



Financial benefits from the millennial generation in choosing Islamic mortgages: Do digital marketing channels matter?

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ABSTRACT

The slow provision of houses or residences that are not balanced with the number needed has led to a backlog in Indonesia. As a result, house prices are getting higher, making it difficult for the lower middle class. This problem has become a burden for millennials when building an ideal family with affordable housing. Many think owning a house is a dream that is difficult to realize. To overcome this, the government has tried to provide homeownership credit (*kredit pemilikan rumah-KPR*) or mortgage loans to provide subsidies for affordable housing in conventional and Sharia or Islamic contracts. Unlike conventional mortgages, Islamic mortgages have a contract as a sale, purchase, or cooperation, not an interest-bearing debt. This study investigates whether financial benefits and digital marketing channels influence the millennial generation's decision to use Islamic mortgages. The research sample consisted of 131 BTN Syariah bank customers born between 1981 and 1996. Our PLS-SEM analysis revealed that financial benefits and digital marketing channels directly affect choosing Islamic mortgages. However, the interaction between the two variables does not have a significant effect. The possibility behind this result is that financial benefits are the main attribute that stands alone regardless of whether it is communicated through digital marketing channels. Therefore, this study suggests that bank managers and stakeholders strive to improve the financial benefits of Islamic mortgages as a core value to attract consumers. In addition, they also need to properly manage the digital marketing channels they have to provide a positive impression.

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Introduction

The issue of access to affordable home ownership is a challenge for people in Indonesia, and this reflects what is known as the global urban housing affordability crisis (Wetzstein, 2017). This crisis pressures the Indonesian government to find solutions to provide easy access to affordable housing. Failure to address the problem of homeownership can trigger social instability, as shown in urban conflicts in other ASEAN countries (Chan, 2019; Forrest & Xian, 2017). Low housing affordability also results in various social consequences, including delayed marriage (Rohe, 2017), the emergence of mental health problems, and negative impacts on general health (Baker et al., 2013; Bentley et al., 2016; Pollack et al., 2010).

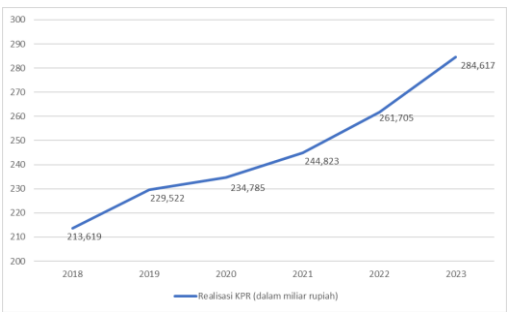
The problem is further exacerbated by the number of houses built being much lower than the number of dwellings needed or backlog. Based on data from the Indonesian Ministry of Public Works and Public Housing in 2022, there is a backlog of home ownership of 11 million units (Kementrian PUPR, 2022). And in 2023, the housing backlog in Indonesia will increase to 12.7 million houses (Musyafa, 2013). To overcome this, the government has allocated a budget of IDR 13.72 trillion through the 3 Million Houses Program, which is expected to reduce the backlog. The program is carried out in collaboration with various parties through an end-to-end

cooperation scheme. The parties involved in the program include the provision of land facilitated by the government and the private sector, housing development by developers (private/Perumnas), and the funding aspect, one of which is Home Ownership Credit (KPR). This backlog condition also drives property prices that continue to experience significant increases, making it increasingly difficult for the Millennial generation born between 1981 and 1996 to enter the housing market (Rahmawati & Rukmana, 2022). They are forced to live longer with their parents or choose residential locations far from the center of work for more affordable prices (Berrington et al., 2009). The Millennial generation is often referred to as the "rent generation" because of the difficulty in obtaining conventional housing financing (Filandri & Bertolini, 2016) and a reasonably high dependence on inheritance (wealth transfer) from parents (Campos et al., 2016; Engelhardt & Mayer, 1998 ; Kurz & Hans-peter, 2006). However, the millennial generation has a higher income than the previous generation, and this generation is entering the family phase, making the millennial generation a very potential market for mortgage products (Yasri et al., 2020). Statistically, they also represent 25.87% of the total population in Indonesia (Badan Pusat Statistik, 2021).

