Banking Selection Criteria among Millennials: Insights from Islamic and Conventional Banks

Ali Rama[1*], Suhenda Wiranata[2]

[1,2]Faculty of Economics and Business, UIN Syarif Hidayatullah Jakarta, Indonesia
E-mail: [1]rama@uinjkt.ac.id, [2]suhenda@uinjkt.ac.id
[*]Corresponding author

Abstract

The increasing number of millennials presents an enticing market opportunity for business. Understanding their preferences is the key to attracting their sympathy and interest. Thus, this study aims to analyze banking selection criteria for Islamic and conventional banks among the young generation. A group of students represents the millennial group in this study. Data is collected through questionnaire instruments, and factor analysis is employed to capture millennials' preference for banking. The finding highlights a relatively lower level of knowledge and awareness among millennials regarding the products and services offered by Islamic banks. Interestingly, among them, an inverse relationship exists between the criteria for selecting Islamic and conventional banks. Factors associated with banking preference among millennials are managerial performance and service quality, religiosity, recommendations, and finances. This study provides valuable insights for banking industry players, enabling them to understand millennial banking preferences better and formulate suitable marketing strategies.

Keywords:
conventional bank; millennial; Islamic bank; religiosity; banking selection criteria

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INTRODUCTION

Demographic groups are divided into four generations: baby boomers, generation X (Gen-Xer), millennials, and Generation Z (Ali & Purwandi, 2016). Baby boomers are the generation born after World War II and aged between 51 and 70. Meanwhile, generation X is the generation born between 1965 and 1980. Furthermore, millennials are those born between 1981-2000 or those who are currently aged between 15 and 34 years. On the other hand, generation Z is the generation born after the year 2000 until the present.

Interestingly, according to data from the Central Bureau of Statistics (BPS), the population categorized as millennials reached approximately 34 percent or around 83 million of the total population of Indonesia in 2020. Millennials are a productive age group that will be the backbone of Indonesia's economy in the future. Millennials are also commonly referred to as the younger generation. Millennials are a unique generation and differ from other generations. The emergence of smartphones influences their behavior, mindset, values, and preferences, the widespread use of the internet, and the rise of social media networks (Ali & Purwandi, 2016). The many millennial groups make them an economically attractive market segment (Thwaites & Vere, 2000; Tootelian & Gaedeke, 2008; Tucker & Jubb, 2018). As a result, business players are competing to attract their interest and attention. Commercial banking entities, for example, target them as a potential source of future income (Thwaites & Vere, 2000). It is necessary to conduct in-depth studies on their preferences, attitudes, behaviors, and the factors that influence them to garner the sympathy and interest of millennials. A comprehensive understanding of millennial preferences is the key to capturing their market.

Millennial preferences in selecting products and service criteria differ from those of other generations. They are generally independent and active. In banking, for instance, Thwaites & Vere (2000) find that young people make independent decisions in choosing banks and are not influenced by their surroundings, such as parents and friends. Moreover, Narteh & Owusu-Frimpong (2011) find diversity in behavior among young people. Furthermore, the segment of the young generation is relatively responsive to marketing activities carried out by business entities (Thwaites & Vere, 2000). Several studies have been conducted to understand consumer preferences for Islamic banking. Erol & El-Bdou (1989), Metawa & Almossawi (1998), Naser et al. (1999) find that religious issues are considered important criteria for customers in their banking selection process. In contrast, Muhammad Awan et al. (2011) and Dusuki & Abdullah (2007), on consumer preferences for Islamic banking, find that religion is only one of the primary considerations in choosing Islamic banking services. Instead, customers prioritize product attributes and service quality when selecting Islamic banking. Meanwhile, Mansour et al. (2010) found that low-cost criteria were the highest consideration for customers in choosing Islamic banking services in the UK. In the Indonesian market context, Rama (2020) finds that Islamic banking customers experience more price expectations in their decision-making process.

