

THE ROLE OF SOCIAL INFLUENCE AND FACILITATING CONDITIONS IN THE ADOPTION OF DIGITAL BANKING SERVICES AMONG GENERATION Z IN INDONESIA

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ABSTRACT: Indonesia's population is dominated by Generation Z, making this cohort strategic for the development of digital Islamic banking services. This study aims to examine the effects of social influence and facilitating conditions on the intention to use digital Islamic banking services among Generation Z in Tangerang City and Regency. Using a quantitative comparative approach, data were collected from 247 respondents selected through purposive sampling. The analysis was conducted using PLS-SEM. The results indicate that social influence and facilitating conditions have a significant effect on behavioral intention, which subsequently influences actual use behavior. Moreover, notable regional differences were identified between urban and rural areas. By incorporating the *maqasid al-shariah* perspective, this study emphasizes ethical values such as trust (*amanah*), cooperation (*ta'awun*), and ease (*taysir*) in enhancing technology acceptance. These findings contribute to the Islamic fintech literature by providing comparative insights into Gen Z digital Islamic banking adoption in Indonesia.

Keywords: Behavioral Intention; Digital Transformation; Islamic Banking Services; Social Influence; Facilitating Conditions.

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INTRODUCTION

The rapid advancement of digital Islamic banking services in Indonesia has reshaped the financial landscape, driving innovation aligned with the principles of Islamic finance (Faadilah & Ilham, 2024). The growing Generation Z demographic represents a key target segment for these services due to their digital literacy, openness to technology, and adaptive consumer behavior. The increasing adoption of digital Islamic banking underscores the need to understand factors influencing users' behavioral intention and use behavior (Wahyudi et al., 2024). The products offered by Islamic banking are not only in demand in Indonesia but also in various countries, including those where most of the population is non-Muslim, such as the United States, Australia, India, Argentina, Thailand, Germany, as well as countries in Europe and Asia (Bananuka et al., 2019).

In addition, the development of information and communication technology has brought innovation to Islamic banking, offering alternative digital financial services that play a significant role in increasing the use of Islamic banking services, particularly among the youth, including Gen Z. The daily lives of Gen Z, which are closely intertwined with the internet, make digital banking services a fitting choice, aligning with their preference for practicality and efficiency (Candy & Batubara, 2022). Therefore, Islamic banks need to innovate in their digital services to meet the expectations of this generation. However, despite the increasing adoption of digital Islamic banking services, there are various factors that influence users' intention to adopt these services.

One model used to understand technology adoption is the Unified Theory of Acceptance and Use of Technology (UTAUT), which identifies four key variables that influence users' intention to adopt technology: performance expectancy, effort expectancy, social influence, and facilitating conditions (Venkatesh et al., 2003). Researches also found that social influence and facilitating conditions have a significant impact on the intention to use technology, including digital Islamic banking services (Handayani, 2023; Kurnia Asri et al., 2025).

Social influence is defined as the extent to which an individual perceives that important others (e.g., family and friends) believe they should use a new technology system (Venkatesh et al., 2003). The people around Gen Z have a significant influence in shaping individuals' perceptions when evaluating the banking technology they use. The more people adopt the technology, the greater the motivation for individuals to also engage in using the new technology (Venkatesh et al., 2003). Further research by Thusi and Maduku (2020) also found a strong relationship between social influence and the intention to use digital services.

However, social influence may vary across different locations, particularly between urban and rural areas. In major cities like Tangerang City, individuals are more frequently exposed to information about new technologies, including digital banking services, through various channels such as social media and broader social interactions. In contrast, in Tangerang Regency, although access to technological information is increasing, social influence may be more limited to direct relationships with close individuals or smaller communities. Therefore, social influence may have a greater impact in urban areas compared to rural areas.

In addition to social influence, another factor that greatly affects technology adoption is facilitating conditions. Facilitating conditions are defined as the extent to which an individual believes that the resources and technical capabilities needed to use a technology system are available and accessible (Venkatesh et al., 2003). In this regard, the better the facilitating conditions available, the greater the individual's willingness to adopt the new technology. Several subsequent studies on technology acceptance have confirmed a significant relationship between facilitating conditions and behavioral intention (Alalwan et al., 2017; Dwivedi et al., 2019).