KPR is a financing facility banks provide to make it easier for people to own a house by paying in installments according to the

agreed tenor. KPR loans also offer subsidies in their financing schemes (Rahmawati & Rukmana, 2022), which is expected to overcome the housing backlog in Indonesia. The term KPR was first used by Bank Tabungan Negara (BTN) in 1967 and is still used today. Figure 1 shows the realization of KPR by BTN Bank from 2018-2023. From this figure, we can see that the trend of KPR financing by BTN bank continues to increase; even in 2023, the figure reached 284.617 billion rupiah. Increase of 16.38% compared to 2018; this shows that public interest in using KPR continues to increase, so examining more deeply the factors that influence a person's decision to choose KPR is interesting to study.

Figure 1.
KPR realisation by BTN between 2018-2023



Source: Annual report BTN (2023)

KPR offers two different concepts, namely conventional and Islamic. Islamic KPR provides financing based on Sharia principles using contracts such as Murabaha (buying and selling), musyarakah mutanaqisah (sharing of ownership), istishna (deferred payment), and ijarah

muntahiyyah bit tamlik (leasing based) (Bank Syariah Indonesia, 2023; Wulandari & Ubaidillah, 2024). The murabahah (buy-sell) contract is carried out by the Islamic bank, which buys goods needed by the customer and then sells them to the customer with additional profits agreed upon between the bank and the customer. Musyarakah mutanaqisah is a contract between the Islamic bank and the customer to jointly purchase an item with one party and then buy the other party's share in stages. Istishna is a contract used to order a house that will be built within a certain time. Furthermore, ijarah muntahiyyah bit tamlik (IMBT) is a lease agreement with an agreement that the asset will transfer ownership to the lessee at the end of the lease period. In using these agreements, Islamic mortgages do not involve interest but rather a profit margin or sharing agreed upon at the beginning, which makes Islamic mortgages a home financing instrument that is more stable and relatively safe (Ahmed et al., 2023). Both of these things are very important. Devine et al. (2023) stated that consumer expectations regarding certainty and security related to future interest rate changes will influence the decision to choose a home financing product.

Islamic financing has several financial advantages over conventional financing. Some of the financial benefits of Islamic mortgages are that they have lower monthly installment payments and more flexible requirements (Hamid & Masood, 2011). Islamic mortgages that do not depend on bank interest rates also provide long-term

benefits because the installment amount is fixed. Devine et al. (2023) showed that Islamic mortgages have more transparent payment stability because the profit-sharing margin was stated initially. So that users avoid interest rate fluctuations. Aalbers & Engelen (2015) added that Islamic financing provides a safer alternative for consumers because it is not affected by volatile interest rates, resulting in the ability to mitigate risk in the long term. He also explained that the good level of stability of Islamic banks is driven by sharia principles that prohibit usury and speculation (gharar). The Islamic financing system, such as the Mudharabah Mutanaqisah contract, offers a profit-sharing mechanism that allows consumers to obtain more flexible and fair financing according to their capabilities. Islamic mortgages have clear underlying assets in fixed assets perfectly bound in a Sharia contract. This contract provides greater certainty for customers, especially millennials, who seek ethical financial products and follow Islamic values (Czischke & van Bortel, 2023; Stephens & Leishman, 2017).

Meanwhile, the millennial generation is digitally literate with good technology skills. The ease of technology allows them to access information easily and quickly, making market players reach their market using digital marketing channels (Suhartanto et al., 2020). Before purchasing, they look for product reviews and express their opinions through social media (Munsch, 2021), including Islamic mortgage products. The influence of financial benefits on the decision to choose

Islamic mortgages can be further strengthened or weakened by the existence of digital marketing channels. Digital communication has encouraged individuals and marketers to share information easily (Levy & Gvili, 2015). The Millennial Generation uses this to discover other people's views and recommendations regarding specific products, including Islamic mortgage products. Kurdi et al. (2022) stated that elements of digital marketing channels have a significant positive role in consumer purchasing decisions.