Furthermore, Echchabi & Alaniyi (2012) find that convenience is the main reason for choosing Islamic banks in Malaysia. Rama (2017) identifies a high frequency of customer switching incidents in Islamic banks, which were driven by customer satisfaction, service quality, shariah compliance, prices, and involuntary switching. Based on the findings of relevant previous studies, there is a literature gap in the study of behavior and preferences among millennials, particularly regarding criteria for selecting Islamic and conventional banks. Therefore, studying millennial behavior is fascinating to fill this research gap.

The Current study explores banking selection criteria among millennials, comparing their preferences towards Islamic and conventional banks using a survey method with factor analysis. The findings indicate that millennials prioritize attributes related to ATMs and the security of personal data and financial transactions. Islamic and conventional customers show contrasting banking selection criteria. Shariah-related attributes appeal more to Islamic customers, while financial attributes are more crucial for conventional customers in their bank selection process. From factor analysis, millennials consider management performance and service quality, religiosity, close family members' recommendations, and finances as the primary determinants in their banking preferences. This study contributes to the literature in several ways. *First*, it offers empirical evidence that sheds light on consumer preference theory, specifically focusing on the demographic group and their banking selection. This study mainly compares Islamic and conventional customers' preferences on banking selection. *Second*, the study enriches banking literature by identifying factors determining millennials in their bank selection process. This study provides evidence of the importance of service quality, religiosity, recommendations, and financial in shaping bank patronage.

METHODS

In this study, the millennial generation is represented by a group of students. The student demographic is a fascinating research object when studying banking preference and selection criteria. Gerrard & Cunningham (2013) and Thwaites & Vere (2000) have recognized students as a unique market segment with distinct characteristics, making them a worthwhile subject for analyzing their economic behavior. The choice of UIN Syarif Hidayatullah Jakarta students is grounded in the campus's reputation to mirror the diversity of Indonesian society, particularly the younger generation. This campus encompasses faculties dedicated to Islamic and 'secular' studies, drawing students from various ethnicities, backgrounds, and religious affiliations from across Indonesia. The selection of respondents is guided by criteria such as bank account ownership and the proportional distribution of students across faculties.

The primary data were collected through survey instruments. The instrument used a five-point Likert-type scale ranging from "very unimportant" to "very important". The attributes utilized in this as criteria for bank selection are an extension of previous research conducted by researchers such as Al-Khatib et al. (2009), Awan & Bukhari (2011), Dusuki & Abdullah (2007), Echchabi & Alaniyi (2012), Gerrard & Cunningham (2013), Metawa & Almossawi (1998), and Thwaites & Vere (2000). Table 1 shows the attributes of the banking selection criteria.

A variety of statistical analyses were employed, including the Friedman test, Kruskal-Wallis test, and factor analysis. The Friedman test was utilized to assess the impact and significance of diverse factors on the preference criteria for bank selection (Dusuki & Abdullah, 2007). The Kruskal-Wallis test is using to determine whether there are differences in characteristics between Islamic bank customers and conventional bank customers in terms of their banking preferences. Factor analysis was conducted to elucidate the structural relationships among various selection criteria, identifying a set of common criteria often referred to as factors. Thus, factor analysis aims to extract information inherent in the initial criteria and convert it into a fresh set of dimensions referred to as factors. The factor analysis approach classifies a number of observable variables into a factor (see Awan & Bukhari, 2011; Dusuki & Abdullah, 2007; Echchabi & Alaniyi, 2012; and Gerrard & Cunningham, 2013).

Table 1. Attributes of Banking Selection Criteria

No	Banking selection criteria
1	Avoidance of usury
2	Presence of a shariah supervisory board
3	Products and services in accordance with shariah principles
4	Haigher profit-sharing rates
5	Lower service and administrative fees
6	Lower financing costs
7	Convinient ATM locations
8	Avaibility of ATMs in various locations
9	24-hour ATM services
10	Diverse ATM services
11	Attractive interior design of the bank
12	Appearance and attitude of bank staffs
13	Profesionalism of bank staffs
14	Knowledge of bank staffs
15	Fast and efficient services
16	Easy of opening an account
17	Variety of products and services
18	Avaibility of credit cards
19	Easy of conducting financial transactions
20	Avaibility of parking space
21	SMS banking
22	Internet banking
23	Use of cutting edge technoogy
24	Family recommendation
25	Friend recommendation
26	Better financial bank performances
27	Higher bank reputation
28	Attractive bank advertisements
29	Effective bank management
30	Security of financial transaction information
31	Customer data security