Tangerang City has better technological infrastructure compared to Tangerang Regency, with easier access to fast internet and various user-friendly digital applications. Tangerang City has emphasized the use of technology and innovation to create a smarter, more sustainable, and environmentally friendly city by launching the smart city environment concept, which integrates information and communication technology (ICT) and the Internet of Things (IoT) to enhance quality of life, efficiency, and sustainability. This initiative covers various aspects such as smart governance, smart living, smart society, and smart environment. Additionally, Tangerang City has launched digital applications such as Tangerang Live and Tangerang Ayo to facilitate communication between the government and the public, as well as to improve public service quality. Therefore, facilitating conditions in Tangerang City are expected to better support the

adoption of digital Islamic banking services compared to Tangerang Regency, which may face some limitations in terms of technological infrastructure and supporting resources. Although the Tangerang Regency Government is also working to improve its technological infrastructure, particularly in the management of spatial data and Geographic Information Systems (GIS), these initiatives are still not fully optimized. For example, the launch of the Tangerang Gemilang application in Tangerang Regency, Indonesia has seen limited use, with only about 10,000 out of 3.3 million residents having downloaded the app. In addition, the infrastructure has not developed optimally. As a result, the social benefits are mostly felt by residents living near the government center, while those in the outskirts are still underserved (Setiawan & Widjaja, 2025).

Although social influence and facilitating conditions have been extensively researched in the context of technology adoption in general, this study offers novelty compared to previous studies on the adoption of digital Islamic banking technology. Previous studies generally only examined UTAUT factors such as performance expectancy, effort expectancy, or trust in the general Islamic banking context (Alalwan et al., 2017; Bananuka et al., 2019; Raza et al., 2019). This study specifically emphasizes the role of social influence and facilitating conditions, which have been relatively under-recognized in the digital Islamic banking literature. Studies specifically highlighting these two factors in digital Islamic banking services, particularly in Indonesia, are still limited. Furthermore, previous research tends to focus on a single region or use homogeneous samples, thus paying less attention to differences in geographic context that can influence adoption behavior. This study presents a new contribution by comparing the adoption of digital Islamic banking services between Tangerang City and Regency, Indonesia. This comparative perspective is important because the different contexts of digital infrastructure and social environments can influence the strength of social influence and facilitating conditions variables on behavioral intention. This study presents novelty by comparing the behavior of Generation Z in Tangerang City and Regency, which have different characteristics of digital infrastructure and social dynamics. Another novelty lies in the research focus on Generation Z as digital natives who are considered strategic for the development of Islamic banking services in the future. Thus, the contribution of this study lies in (1) emphasizing the role of social influence and facilitating conditions in the context of digital Islamic banking adoption, (2) a comparative approach between city and regency areas, and (3) focusing on Generation Z as the main user segment.

THEORETICAL REVIEW

Social Influence

From an Islamic standpoint, social influence can be seen as part of the collective responsibility (*fard kifayah*) in promoting ethical financial behavior. Social influence is defined as the extent to which individuals perceive that important people around them (family, friends, colleagues) believe they should use a new technology (Venkatesh et al., 2003). This factor has been shown to be an important determinant in technology acceptance, including digital banking services. Raza et al. (2019) found that social influence comes not only from close circles but also from the wider community, including social media and the digital environment. Thusi & Maduku (2020) added that social influence can strengthen behavioral intentions, especially in the younger generation who are more responsive to digital trends. In the context of digital Islamic banking, social influence can create a multiplier effect the more people in the social environment who use a service, the greater the incentive for individuals to adopt it.

This study seeks to confirm the positive impact of social influence on individuals' intention to use digital Islamic banking services. Based on the findings of research conducted by Raza et al. (2019) it shows that social influence does not only come from close individuals but also from broader social groups, including communities and societies that are more open to digitalization. Research by Thaker et al. (2022) found that individuals in a social environment that supports technology adoption, such as digital banking services, are more likely to have the intention to use it. This study supports the view that social influence from larger groups also plays a crucial role in shaping the intention to adopt new technologies.