This study provides several contributions. First, this study attempts to investigate the influence of financial benefits on the decision to choose Islamic mortgages among the Millennial generation. Discussions on why the Millennial generation uses Islamic mortgage products have not been discussed in depth in previous studies. Previous studies on choosing Islamic mortgages have been conducted, such as Wulandari & Ubaidillah (2024), but are limited to Murabaha contracts only. Other related studies, namely Amin et al. (2016) and Shaikh & Noordin (2020), investigated the same. However, their samples were limited to universities in Malaysia, not all of which had accessed Islamic mortgages. This study is different because it uses samples from the Millennial generation with direct experience accessing Islamic mortgages with various professions and backgrounds.

Second, this study investigates the influence of digital marketing channels on choosing Islamic mortgages. This

investigation is essential considering that the digitally savvy millennial generation highly considers digital marketing channels when deciding to use a product. Third, this study wants to investigate how digital marketing channels moderate the relationship between financial benefits and the millennial generation's decision to use Islamic mortgages. The role of financial benefits in driving consumer decisions to choose Islamic mortgages also depends on the access and image of digital marketing channels. Consumers who can easily access mortgage information and services through digital marketing channels tend to be more motivated to choose Islamic mortgages than those who face technological obstacles (Zolait, 2010). Digital marketing channels also help millennials get reviews, information, and recommendations for Islamic mortgage products more easily.

Literature Review

Theory of planned behavior (TPB) and financial benefit

This study combines consumer behavior theory, Islamic financing concepts, and digital marketing channels to understand the factors that influence the preferences of the Millennial generation in choosing Islamic mortgage products. Each theory provides a basic framework for the analysis of financial decision-making, the advantages of Islamic financing, and the role of technology in influencing consumer behavior. Ajzen (1991) has explored the theory of planned behavior (TPB), which states that attitudes, subjective norms, and

perceived behavioral control can influence an individual's intention to perform a specific action or habit. The TPB theory by Ajzen (1991) has been developed and used to investigate the determinants influencing an individual's tendency to use certain products, including Islamic housing finance. Amin et al. (2014) have developed the TPB theory in the context of the Islamic mortgage industry in Malaysia.

Housing finance is a lifelong investment that consumes most of a person's monthly income, so individuals consider many things when choosing housing finance (Amin, 2017). Devine et al. (2023) revealed that when selecting a mortgage, customers feel the price level and expect future interest rates to influence it significantly. If the benchmark interest rate fluctuates, installments will increase (Bacon & Moffatt, 2012). This condition haunts conventional mortgage products. Contrary, in Islamic mortgages, the profit margin has been determined at the beginning of the contract through a murabahah (sale and purchase) or ijarah (lease and purchase) agreement, thus providing certainty about the amount of monthly installments to customers because the installments paid do not follow changes in rising or falling interest rates (Rizvi et al., 2020). Czischke & Bortel (2023) and Stephens & Leishman (2017) revealed that Islamic mortgages provide users with a fairer, more transparent, and ethical perception. Following the Islamic Theory of Consumer Behavior (TCB), factors such as Sharia compliance, ethics, and Islamic values are considered in consumer preferences when

choosing Islamic financial products (Qudah et al., 2023). The Islamic mortgage products are attractive in terms of financial benefits to attract customers.

Islamic financing has three main components in its implementation: transparency, unambiguity, and prevention of usury or interest in transactions (Amin et al., 2009). In the Islamic financing scheme, the risk is shared between the bank and the customer to reduce the burden of unilateral risk that often occurs in interest-bearing financing. It increases the sense of security for consumers and provides higher confidence in Islamic products as a long-term financing option. On the other hand, Islamic mortgages also offer a transparent and fixed contract-based mechanism, such as the murabahah contract (sale/purchase), which allows consumers to know the number of installments from the beginning to the end of the financing period (Hassan & Lewis, 2007). Because of this mechanism, the stability of Islamic mortgage financing tends to be better and brings financial benefits in creating a sense of security for consumers, especially in economic uncertainty (Iqbal & Mirakhor, 2006).

