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### Students' Preferences Towards Sharia Financial Products: A Qualitative Study And Consumer Loyalty Model Development

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#### **Abstract**

*This study aims to identify and analyze college students' preferences for Islamic financial products, explore the influence of these preferences on loyalty formation, and develop a conceptual model of Islamic financial consumer loyalty. The research method used was qualitative with a phenomenological approach. Data were collected through semi-structured interviews with 17 college students who had knowledge or experience related to Islamic financial products. Data analysis was performed using NVivo software. The results showed that college students' preferences were influenced by religiosity, financial institution reputation, trust, digital service innovation, and financial education. These factors contribute to the formation of consumer loyalty. Based on these findings, this study developed a consumer loyalty model that encompasses three main dimensions: spiritual attachment, digital engagement, and community-based advocacy. This model integrates consumer loyalty theory and Value-Belief-Norm (VBN) theory to explain the relationship between religious values, digital behavior, and loyalty to Islamic financial products. The implications of this research lie in its contribution to broadening the theoretical understanding of consumer loyalty in the Islamic financial sector and providing strategic direction for financial institutions in strengthening long-term relationships with young customers.*

*Penelitian ini bertujuan untuk mengidentifikasi dan menganalisis preferensi mahasiswa terhadap produk keuangan syariah, mengeksplorasi pengaruh preferensi*

tersebut terhadap pembentukan loyalitas, serta mengembangkan model konseptual loyalitas konsumen keuangan syariah. Metode penelitian yang digunakan metode kualitatif dengan pendekatan fenomenologi. Data dikumpulkan melalui wawancara semi-terstruktur terhadap 17 mahasiswa yang memiliki pengetahuan atau pengalaman terkait produk keuangan syariah. Analisis data dilakukan dengan perangkat lunak NVivo. Hasil penelitian menunjukkan bahwa preferensi mahasiswa dipengaruhi oleh nilai religiusitas, reputasi lembaga keuangan, kepercayaan, inovasi layanan digital, dan edukasi finansial. Faktor-faktor ini berkontribusi terhadap terbentuknya loyalitas konsumen. Berdasarkan temuan tersebut, penelitian ini mengembangkan model loyalitas konsumen yang mencakup tiga dimensi utama: spiritual attachment, digital engagement, dan community-based advocacy. Model ini mengintegrasikan teori loyalitas konsumen dan teori Value-Belief-Norm (VBN) untuk menjelaskan keterkaitan antara nilai religius, perilaku digital, dan loyalitas terhadap produk keuangan syariah. Implikasi penelitian ini terletak pada kontribusinya dalam memperluas pemahaman teoritis mengenai loyalitas konsumen di sektor keuangan syariah serta memberikan arah strategis bagi lembaga keuangan dalam memperkuat hubungan jangka panjang dengan nasabah muda

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## Introduction

The growth of the Islamic finance industry over the past decade has shown increasingly complex dynamics, particularly with the emergence of the younger generation as a potential new market segment (Hanif et al., 2024). This trend is driven not only by the growth of the Muslim population worldwide but also by increasing public awareness of the ethical values, fairness, and sustainability inherent in Sharia principles (Hasnat et al., 2025). In Indonesia, Islamic financial institutions hold a strategic position due to their dual role: as a means of meeting economic needs and as an instrument of Islamic economic da'wah (Islamic outreach). However, amid this positive growth, customer loyalty, particularly among the younger generation, has become a crucial issue that demands serious attention from financial institution managers.

Young Muslims are now a potential market segment for Islamic financial institutions, but their behavior does not always align with expectations. Many studies show that despite their high religious awareness, their financial decisions are not always based on Islamic values

(Ramashar & Muhammad, 2024). This phenomenon indicates a gap between religious beliefs and actual financial behavior. In the context of increasingly fierce competition between conventional and Islamic financial institutions, understanding the factors that shape young customer loyalty is increasingly important. Loyalty not only reflects short-term satisfaction but also serves as an indicator of the long-term sustainability of financial institutions.