RESULTS AND DISCUSSION

Table 2 presents the respondent profile. Out of the 450 questionnaires distributed to potential respondents, only 375 could be processed for the subsequent stage. As a result, roughly 83 percent of the total distribution garnered responses. This high response rate is a strong indicator of the reliability and generality of the instrument (Dusuki & Abdullah, 2007). This high response rate is mainly influenced by a self-administered approach employed in this study, which entails directly distributing questionnaires to the respondents.

Table 2 shows that roughly 58 percent of the respondents are female, while the remaining 42 percent are male. Out of the total respondents, only about 33.1 percent have Islamic bank accounts or are customers of Islamic banks. Conversely, 66.9 percent of the respondents have a conventional bank account. These findings suggest that students have lower Islamic bank accounts. This lower bank account ownership aligns with Islamic banks' national market share, accounting for less than 10 percent of the total national banking assets.

Table 2. Respondent Profile

Category		Frequence	Percentage (%)
Gender			
	Male	157	41,9
	Female	218	58,1
	Total	375	100,0
Bank type			
	Islamic bank	124	33,1
	Conventional bank	251	66,9
	Total	375	100,0
Type of bank account			
	Current	4	1,1
	Savings	347	92,5
	Deposit	17	4,5
	Others	7	1,9
	Total	375	100,0
Duration of bank relationship			
	< 1 year	106	28,3
	1 - 3 years	190	50,7
	3 - 5 years	67	17,9
	5 - 10 years	9	2,4
	> 10 years	3	,8
	Total	375	100,0

For the usage of banking products, respondents (students) display a variety of banking activities. Most of them primarily hold savings accounts, with approximately 4.5 percent having deposit accounts and only 1.1 percent having checking accounts. This result indicates that students generally utilize banking services for daily transactions rather than investment purposes, such as deposit accounts. To gain insight into why customers select a specific bank, one can also consider the duration of their relationship with that bank. Information about the length of the customer-bank relationship is crucial for predicting banking preference criteria. Approximately 51 percent of respondents have maintained their current bank relationship for about 1-3 years, while around 28 percent have been customers for less than a year. Meanwhile, roughly 21 percent of Islamic bank customers have been with their banks for over three years. Consequently, most respondents have established longstanding relationships with their banks, signifying loyalty toward them.

Table 3. Level of Awareness of Islamic Banking Products

Islamic banking products	Recognized (%)		Used (%)	
	Yes	No	Yes	No
Wadiah	36	64	19,7	80,3
Mudharabah saving	36,8	63,2	8,8	91,2
Mudharabah deposit	30,7	69,2	2,9	97,1
Musyarakah	30,4	69,6	2,7	97,3
Ijarah	29,1	70,9	1,3	98,7
Murabahah	30,7	69,3	1,1	98,9
Sharf	21,6	78,4	1,3	98,4

Table 3 reports the level of knowledge and awareness among the millennial generation (students) regarding Arabic terminology used in Islamic banking products. Respondents exhibit relatively limited familiarity with terms commonly used in Islamic banking, including *wadiah, mudharabah, musyarakah, ijarah, murabahah,* and *sharf.* The highest popularity is *mudharabah* savings (36.8 percent), followed by *wadiah* (36 percent). In contrast, awareness of terms such as deposit *mudharabah, musyarakah,* and *ijarah* stands at only about 30 percent. *Sharf* is the least recognized term, with approximately 22 percent of respondents being familiar with the term. This finding is in line with Gerrard & Cunningham (2013) on Islamic banks of Singapore involving both Muslim and non-Muslim respondents, which show that while Muslim respondents generally possess some understanding of Islamic teaching terms like *riba* and *shari'ah,* they often lack familiarity with the Arabic terms used in Islamic banking products.