Other financial benefits that consumers get in choosing Islamic mortgage products are identified with flexible requirements, competitive installment schemes, and long-term benefits (Wulandari & Ubaidillah, 2024). Ahmad & Haron (2019) showed that competitive margins compared to conventional mortgage interest rates are one of the important reasons why consumers are interested in Islamic

mortgages. Based on research by Amin (2015), Islamic financial products tend to be in demand because of the transparency of the financing structure and the potential for profit sharing that is in line with asset performance, not based on fixed interest like conventional mortgages. Moreover, Islamic mortgages offer more stable payments and a fair and profitable profit-sharing structure than conventional financing (Amin, 2015). At the same time, research conducted by Ibrahim & Rizvi (2018) revealed that the growth of funding by Islamic banks was higher than the growth of loans by conventional banks during the crisis period. Islamic banks can survive the crisis, and customers' enthusiasm for choosing Islamic banks is quite high.

Digital marketing channels, millennial generation, and Islamic mortgages

Recently, technology and digitalization have become inseparable aspects of life. Therefore, many researchers have investigated the use of technology in their research variables, one of which is banking. Luarn & Lin (2005) examined 180 Taiwanese bank customers regarding their acceptance of mobile banking. They found that perceived ease of use and usefulness of technology significantly influence behavioral intentions. Research conducted by Kurdi et al. (2022) states that using technology in marketing has a significant positive role in consumer purchasing decisions.

On the one hand, the millennial generation has sought information, learned reviews, views, and recommendations from

others regarding certain products from social media. Companies that understand how to use and adopt digital marketing channels can promote and communicate with customers better (Almaazmi et al., 2020). It makes it easier for customers to get information about their desired products. Nguyen & Cassidy (2018) revealed that the millennial generation prefers technology-based solutions because technology offers efficiency, convenience, and comfort in daily activities, including convenience in financial management and financial decision-making. Supporting these findings (Zolait, 2010), consumers who can easily access mortgage information and services through digital marketing channels tend to be more motivated to choose Islamic mortgages than those who face obstacles in accessing technology.

Hypothesis development

Financial excellence is a key factor encouraging consumers to choose Islamic mortgage products. The main attraction of Islamic mortgages is a more competitive margin and the absence of usury elements. Ahmad & Haron (2019) showed that competitive margins compared to conventional mortgage interest rates are one of the important reasons why consumers are interested in Islamic mortgages. Based on research by Amin (2015), Islamic financial products tend to be in demand because of the transparency of the financing structure and the potential for profit sharing that is in line with asset performance, not based on a fixed interest like conventional mortgages. Amin (2008) stated that one of the main reasons

consumers choose Islamic mortgages is because the monthly installments are relatively lighter. According to Hamid & Masood (2011), Islamic mortgages' price provisions and flexibility increase the product's attractiveness. Moreover, Islamic mortgages offer more stable payments and a fair and profitable profit-sharing profit-sharing structure than conventional financing (Amin, 2015). For this reason, we formulate the first hypothesis as follows:

H1. Financial benefits positively correlated with Islamic mortgage decision

Internet and digital technology have penetrated various aspects of life, making it easier for individuals and marketers to share information through digital communication (Levy & Gvili, 2015). Digital marketing channels are important because they can effectively reach customers and influence decisions when purchasing Islamic mortgages (Dara, 2016). Millennials often use social media to search for product reviews before purchasing (Munsch, 2021). Digital marketing channels can increase Islamic mortgage purchasing decisions through the formation of perceptions, customer trust, and ease of information, as expressed by (Amin, 2015). Millennials tend to choose technology-based solutions because they offer convenience, efficiency, and comfort in financial management and decision-making (Nguyen & Cassidy, 2018). Consumers who can easily access mortgage information and services through digital marketing channels tend to be more motivated to choose Islamic mortgages than those who face technological obstacles

(Zolait, 2010). Based on this description, we formulate the second hypothesis as follows:

H2. Digital marketing channels positively correlated with Islamic mortgage decision