In addition, research by Khan et al. (2023) highlights the role of social media and digital influence in accelerating technology adoption, particularly in the context of digital Islamic banking services. Khan et al. (2023) concludes that social influence from various platforms, both online

and offline, significantly contributes to individuals' intention to use digital Islamic banking services. Based on these findings, this study proposes the following hypothesis.

H1: Social influence has a positive impact on behavioral intention to use digital Islamic banking services

Facilitating Conditions

Facilitating conditions reflect the principle of ease (*taysir*) in accessing halal financial services. Facilitating conditions refer to an individual's belief that adequate resources and technical capabilities exist to support technology use (Venkatesh et al., 2003). These conditions include internet infrastructure, device availability, and ease of use. Alalwan et al. (2017) demonstrated that good supporting conditions can reduce barriers to technology adoption. Alkhowaiter (2022) emphasized that the availability of user friendly banking applications and technical support can increase intention to use. Namahoot & Boonchieng (2023) even emphasized that responsive customer support is also part of the facilitating conditions that determine an individual's decision to use digital banking services. Therefore, differences in infrastructure between urban and district areas will influence the strength of facilitating conditions in driving adoption.

The adoption of Islamic digital banking services is heavily influenced by various factors, one of which is facilitating conditions, which include ease of access, resource availability, and technological support that enable individuals to use digital services effectively. Previous research conducted by Parayil Iqbal et al. (2023) In his research, he showed that facilitating conditions, such as ease of use of banking applications, stable internet connections, and technical support, significantly influence individuals' intentions to use digital services. Parayil Iqbal et al. (2023) emphasized that individuals who have easy access to technology and adequate resources tend to have a greater intention to use digital services.

Furthermore, further research conducted by Alkhowaiter (2022) found that adequate facilitating conditions can reduce barriers to adopting new technologies. This research indicates that if the facilities necessary to access digital services, such as mobile banking applications and user-friendly payment systems, are readily available, individuals are more likely to adopt those services. Research conducted by Namahoot & Boonchieng (2023) confirms these findings by emphasizing that factors such as supportive technology, training, and the availability of responsive customer service significantly influence a person's intention to use digital services. Based on these findings, this study proposes the following hypothesis.

H2: Facilitating conditions have a positive impact on behavioral intention to use digital Islamic banking services.

Behavioral Intention

Behavioral intention is the extent to which a person is determined to use a system or technology (Bananuka et al., 2019). UTAUT and TPB theories state that behavioral intention is the main predictor of actual use (Venkatesh et al., 2003). (Raza et al., 2019) emphasized that the stronger the intention, the higher the likelihood of an individual realizing their intention in the form of use behavior. In the context of digital Islamic banking, intention is influenced by perceived benefits, ease of use, social influence, and supporting conditions. This is important because the younger generation (Gen Z) tends to use intention as the basis for decisions to adopt new technologies. The adoption of new technology, especially digital Islamic banking services, depends not only on the individual's intention to use it, but also on their actual use behavior in using the service. (Alkhowaiter, 2022) in his research, he found that behavioral intention plays a significant role in encouraging individuals to adopt digital services. His research showed that a strong intention to adopt digital services influences long-term and sustained user usage.

Raza et al. (2019) deepened these findings by showing that behavioral intention is a very strong predictor of usage behavior. If users' intentions are high enough, they are more likely to overcome these barriers and begin actively using the service. This confirms that behavioral intention can serve as a key driver in converting intentions into actual actions. Past research (Yaseen et al., 2022) also found that behavioral intention has a direct relationship with use behavior in the context of digital banking services. Yaseen et al. (2022) emphasized that

individuals who indicate an intention to use Islamic digital banking services, especially those with an internal motivation to adopt new technology, tend to exhibit consistent usage behavior. Based on these findings, this study proposes the following hypothesis.