The limited understanding of the millennial generation regarding Islamic banks is undoubtedly a significant concern that activists of Islamic economics should seriously consider. This deficiency in knowledge and awareness of Islamic banks manifests in their relatively low level of participation in Islamic banking, as reflected by their lower ownership of Islamic bank accounts. As depicted in earlier Table 2, it becomes apparent that only approximately 38 percent of the respondents possess Islamic bank accounts. This result

highlights the direct relationship between the public's comprehension and familiarity with Islamic banks and their engagement in selecting Islamic bank accounts.

Table 4. The Rank of Banking Preference Criteria

Faktor	Mean	Std. Deviation	Mean Rank	Rank
24-hour ATM service	4,1387	,94613	21,28	1
Easy of opening an account	4,1653	,80730	21,23	2
Customer data security	4,1493	,82675	21,12	3
Customer transaction information security	4,1627	,79953	21,10	4
Availability of ATMs in various locations	4,0933	1,03641	21,06	5
Convenient ATM locations	4,1120	,83265	20,96	6
Fast and effective services	4,1147	,87458	20,85	7
Use of cutting-edge technology	4,1147	,81770	20,71	8
Higher bank reputation	4,0427	,81647	19,86	9
Easy of conducting financial transactions	4,0400	,81824	19,83	10
Effective bank management	4,0453	,82447	19,71	11
Professionalism of bank staffs	4,0080	,81263	19,37	12
Variety of bank products and services	4,0000	,79772	19,11	13
Internet banking	3,9653	,84104	18,88	14
Better financial bank performances	3,9600	,81168	18,76	15
SMS banking	3,9120	,89577	18,35	16
Diverse of ATM services	3,9067	,87712	18,33	17
Appearance and attitude of bank staffs	3,8880	,86416	18,10	18
Knowledge of bank staffs	3,8373	,88824	17,42	19
Family recommendation	3,7813	,93086	17,23	20
Avoidance of usury	3,7387	1,08513	16,84	21
Availability of parking space	3,7360	,98228	16,59	22
Presence of a shariah supervisory board	3,7013	,93441	16,03	23
Lower service and administrative fees	3,6720	1,00886	15,99	24
Products and services in accordance with shariah principles	3,6773	,99458	15,89	25
Attractive bank advertisement	3,5973	1,01090	15,26	26
Availability of bank credit	3,5707	1,04175	15,19	27
Financial and profitability	3,5867	,90886	14,82	28
Attractive interior design of the bank	3,5627	,90198	14,60	29
Friend recommendation	3,4453	1,01411	13,97	30
Low interest rate on loan	3,3813	1,12396	13,71	31
Campus recommendation	3,3227	1,02633	13,05	32
Earning interest	2,9200	1,16500	10,09	33
High interest rates on savings accounts	2,8533	1,16653	9,70	34
N				375
Chi-Square				1690,860
df				33
Asymp. Sig.				0,000
a. Friedman Test				

Table 4 displays the results of the Friedman test conducted on 31 banking selection criteria among the millennial generation. The chi-square value stands at 1690.860, with a degree of freedom (df) value of 33. This result is statistically significant, as indicated by the p-value of 0.000, less than 0.05. This value signifies a substantial difference in the average values of all the attributes within the banking selection criteria, suggesting that the sample is drawn from distinct populations.

Furthermore, the table also shows the mean rank values for each criterion, revealing the top five criteria considered most important by Islamic and conventional bank respondents. These criteria include (1) 24-hour ATM service, (2) ease of opening an account, (3) customer data security, (4) customer transaction information security, and (5) the availability of ATMs in various locations. These findings align with Almossawi (2001) on the preferences of Bahraini students regarding banking selection criteria. Such a study finds that attributes associated with ATMs, such as ATM convenience, extensive ATM networks, and 24-hour ATM service, ranked the highest importance when choosing a bank. Similarly, Thwaites & Vere (2000) identify the presence of ATMs on campus and the number of ATM networks as the top and fifth-ranked criteria, respectively, in the bank selection process among UK students. Hence, criteria related to ATMs are pivotal in shaping the banking preferences of the millennial generation in Indonesia. Additionally, the ease of opening a bank account is another highly significant criterion. This finding is consistent with Awan & Bukhari (2011) that the ease of accessing banking services is among the most critical factors in banking selection criteria.