The existence of digital marketing channels can further strengthen the effectiveness of financial benefits in influencing consumer decisions. Previous studies have shown that elements of digital marketing channels have a significant positive role in consumer purchasing decisions (Kurdi et al., 2022). Digital communication has encouraged individuals and marketers to share information easily (Levy & Gvili, 2015). The Millennial Generation utilizes this to discover other people's views and recommendations regarding specific products, including Islamic mortgage products. Information and reviews related to the financial benefits of using Islamic mortgage products can be accessed via social media. Companies that can understand how to use and adopt digital marketing channels are able to promote and communicate with customers better (Almaazmi et al., 2020). Therefore, utilizing the internet and digital marketing channels will make it easier for banks to interact with customers more closely, making it easier for customers to recognize Islamic bank products. Consumer trust can be built through digital marketing channels by serving customers more closely. The role of financial benefits in encouraging consumer decisions to choose Islamic mortgages also depends on the ease of access and digital marketing channels. Based on this, we formulate the second hypothesis as follows:

H3. Digital marketing channels positively moderate the relationship between financial benefits on Islamic mortgage decision

Method, Data, and Analysis

Sample, data collection, and measurement

We took this research data for approximately one month between February and March 2025. This period coincides with 100 days after the new housing Minister, Maruarar Sirait, took office and realized his vision of building 3 million houses (TEMPO.CO, 2024). From there, we want to evaluate the determinants of Islamic mortgage consumers in Indonesia, especially after the new commitment to affordable housing. Specifically, this research focuses on the millennial generation for several reasons. The Millennial generation is a potential market for the next 5-10 years, considering that this generation has a higher income than the previous generation (Yasri et al., 2020). Statistically, they also represent 25.87% of the total population in Indonesia. (Badan Pusat Statistik, 2021). Making housing products very visible, especially as most of this generation is also entering the period of starting a family.

Then, considering the limitations of time and resources, we used the purposive sampling technique based on several criteria. These criteria include the Millennial generation who live in the Solo Raya area and are consumers of *Bank Tabungan Negara* (BTN) Sharia. There are several reasons behind the selection of

samples and areas taken. Firstly, BTN Bank has been the leading housing finance provider entrusted by the government since the 1970s (Rahmawati & Rukmana, 2022). And secondly, Solo Raya was taken as a sample based on the “Most Liveable City Index” survey conducted by the Association of Planning Experts (*Ikatan Ahli Perencanaan-IAP*) to be the first position as the most comfortable city to live in (GoodStats, 2023), which also resulted in why property prices here have risen drastically in recent years in line with the ever-increasing demand.

The data obtained used an online-based survey to prevent interaction bias between the surveyor and respondents so that they have more freedom to answer and maintain confidentiality (Herani & Angela, 2024). In the process, we also involved property agents who work with the BTN Sharia Solo Raya branch in distributing questionnaires. In order to ensure that this research applies high ethical standards, several steps are taken. Includes obtaining consent from

respondents, explaining the purpose, use of data, anonymity, designing survey questions that are not invasive (causing pressure on respondents), and routine verification as previously research by (Herani & Angela, 2024).

Regarding the measurement of variables, all indicators of this research question have been validated and applied in previous studies. Like the questions for the financial benefit variables (MF1-4) we adopted them from the research (Amin et al., 2016; Lee, 2009; Wulandari & Ubaidillah, 2024), digital marketing channels question (PD1-4) (Amaro et al., 2016; Armutcu et al., 2023), and Islamic mortgages decision questions (KPR 1-4) dari (Amin et al., 2016; Wulandari & Ubaidillah, 2024). More details can be seen in Table 1 below. All questions are measured with a five-point Likert scale from 1 strongly disagree to 5 strongly agree. The selection of a five-point Likert scale aims to make it easier for respondents to answer questions because of the diverse backgrounds of respondents.

Table 1.
Questioner Items

Variables		Indicator	Reference(s)
Financial benefit	MF1	I believe Islamic mortgage offers better financial benefits.	(Amin et al., 2016; Lee, 2009;
	MF2	I believe that Islamic mortgages offer flexible terms.	Wulandari
	MF3	I believe that Islamic mortgage offers a competitive installment scheme.	& Ubaidillah, 2024)
	MF4	I believe that Islamic mortgages are a profitable investment for the long term.	(Amaro et al., 2016;
Digital marketing channels	PD1	I use digital marketing channels to search for information about Islamic mortgages.	Armutcu et al., 2023)
	PD2	I use digital marketing channels to seek other people's views on Islamic mortgages.	