H3: Behavioral intention has a positive effect on use behavior

Social influence refers to the influence exerted by individuals or groups within a person's social environment, such as family, friends, and colleagues, that can encourage individuals to adopt technology. Previous research has shown that in urban areas, which have greater access to information and technology, social influence tends to be stronger, as individuals are more frequently exposed to social and digital trends through social media and interactions within the broader community. Conversely, in rural areas or regions such as districts, social influence may be more limited to direct relationships with close individuals and smaller communities, which may influence technology adoption more slowly. Based on these arguments, this study proposes a hypothesis.

H4: There is a significant difference in social influence in Tangerang City and Regency regarding the intention to use digital Islamic banking services.

Facilitating conditions, which include the availability of resources that support technology use (such as technological infrastructure, internet access, and ease of use of applications), can also differ between cities and regencies. In Tangerang City, which has better infrastructure and easier access to technology, facilitating conditions are likely to be more supportive of the adoption of digital Islamic banking services. Conversely, in Tangerang Regency, despite increasing access to technology, infrastructure constraints and limited supporting facilities may make facilitating conditions less supportive than in cities. Based on these arguments, this study proposes a hypothesis.

H5: There is a significant difference between facilitating conditions in Tangerang city and district regarding the intention to use digital Islamic banking services.

RESEARCH METHOD

This study applied a quantitative research design using a cross-sectional survey approach. The design was selected because the study aimed to examine the relationship between social influence and facilitating conditions as independent variables and behavioral intention as the dependent variable, with further implications for use behavior in digital Islamic banking services. The study also compared two independent respondent groups, namely Generation Z users residing in Tangerang City and Tangerang Regency, Indonesia. Primary data were collected directly from eligible respondents who had experience using digital Islamic banking services.

The population consisted of Generation Z individuals aged 17–28 years who resided in Tangerang City and Tangerang Regency in 2025. The minimum age of 17 years was used to ensure that respondents had sufficient legal and ethical capacity to provide independent consent for research participation. Based on the 2025 data from the Central Bureau of Statistics, the Generation Z population aged 17–28 years consisted of 441,551 individuals in Tangerang City and 790,185 individuals in Tangerang Regency. The total population was therefore 1,231,736 individuals.

The minimum sample size was determined using Cochran's formula for large populations, as recommended by Cochran (1977) and Bartlett et al. (2001). The calculation used a 95% confidence level, represented by a Z value of 1.96, a maximum variability assumption of 0.50, and a 5% margin of error. Based on these parameters, the minimum required sample size was 384 respondents. To maintain proportional regional representation, the sample was distributed according to the population share of each area. This allocation produced 138 respondents from Tangerang City and 246 respondents from Tangerang Regency.

This study used purposive sampling because not all individuals within the Generation Z age range were users of digital Islamic banking services. Respondents were selected based on three inclusion criteria. First, they had to be Generation Z individuals born between 1997 and 2008, equivalent to 17–28 years of age in 2025. Second, they had to reside in either Tangerang City or Tangerang Regency. Third, they had to be active users of digital Islamic banking services.

These criteria ensured that the collected data came from respondents who were demographically relevant and empirically capable of evaluating the studied phenomenon.

Data were collected through an online questionnaire distributed to eligible respondents using digital survey platforms such as Google Forms. The online distribution method enabled wider respondent access across Tangerang City and Tangerang Regency and supported efficient data collection from geographically dispersed participants. Before completing the questionnaire, respondents were informed about the purpose of the study, the voluntary nature of participation, and the confidentiality of their responses. The collected responses were then screened according to the inclusion criteria before being analyzed to test the proposed relationships among the study variables.

This study examined four main constructs: social influence, facilitating conditions, behavioral intention, and use behavior. Social influence and facilitating conditions were treated as independent variables, behavioral intention was positioned as the main dependent variable, and use behavior was examined as the behavioral outcome associated with intention. This structure follows the logic of technology adoption research, in which external social pressure and supporting infrastructure shape users' intention to adopt a digital service, while intention may further translate into actual technology use.