Other critical criteria are security considerations, encompassing customer data privacy and transaction security. These results validate the study of Gerrard & Cunningham (1997), which ranked bank confidentiality as the third most crucial criterion for banking customers, both from Islamic and conventional banks, in Singapore. This attribute gains relevance in the context of rising customer demands for the privacy of their personal data and financial transactions. Technological advancements have raised concerns about data confidentiality and security.

Conversely, criteria such as (1) high-interest rates on savings accounts, (2) earning interest, (3) campus recommendation, (4) low interest rates on loans, and (5) friend recommendations occupy the bottom five positions in banking preferences. Profit-related motives do not emerge as the primary consideration for respondents when selecting a bank in this study. This preference aligns with the respondent profile depicted in Table 2, which shows that most respondents use banking services for precautionary savings and daily transactional needs, primarily through savings accounts. These findings diverge significantly from studies by Awan & Bukhari (2011) and Gerrard & Cunningham (1997), which underscore the significance of profitability attributes as crucial criteria in banking selection.

Table 5 provides the results of the Kruskal-Wallis test for Islamic and conventional banks. The table reveals an inverse relationship in the average ranking of selection criteria between customers of Islamic and conventional banks. For Islamic bank customers, the

top five criteria in selecting an Islamic bank are as follows: (1) the presence of a Sharia supervisory board, (2) products and services following shariah principles, (3) avoidance of usury, (4) appearance and attitude of bank staffs, and (5) better financial bank performances. The first three criteria are closely linked to religiosity attributes.

Table 5. Rank of Selection Criteria for Islamic and Conventional Banks

Factors	Mean Rank				Significance	
	Islamic bank	Rank	Conv. bank	Rank	Chi-Square	Sig.
Presence of a shariah supervisory board	231,03	1	166,74	34	32,613	,000*
Products and services in accordance with shariah principles	229,61	2	167,44	33	30,384	,000*
Avoidance of usury	225,17	3	169,64	32	23,610	,000*
Appeareance and attitute of bank staffs	196,14	4	183,98	31	1,309	,253
Better financial bank performance	191,65	5	186,20	30	,266	,606
Friend recommendation	190,72	6	186,66	29	,131	,717
Professioalism of bank staffs	190,19	7	186,92	28	,097	,755
Financial and profitability	189,87	8	187,08	27	,063	,801
Attractive interior design of the bank	189,35	9	187,33	26	,034	,854
Knowledge of bank staffs	187,68	10	188,16	25	,002	,964
Lower service and administrative fees	187,32	11	188,33	24	,008	,928
Easy of opening bank account	185,80	12	189,09	23	,096	,756
Convinient ATM location	184,78	13	189,59	22	,210	,647
Higher bank reputation	184,66	14	189,65	21	,218	,640
Family recommendation	182,78	15	190,58	20	,518	,472
Customer data security	181,19	16	191,36	19	,899	,343
Campus recommendation	180,04	17	191,93	18	1,115	,291
Fast and efficient services	179,06	18	192,41	17	1,535	,215
Variety of bank products and services	178,56	19	192,66	16	1,857	,173
Diverse of ATM services	178,36	20	192,76	15	1,716	,190
Easy of conducting financial transactions	175,39	21	194,23	14	3,198	,074***
Customer transaction information security	174,36	22	194,74	13	3,575	,059***
Effective bank management	173,90	23	194,96	12	3,857	,050***
Attractive bank advertisement	171,58	24	196,11	11	4,698	,030**
Avaibility of parking space	170,92	25	196,44	10	5,310	,021**
24-hour ATM service	170,54	26	196,62	9	5,674	,017**
Low interest rate on loan	170,29	27	196,75	8	5,353	,021**
Internet banking	163,37	28	200,17	7	11,656	,001**
Use of cutting-edge technology	162,82	29	200,44	6	12,190	,000*
SMS banking	158,06	30	202,79	5	16,961	,000*
Avaibility of bank credit	157,33	31	203,15	4	16,642	,000*
Earning interest	154,10	32	204,75	3	19,255	,000*
Avaibility of ATM in various locations	151,38	33	206,09	2	24,785	,000*
High interest on savings account	150,77	34	206,39	1	23,214	,000*