	PD3	I use digital marketing channels to seek people's comments about Islamic mortgages.	
	PD4	I use digital marketing channels to seek other people's recommendations about Islamic mortgages.	
Islamic mortgages decision	KPR1	The Islamic mortgage product is worth buying.	(Amin et al., 2016; Wulandari & Ubaidillah, 2024)
	KPR2	I am confident that I will use Islamic mortgage products again.	
	KPR3	I intend to use the Islamic mortgage product again.	
	KPR4	I will always apply for Islamic mortgage products again (for the second, third, etc.)	

Analytical technic

We used partial least squares structural equation modeling (PLS-SEM) to analyze the data obtained. This analysis is robust and testable in accommodating small sample sizes (Widyanty et al., 2024), as in this study. In addition, several research topics still relevant to this study also use PLS-SEM analysis techniques such as (Amin et al., 2016; Wulandari & Ubaidillah, 2024). PLS-SEM divides the analysis into two, namely the outer or measurement model (including convergent validity, reliability, and discriminant validity) and the inner or structural model (conceptual model and hypothesis testing) (Yang et al., 2022). The analysis tool used is SmartPLS 4 or the latest version.

Result and Discussion

Sample demographic result

Table 2.

Sample Demographic

Demographic background	N	%
Gender		
Female	60	45.8
Male	71	54.2
Age		
29 - 32	66	50.4

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The total number of samples in this study was 131 respondents who were eligible for analysis after initial data selection. The results were 60 (45.8%) women and 71 (54.2%) men, reflecting our gender-diverse sample. Regarding age, most respondents were those aged between 29-32 years, 66 (50.4%). At the same time, the lowest respondents were those aged between 37-40 years, 12 (9.2%). Regarding income, it was dominated by those with middle incomes between IDR 2,000,001 - 4,000,000 per month. The underlying factor is that the average wage in Indonesia is more or less around that number (Statista, 2024). Finally, although small, some consumers have a non-Muslim religious background, 2 (1.5%) persons. Indicates that the Islamic mortgage market segment has been able to attract not only Muslims. The results of the demographic sample are presented in Table 2.

33 - 36	29	22.1
37 - 40	12	9.2
41 - 44	24	18.3
Income per month		
< IDR 2,000,000	7	5.3
IDR 2,000,001 – 4,000,000	58	44.3
IDR 4,000,001 – 6,000,000	30	22.9
> IDR 6,000,001	36	27.5
Religious background		
Muslim	129	98.5
Not Muslim	2	1.5

Validity and reliability result

Validity and reliability testing in PLS-SEM uses an outer or measurement model approach that includes convergent, reliability, and discriminant validity. This test has a threshold that is a reference for whether a construct indicator is accepted or not. Convergent validity is measured from the factor loading value and average variance extracted (AVE). In the factor loading value, the threshold is that each questionnaire item must be > 0.7 to be declared valid (Hair et al., 2021). It can be seen in Table 3 and Figure 1 that all the factor loadings of this study have values above 0.7, meaning that all the question items are valid. Meanwhile, the AVE value can only be declared valid if the value is above 0.5 (Hair et al., 2021). As seen in

Table 3, the AVE value of each research variable has met the requirements with a value above 0.5 for both MF, PD, and KPR.

Then, we use the composite reliability (CR) and Cronbach's alpha (CA) values to assess the reliability. Hair et al. (2021) stated that the CR and CA values are said to meet the threshold if the value is above 0.7. In this regard, both the CR and CA of this study have values ranging from 0.9 and above, so they can be said to be reliable, as shown in Table 3. Meanwhile, to test discriminant validity, we use the heterotrait-monotrait ratio (HTMT), the results of which are presented in Table 4. The test results reveal that each construct differs, as indicated by its value below 0.9 (Henseler et al., 2015).