Social influence refers to the extent to which individuals perceive that important people around them, such as family members, friends, peers, or other reference groups, expect them to use a new technology system (Venkatesh et al., 2003). In this study, social influence captures the perceived social encouragement experienced by Generation Z users in adopting digital Islamic banking services. Facilitating conditions refer to the extent to which individuals believe that adequate resources, facilities, knowledge, and technical support are available to help them use a technological system (Venkatesh et al., 2003). This construct measures whether respondents perceive that access to devices, internet connectivity, banking features, guidance, and technical assistance support their use of digital Islamic banking.

Behavioral intention refers to the degree of willingness, effort, and determination shown by an individual to perform a particular behavior (Bananuka et al., 2019). In this study, behavioral intention measures the respondent's intention to continue using digital Islamic banking services. Use behavior refers to the actual behavior shown by individuals in using a technology (Karyoto et al., 2024). This construct captures the practical use of digital Islamic banking services by Generation Z users, including their engagement with digital banking features and their actual service-use patterns.

All variables were measured using structured questionnaire items adapted from prior studies. The items were assessed using a five-point Likert scale ranging from 1, indicating strongly disagree, to 5, indicating strongly agree. This scaling approach was used to capture respondents' perceptions consistently across all constructs and to support quantitative analysis using structural equation modeling.

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. PLS-SEM was selected because the study aimed to examine predictive relationships among latent constructs and assess the adoption behavior of digital Islamic banking users. The analysis followed two main stages. First, the measurement model was evaluated to confirm the reliability and validity of the constructs. Internal consistency reliability was assessed using Cronbach's alpha and composite reliability, with values above 0.70 indicating acceptable reliability. Convergent validity was assessed using indicator loadings and average variance extracted, while discriminant validity was evaluated to ensure that each construct measured a distinct concept.

Second, the structural model was evaluated to test the hypothesized relationships among social influence, facilitating conditions, behavioral intention, and use behavior. The analysis examined path coefficients, significance values, and explanatory power to determine the strength and direction of the relationships among variables. In addition, independent sample t-tests were conducted to compare respondents from Tangerang City and Tangerang Regency. This comparative test was used to identify whether regional differences existed in Generation Z users' perceptions and adoption behavior toward digital Islamic banking services.

RESULTS

The characteristics of respondents are presented in Table 2. The study involved 384 respondents, consisting of Generation Z individuals aged 17–28 years residing in Tangerang City and Tangerang Regency. Based on regional distribution, most respondents were from Tangerang Regency, totaling 246 individuals (64.06%), while 138 respondents (35.94%) were from Tangerang City. This distribution aligns with the proportional allocation of the sample and reflects the larger population of Generation Z aged 17–28 years in Tangerang Regency compared to Tangerang City. In terms of gender, the sample was dominated by female respondents, accounting for 232 individuals (60.42%), whereas male respondents comprised 152 individuals (39.58%). This indicates that within the study sample, female respondents participated at a higher rate than male respondents. Regarding educational background, the majority of respondents had completed Senior High School (SHS), totaling 344 individuals (89.58%), while 40 respondents (10.42%) held a bachelor's degree. This distribution reflects the demographic profile of Generation Z aged 17–28 years, many of whom are either completing secondary education or pursuing higher education. The respondent distribution demonstrates regional representation consistent with the population proportion and reflects the demographic characteristics of Generation Z users of digital Islamic banking services in Tangerang City and Tangerang Regency.

Table 1. Respondent Demographic and Behavioral Characteristics

Background information	Frequency	(%)
<i>Region</i>		
Tangerang City	138	35.94
Tangerang Regency	246	64.06
<i>Gender</i>		
Male	152	39.58
Female	232	60.42
<i>Education</i>		
Senior High School	344	89.58
Bachelor's Degree	40	10.42

In this study, the presence of common method bias was assessed by examining the Variance Inflation Factor (VIF) values among latent constructs in the structural model (inner model). According to (Hair et al., 2022), VIF values ≤ 3.3 indicate the absence of high multicollinearity and suggest that there is no serious indication of common method bias. Based on the calculation results, the VIF values obtained are in Table 2.

