SMS banking. The digital services offered are used so that people can access sharia banking more easily.

So that support from sharia banks can run properly and sustainably, it is hoped that this research can provide input to continue to maintain service efficiency, continue to meet customer needs and be easily accessible anytime and anywhere. And in the future, there will be more sharia banking notice consumer privacy. For academics and readers, to deepen as well as expand study with consider variable other which influential toliteracy finance digital generation z in Malang City. For the next researchers expected can used as one of the references and data sources for study more carry on with information Which more spacious and complete.

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