Table 3.
Measurement Model Result

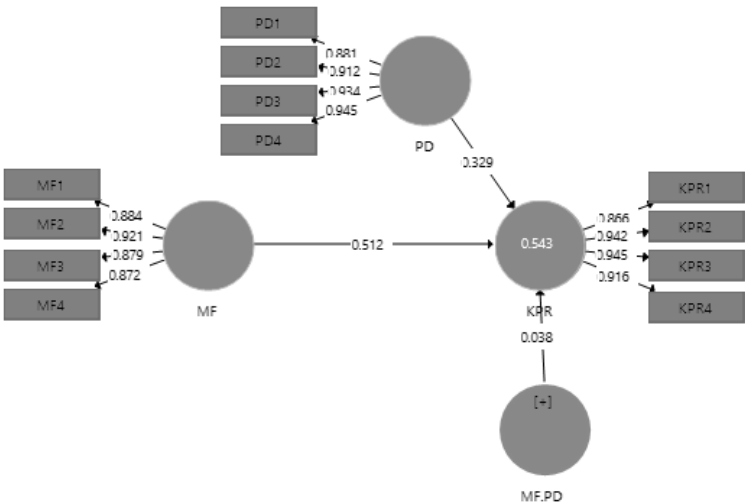
Scale items	Cross Loading	AVE	Composite Reliability	Cronbach's Alpha
Financial benefit (MF)		0.791	0.938	0.912
MF1	0.884			
MF2	0.921			
MF3	0.879			
MF4	0.872			

Digital marketing channels (PD)		0.843	0.956	0.938
PD1	0.881			
PD2	0.912			
PD3	0.934			
PD4	0.945			
Islamic mortgages decision (KPR)		0.842	0.955	0.937
KPR1	0.866			
KPR2	0.942			
KPR3	0.945			
KPR4	0.916			

Table 4.
HTMT Ratio

	MF	PD	KPR	MF x PD
MF				
PD	0.579			
KPR	0.728	0.644		
MF x PD	0.270	0.032	0.139	

Figure 1.
Measurement Model



Hypothesis testing

In hypothesis testing (structural model), Table 5 and Figure 2 reveal several things. First, the direct influence between financial benefit (MF) and Islamic mortgage decision

(KPR) is positive and significant (OS= 0.374, β =0.512, and p =0.000). This result indicates that the more financial benefits obtained will positively impact their decision to choose Islamic mortgages.

Therefore, our H1 is supported.

Second, the direct influence between digital marketing channels (PD) on Islamic mortgage decisions (KPR) is also positive and significant (OS=0.174, β =0.329, and p =0.001). This result also means that better digital marketing channels for Islamic mortgages will positively affect consumer decisions. This positive impact can be in the form of satisfaction or repurchase intentions by consumers later. Therefore,

Table 5.

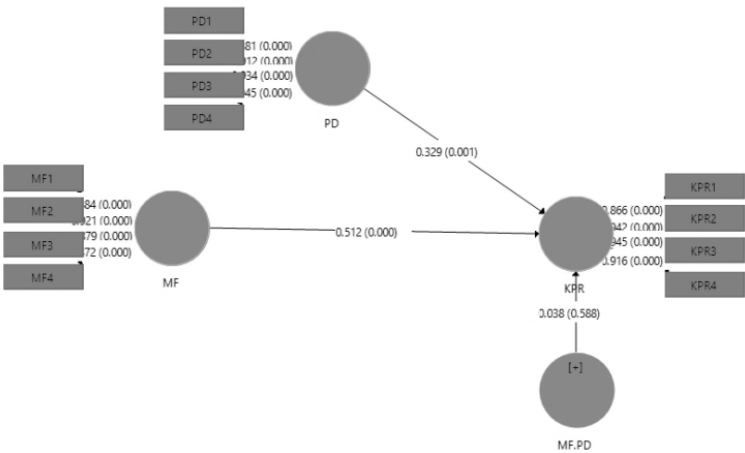
Hypothesis Testing Result

Hypothesis	Original Sample	Beta	p-value	Description
Direct effect				
MF >>> KPR (H1)	0.374	0.512	0.000	Supported
PD >>> KPR (H2)	0.174	0.329	0.001	Supported
Moderating effect				
MF x PD >>> KPR (H3)	0.194	0.038	0.588	Not Supported

our H2 is also supported.

Third, the moderating effect between digital marketing channels (PD) on the relationship between financial benefits (MF) and Islamic mortgage decisions (KPR) is not significant (β =0.038 and p =0.588). Based on these results, no moderating relationship was found between PD and MF on KPR. Then, our H3 is not supported.