This result suggests that factors associated with religiosity, notably the compliance of Islamic banking operations with Sharia principles, are essential for customers when choosing an Islamic bank. In contrast, religiosity attributes do not carry the same level of importance for conventional bank customers. The significance of religiosity attributes in banking selection criteria aligns with Erol & El-Bdou (1989), Metawa & Almossawi (1998), and Naser et al. (1999). Additionally, the appearance and attitude of bank staff and the performance of Islamic banks are considered pivotal factors in the selection process of Islamic banks. This finding aligns with Abbas et al. (2003) and Dusuki & Abdullah (2007), which emphasize the importance of attributes related to Islamic bank staff, including their attitude, knowledge, and appearance, in choosing an Islamic bank.

In contrast, for conventional bank customers, the top five criteria in banking selection criteria are (1) high-interest rates on savings accounts, (2) availability of ATMs in various locations, (3) earning interest, (4) the availability of credit card, and (5) SMS banking. These rankings are based on their mean rank values. In Islamic banks, these same five criteria occupy the bottom positions regarding importance. The differences in criteria between conventional and Islamic bank customers are statistically significant. Additionally, attributes such as cutting-edge technology, internet banking, low interest rates on loans, 24-hour ATM service, parking availability, attractive bank advertisements, effective bank management, customer information security, and ease of conducting financial transactions are statistically significant.

As shown in Table 5, the findings suggest that conventional bank customers prioritize attributes related to financial benefits, such as high interest rates on savings accounts and low-interest rates on loans, when making their banking selections. This result aligns with Gerrard & Cunningham (2013), highlighting that interest rate attributes are the foremost consideration for non-Muslims when choosing a bank. Furthermore, attributes associated with the amenities offered by banks, such as ATM networks, credit cards, technology (SMS banking, internet banking), and the bank's reputation, are considered essential factors for patronaging a bank.

Table 6. KMO and Bartlett test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,833
Bartlett's Test of Sphericity	Approx. Chi-Square	2583,150
	df	136
	Sig.	0,000

Factor analysis was conducted to elucidate the interconnectedness of selection criteria by identifying shared criteria sets commonly known as factors. The results from the KMO (Kaiser-Meyer-Olkin) and Bartlett's tests in Table 6 demonstrate a KMO value of 0.833, which is greater than 0.5, suggesting the relevance of factor analysis for uncovering the factors that influence the selection criteria for choosing banks.

Table 7. Results from Factor Analysis in Banking Selection Criteria

Characteristics	Loading	Communalities
Factor 1: Performance and service quality		
Effective bank management	,767	,643
Higher bank reputation	,764	,775
Use of cutting-edge technology	,761	,786
Fast and eficient services	,755	,748
Better financial bank performance	,753	,667
Customer transaction information security	,747	,624
Easy of opening account	,699	,518
SMS banking	,530	,400
Eigenvalue	5,321	
Percentage of Variance	31,302	
Cumulative %	31,302	
Factor 2: Religiosity		
Presence of a shariah supervisory board	,868	,585
Products and services in accordance with shariah principles	,843	,444
Avoidance of usury	,759	,739
Eigenvalue	2,104	
Percentage of Variance	12,374	
Cumulative %	43,676	
Factor 3: Family and friends		
Friend recommendation	,824	,684
Campus recommendation	,820	,608
Family recommendation	,624	,614
Eigenvalue	1,765	
Percentage of Variance	10,384	
Cumulative %	54,059	
Factor 4: Financial		
Earning interest	,864	,622
Low interest rate on loan	,782	,628
High interest rate on savings account	,722	,621
Eigenvalue	1,516	
Percentage of Variance	8,918	
Cumulative %	62,978	

Table 7 presents the results of the Rotated Component Matrix, offering insights into the number of factors established and the criteria grouped within these factors. All the criteria used for bank selection exhibit loading factor values exceeding 0.50, indicating the absence of issues regarding validity and reliability. Based on those results, four distinct factors are identified. Factor 1 encompasses six criteria: effective bank management, higher bank reputation, cutting-edge technology, fast and efficient services, better bank

financial performance, customer transaction information security, and ease of opening an account. Given the criteria in Factor 1, this factor may be designated as the "management performance and service quality" variable. With an Eigenvalue of 5.321, Factor 1 explains 31.3 percent of the variance.