Table 2. The Test of Reliability, Validity, and Collinearity

Constructs	Items	Factor Loadings	AVE	VIF
Social Influence	SI1	0.849	0.732	1.907
	SI2	0.863		2.432
	SI3	0.841		1.855
	SI4	0.870		1.973
Facilitating Conditions	FC1	0.863	0.739	2.820
	FC2	0.893		3.169
	FC3	0.826		2.290
	FC4	0.855		2.500
Behavioral Intention	BI1	0.816	0.696	2.339
	BI2	0.870		2.439
	BI3	0.797		2.145
	BI4	0.852		2.245
Use Behavior	UB1	0.879	0.751	2.653
	UB2	0.817		1.867
	UB3	0.903		3.206
	UB4	0.864		2.383

All VIF values ranged between 1.855 and 3.206, which are below the threshold of 3.3 as recommended by (Kock, 2015) and (Hair et al., 2022). Therefore, it can be concluded that there

is no indication of high multicollinearity among the latent constructs, and no significant potential for common method bias in the research model. Substantively, this indicates that the variability among the latent constructs (such as social influence, facilitating conditions, behavioral intention, and use behavior) does not overlap excessively.

Table 3. HTMT (Heterotrait – Monotrait Ratio)

Constructs	BI	FC	SI
BI			
FC	0.753		
SI	0.853	0.770	
UB	0.819	0.842	0.770

The HTMT value represents the ratio of the average heterotrait–heteromethod correlations to the average monotrait–heteromethod correlations. Based on the table, all HTMT values are below 0.90, indicating that there are no discriminant validity issues among the constructs. Therefore, the discriminant validity of the measurement model has been established.

The structural model was evaluated using the bootstrapping procedure in PLS-SEM to examine the significance of the hypothesized relationships among constructs. The results indicate that all hypothesized relationships were supported (see Table 4). Bootstrapping results confirm the statistical significance of the structural paths, as all relationships exhibit t-statistics greater than 1.96 and p-values below 0.05.

Table 4. Structural Model, Effect Size, Predictive Relevance, and Explanatory Power

Model Component	Path / Construct	Main Result	Supporting Statistics
Structural path	BI → UB	$\beta = 0.721$	$t = 21.221$; $p < 0.001$
Structural path	FC → BI	$\beta = 0.288$	$t = 5.275$; $p < 0.001$
Structural path	SI → BI	$\beta = 0.548$	$t = 9.890$; $p < 0.001$
Effect size	BI → UB	$f^2 = 1.080$	Large effect
Effect size	FC → BI	$f^2 = 0.110$	Small effect
Effect size	SI → BI	$f^2 = 0.400$	Large effect
Predictive relevance	BI	$Q^2 = 0.589$	Strong predictive relevance
Predictive relevance	UB	$Q^2 = 0.533$	Strong predictive relevance
Explanatory power	BI	$R^2 = 0.598$	Moderate explanatory power
Explanatory power	UB	$R^2 = 0.519$	Moderate explanatory power

First, behavioral intention has a positive and significant effect on use behavior. This result indicates that a stronger intention to use digital Islamic banking services leads to a higher level of actual usage among Generation Z. The relatively high path coefficient also suggests that behavioral intention is a key determinant of actual adoption behavior. Second, facilitating conditions positively and significantly influence behavioral. This finding suggests that the availability of supporting infrastructure, technological resources, and system accessibility strengthens Generation Z's intention to use digital Islamic banking services. Third, social influence shows a positive and significant effect on behavioral intention. The presentation can be displayed in the path model as in Figure 1.