Figure 2.
Structural model



Discussion

Financial benefits and digital marketing channels separately have a direct impact on Islamic mortgage decisions. Islamic mortgages have advantages that conventional mortgages do not have in the context of financial benefits. Amin (2008) revealed that lower monthly installment payments are one of the keys to why consumers use Islamic mortgages. In addition, the price influence and flexibility of the provisions of Islamic mortgages are other bargaining powers that influenced the choice of this product (Hamid & Masood, 2011). In Islamic mortgages, the contract is a sale, purchase, or cooperation, not an interest-bearing debt. If customers do not continuously default on monthly rental fees, they can maximize their ownership and be free from penalties or fines (Ebrahim, 2009). Consumers will be more interested in using Islamic mortgage products when they gain more financial benefits (Amin et al., 2016).

In another context, digital marketing channels will influence Islamic mortgage decisions, considering their role in effectively reaching customer perceptions (Dara, 2016). Moreover, considering that the research sample is millennials, who are referred to as the digital natives generation (Munsch, 2021). This generation is very dependent on digital platforms in their lives. Before making a purchase decision, they look for product reviews and express their opinions via social media (Munsch, 2021), with no exception to Islamic mortgage products. Moreover, with digital marketing channels, information about

Islamic mortgage products becomes faster, more precise, and easier to convey. Islamic consumption tenets are important for Muslim consumers concerning Islamic home loans and bank financing (Jeffrey et al., 2024). In short, using digital marketing channels will improve Islamic mortgage decisions through the formation of perceptions, customer trust, and ease of information.

However, this study found no moderating effect between digital marketing channels and financial benefits on Islamic mortgage decisions. Financial benefits are the main attribute that influences consumer decisions, regardless of whether this can be communicated through digital marketing channels. Financial benefits are important in explaining consumer desires in choosing Islamic mortgage products (Amin et al., 2016). Digital marketing channels are insufficient to strengthen or weaken consumer perceptions of the financial benefits obtained from Islamic mortgages.

Conclusion

The need for affordable housing has created a backlog in Indonesia, especially among the Millennial generation, which is entering a productive age. House prices not comparable to income encourage them to live longer with their parents or rely on inheritance later. Islamic mortgages have emerged as an affordable home financing alternative besides conventional mortgages. Compared to conventional mortgages, Islamic mortgages offer several financial benefits ranging from flexible requirements, competitive margins or

prices, and financing schemes in the form of buying and selling or cooperation so that there are no penalties if consumers are not continuously in arrears. In addition, the digital marketing channels factor also influences consumers' decisions to choose Islamic mortgages. Especially considering that millennials, or the so-called digital natives generation, really consider the need for reviews and information on a product before making a purchase.

This study reveals the influence of financial benefits and digital marketing channels on the millennial generation's Islamic mortgage decisions. By taking a sample of Islamic mortgage consumers at Bank Tabungan Negara (BTN) Sharia, there were as many as 131 respondents. Financial benefits and digital marketing channels directly affect Islamic mortgage decisions. However, the interaction between the two does not have a significant effect. Because financial benefits are considered the main attribute in influencing Islamic mortgage decisions, digital marketing channels are not enough to strengthen or weaken the relationship between the two.

Suggestion

This study provides implications that bank managers or stakeholders need to maintain and improve the financial benefits of Islamic mortgages as a core value to continue to attract consumers. In addition, they also need to manage digital marketing channels to continue to provide information and maintain a positive perception of Islamic mortgage products.

Negative reviews and criticisms will significantly influence the millennial generation to choose Islamic mortgage products.

This study has several weaknesses, as in other behavioral finance studies. First, this study only investigates factors such as financial benefits and digital marketing channels on Islamic mortgage decisions. Second, the sample of this study also only covers consumers at BTN Sharia in the Solo Raya area. Third, the sample of this study also still includes both Muslims and non-Muslims. Therefore, it is hoped that future research will consider other factors, such as religiosity, that influence Islamic mortgage decisions and expand its sample to other banks or other regions. Finally, further research can also focus more on Muslim or non-Muslim consumers only to find out different perspectives.

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