Next, Factor 2 emerges from criteria such as the presence of a Sharia supervisory board, products, and services following shariah, and avoidance of usury. Collectively, this factor accounts for 43.7 percent of the variance. Given the criteria in Factor 2, it can be identified as the "religiosity" variable. Approximately 10.4 percent of the variation in bank selection criteria is explained by the religiosity factor. In addition, Factor 3 can be labeled as the "family and friends" variable, encompassing criteria such as recommendations from friends, campus, and family members. The family- and- friends variable explains 10.4 percent of the variation in bank selection criteria. Factors 1, 2, and 3 contribute to 54 percent of the variance. Finally, Factor 4 comprises three selection criteria: earning interest, low interest rates on loans, and high-interest rates on savings accounts. Considering the criteria in Factor 4, it may be defined as the "financial" variable. The percentage of variance explained by Factor 4 is a modest 8.9 percent. Cumulatively, Factor 4 accounts for 63 percent of the overall model variance.

The results of the factor analysis in Table 7 reveal that the factors behind millennials' bank selection criteria are management performance and service quality, religiosity, recommendations from family and friends, and financial aspects. These findings are consistent with some earlier studies, such as Almossawi (2001), Dusuki & Abdullah (2007), Gerrard & Cunningham (2013), Mansour et al. (2010), and Echchabi & Alaniyi (2012). For instance, Echchabi & Alaniyi (2012) find that attributes related to service quality and convenience are quantitatively significant factors in selecting a bank, while religious motivation qualitatively plays a significant role in choosing an Islamic bank. Inadequate service quality provided by Islamic banks can lead to customer switching (Rama, 2017; Rama & Kassim, 2013).

CONCLUSION

The rapid growth of the millennial generation in Indonesia has become an attractive prospect for businesses. They exhibit distinct behaviors, mindsets, and preferences compared to other demographic groups. Given their potential future financial income, this demographic's demand for banking products and services is expected to grow. Hence, understanding the banking preferences of millennials is a compelling endeavor, both theoretically and practically.

The study uncovers a remarkably low awareness and knowledge among millennials regarding Arabic terms used in Islamic banking products and services. To our surprise, millennials, as represented by a group of university students, particularly those from UIN Syarif Hidayatullah Jakarta, are unfamiliar with commonly used Arabic terms in Islamic banking. This finding is surprising, given that UIN Syarif Hidayatullah is an Islamic university where students are expected to be well-versed in various Arabic terms, including

those related to financial products and Islamic banking. This situation may stem from the fact that specific terms related to Islamic banking are only familiar to students in faculties related to economics, finance, and Islamic business law.

In addition, the findings demonstrate that millennials prioritize attributes related to ATMs and the security of personal data and financial transactions. Dissatisfaction with data security and confidentiality can adversely affect the relationship between customers and the bank, potentially leading to customer migration to other banks. Furthermore, Islamic and conventional customers show contrasting banking selection criteria. Shariah-related attributes appeal more to Islamic customers, while financial attributes are more crucial for conventional customers in their bank selection process. The findings from the factor analysis highlight that young generations consider criteria linked to management performance and service quality, religiosity, recommendations from close family members, and finances as the primary determinants of their banking preferences.

For future research direction, it is essential to note that a group of students exclusively represented the millennial segment in this study. Students may not fully reflect the behaviors and preferences of the entire millennial generation. Therefore, expanding the sample group of millennials in future research is advisable to derive more generalized conclusions. Additionally, conducting statistical analyses based on demographic characteristics is recommended for future research. Such demographic analyses would provide insights into more varied behavioral patterns based on the developed categories. Finally, increasing the sample size in future research is essential to gain more robust research findings.

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