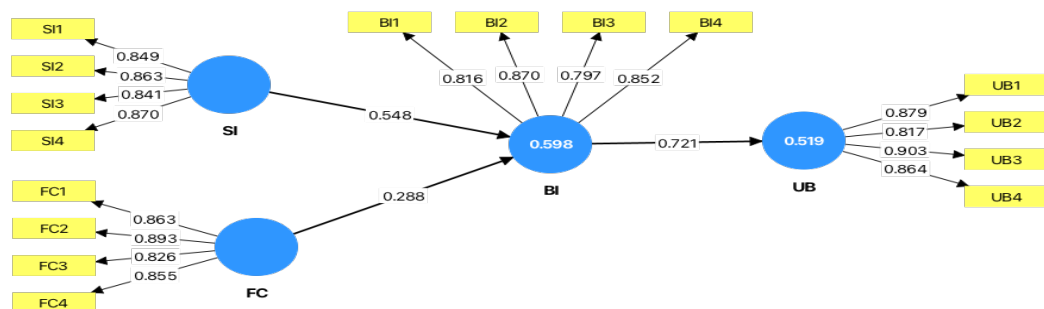


Figure 1. Conceptual Finding

DISCUSSION

The findings show that social influence significantly shapes Generation Z users' behavioral intention to adopt digital Islamic banking services. This result confirms that adoption intention does not emerge only from individual evaluation, but also from social encouragement received from family, friends, colleagues, and the broader community. In this context, Islamic digital banking adoption becomes partly embedded in users' social environment, where recommendations, peer use, and perceived social approval strengthen the intention to engage with the service. This finding is consistent with Allah Pitchay et al. (2020), who show that social influence affects individual attitudes toward technology adoption, although its strength depends on social and cultural context. In Tangerang City and Tangerang Regency, social influence appears relevant because both areas contain communities with different levels of exposure to Islamic banking, financial technology, and digital service norms.

In the Islamic banking context, social influence also helps shape positive perceptions of the ethical, religious, and practical value of the services offered. Bananuka et al. (2019) argue that social influence can strengthen positive attitudes toward Islamic banking adoption, even in non-Muslim contexts, particularly among individuals who already hold favorable perceptions of the service. This logic is also visible in the present study. When users perceive that important people around them support or recommend digital Islamic banking, they become more willing to adopt the service. Social influence therefore works not merely as peer pressure, but as a mechanism through which trust, legitimacy, and perceived appropriateness are socially reinforced.

The results also demonstrate that facilitating conditions significantly influence behavioral intention. This finding indicates that Generation Z users are more likely to intend to use digital Islamic banking when they perceive adequate infrastructure, technical support, digital access, and user-friendly service features. Facilitating conditions matter because digital banking adoption depends not only on willingness, but also on whether users believe that the required resources are available. The finding supports Yaseen et al. (2022), who show that stable internet access, service accessibility, and supportive technological conditions encourage consumers' intention to adopt digital banking services. In this study, facilitating conditions function as enabling factors that reduce friction in service adoption and increase users' confidence in using digital Islamic banking platforms.

The role of facilitating conditions becomes more important when regional differences are considered. Urban areas generally provide stronger digital infrastructure, wider internet coverage, better access to financial services, and more frequent exposure to technology-based banking practices. Handayani (2023) suggests that developed digital infrastructure in urban contexts accelerates technology adoption, while limited infrastructure in district areas may constrain adoption. The present findings support this argument. In Tangerang City, users may experience stronger support from digital facilities and technical resources, while users in Tangerang Regency may face more uneven access. This condition implies that Islamic digital banking adoption requires not only promotion, but also reliable infrastructure and digital literacy support, particularly in areas where technological access remains less developed.

Behavioral intention also shows a strong and significant influence on use behavior. This result confirms the core logic of technology adoption research: users who intend to use a digital service are more likely to translate that intention into actual use. In this study, Generation Z users who express stronger intention to adopt digital Islamic banking are more likely to engage with the service in practice. This finding is consistent with Oktaviani (2025), who shows that strong behavioral intention can lead to actual technology-use behavior, including in digital banking. Suhartanto (2019) similarly confirms that performance expectancy and facilitating conditions can increase behavioral intention, which subsequently influences actual service use. The present study therefore reinforces the view that intention is not merely an attitudinal outcome, but a direct behavioral predictor in Islamic digital banking adoption.

The comparative findings further show that the influence of social influence on behavioral intention differs between Tangerang City and Tangerang Regency. The effect appears stronger in the urban context, where users are more exposed to digital banking information through social media, advertising, peer networks, and financial technology campaigns. This finding aligns with Allah Pitchay et al. (2020), who indicate that social influence tends to be stronger in areas with higher education levels and broader media exposure. In Tangerang City, social influence may

operate through denser information networks and more frequent interaction with digital financial services. In Tangerang Regency, social influence remains relevant, but its effect may be constrained by lower exposure to Islamic digital banking information. Ganesan et al. (2020) similarly note that technology adoption in more rural or district contexts can be slower because social influence and informational diffusion are less intensive. This finding suggests that Islamic banking institutions need more targeted awareness programs in district areas to strengthen social familiarity, trust, and adoption readiness.

The study also identifies differences in the effect of facilitating conditions on behavioral intention between Tangerang City and Tangerang Regency. This finding confirms that infrastructure quality and technological access shape adoption intention differently across regional settings. Yaseen et al. (2022) and Kurnia Asri et al. (2025) argue that better digital infrastructure allows users to access, understand, and use Islamic banking services more easily. In urban areas, stronger infrastructure, broader service networks, and better technical support make adoption more practical and less risky for users. In district areas, limited digital access, lower technological support, and weaker service familiarity may reduce the effect of facilitating conditions on adoption intention. Islamic banking providers therefore need to invest in digital infrastructure, customer assistance, and technology literacy programs to reduce adoption gaps between urban and district users.

The findings confirm that social influence and facilitating conditions significantly increase behavioral intention, and behavioral intention subsequently drives actual use behavior. This pattern supports the theoretical structure of UTAUT in the context of Islamic digital finance. The findings also show that regional context matters because the effects of social influence and facilitating conditions are stronger in Tangerang City than in Tangerang Regency. This difference can be explained by stronger digital infrastructure, broader exposure to financial technology, and denser social-information networks in the urban setting. Thus, digital Islamic banking adoption among Generation Z depends not only on individual interest, but also on the interaction between social encouragement, technological support, and regional readiness.

From an Islamic perspective, the findings suggest that social influence reflects collective encouragement toward ethical financial behavior. The adoption of Islamic digital banking can be understood as part of a broader social movement toward financial practices that are consistent with sharia principles. Facilitating conditions also reflect the Islamic principle of *taysir*, which emphasizes ease, accessibility, and the removal of unnecessary difficulty in human transactions. Improving digital access, service usability, and technological literacy therefore aligns with the *maqasid al-shariah* objective of promoting societal welfare, or *maslahah*. Islamic banking institutions should not treat digital adoption only as a technological agenda, but as an ethical service strategy that expands access to sharia-compliant finance for younger users across both urban and district communities.

CONCLUSION AND FURTHER STUDY

This study concludes that social influence and facilitating conditions play decisive roles in shaping Generation Z users' behavioral intention to adopt digital Islamic banking services, while behavioral intention subsequently strengthens actual use behavior. The findings confirm the relevance of the UTAUT framework in explaining Islamic digital finance adoption, particularly by showing that users' intention is shaped not only by individual preference but also by social encouragement, digital infrastructure, technical support, and regional readiness. The comparative results indicate that the effects of social influence and facilitating conditions are stronger in Tangerang City than in Tangerang Regency, suggesting that urban users benefit from broader financial technology exposure, denser social-information networks, and stronger digital infrastructure. Despite these contributions, this study has several limitations. The cross-sectional design limits causal interpretation, the use of self-reported survey data may create response bias, and the geographical scope is restricted to Tangerang City and Tangerang Regency, which limits broader generalization to other Indonesian regions. Future studies should use longitudinal designs, expand the research setting to multiple provinces, include additional UTAUT variables such as performance expectancy, effort expectancy, trust, perceived religiosity, and perceived risk, and examine whether digital literacy or Islamic financial literacy moderates the adoption process. Practically, Islamic banking institutions should strengthen peer-based promotion,

community education, service usability, customer assistance, and digital infrastructure support, especially in district areas where adoption barriers remain more visible. Theoretically, this study extends digital banking adoption literature by showing that Islamic financial technology adoption among Generation Z is shaped by the interaction between social legitimacy, facilitating resources, behavioral intention, and regional digital inequality.

ETHICAL DISCLOSURE

This study was conducted in accordance with ethical research principles by ensuring voluntary participation, informed consent, respondent anonymity, and confidentiality of all collected data. No personal identifiers were collected, and the responses were used solely for academic research purposes.

CONFLICT OF INTERESTS

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