Previous academic studies have extensively discussed the determinants of customer loyalty in Islamic financial institutions, such as satisfaction, trust, service quality, and compliance with Sharia principles (Albaity & Rahman, 2021) and (Falih et al., 2025). However, most of this research remains general in nature and has not specifically addressed the younger generation, characterized by digital, rational, and flexible behaviors toward financial choices. Furthermore, the existing literature focuses more on the functional aspects of services, while the emotional dimensions and spiritual values that shape loyalty have rarely been comprehensively examined (Aboobaker et al., 2021). This is the research gap that this study aims to bridge.

Furthermore, from a consumer behavior theory perspective, loyalty is often associated with the cognitive-affective-behavioral model, in which loyalty is formed through the interaction of perceived value, positive emotions, and brand beliefs (Meyer-Waarden et al., 2023). However, in the context of Islamic finance, this approach needs to be expanded by considering the theory of religiosity and spiritual values, because the financial decisions of Muslims are not only rational but also moral (Nazir & Saqib, 2024). This understanding is relevant to explain why some young customers still choose Islamic financial institutions even though practically they have many alternatives that are more efficient technologically and cost-wise.

These conceptual and empirical gaps indicate the need for an in-depth study of how college students' preferences for Islamic financial products are formed, the factors that influence their loyalty, and how these two aspects can be explained through a new conceptual model based on Value-Belief-Norm (VBN) theory. Therefore, this study uses a qualitative-phenomenological approach, exploring the subjective experiences of college students who have knowledge of and involvement with Islamic financial products.

Based on these gaps and background, this study formulates three main questions: (1) How do college students form preferences for Islamic financial products? (2) What factors influence the formation of student loyalty to Islamic financial institutions? (3) How can the relationship between religious values, digital behavior, and loyalty be explained through a conceptual model based on Value-Belief-Norm (VBN)?

The originality of this research lies in its focus on examining young customer loyalty not solely from a functional service perspective, but also from the perspective of spiritual values and moral experiences that shape long-term relationships with Islamic financial institutions. This approach is strengthened by the development of a consumer loyalty model that integrates three key dimensions: spiritual attachment, digital engagement, and community-based advocacy—a framework that has not been widely applied in the context of Islamic finance. Furthermore, this study uses a phenomenological method to explore the meaning of students' experiences in depth, differing from previous studies that are generally quantitative and oriented towards the functional aspects of services. Thus, this research not only expands the theory of religious-based consumer loyalty but also provides new insights into how spirituality and digital behavior interact in shaping loyalty to Islamic financial institutions in the modern era, while also offering more effective policy directions for the sustainability of the Islamic financial industry in Indonesia.

## **Literature Review**

Studies on Islamic consumer behavior have expanded significantly, with several scholars investigating the factors influencing the adoption and loyalty toward Islamic financial products. Prior research consistently highlights religiosity as a central determinant of

consumer attitudes in Islamic finance. Junaidi et al. (2021) show that religiosity shapes students' commitment to Islamic banking, suggesting that faith-based considerations play an essential role in financial decision-making. Similarly, Andespa et al. (2023) identify Sharia compliance as a key element driving positive perceptions of Islamic financial institutions.

In addition to religious factors, institutional trust and transparency have been widely recognized as critical components of customer loyalty. Jaradat and Oudat (2025) emphasize that transparency in contract mechanisms and profit-sharing systems strengthens consumer confidence, while Mufligh (2021) finds that reputation and ethical integrity serve as moral signals that reinforce long-term loyalty toward Islamic banks. These studies demonstrate that both structural and ethical dimensions are important in shaping consumer trust.

Digital behavior has emerged as a new domain influencing young consumers' attitudes toward Islamic finance. Research by Aisyah and Sesunan (2023) and Berakon et al. (2021) highlights that digital convenience and user-friendly applications significantly impact the adoption of Sharia-compliant financial services among youth. However, these studies primarily examine digital behavior from a functional perspective, without integrating its relationship with religious motivations or spiritual values.

Loyalty theory has been explored through cognitive–affective–behavioral frameworks (Çinkır et al., 2022; Meyer-Waarden et al., 2023), yet these models often overlook the moral and spiritual dimensions that are central to Islamic finance. While attitudinal and behavioral loyalty have been widely discussed, few studies attempt to incorporate value-driven constructs into loyalty models for Muslim consumers.

Despite the growing body of literature, there remains a notable gap: limited research focuses specifically on university students as a unique demographic whose financial decisions are shaped simultaneously by religiosity, digital engagement, and contemporary lifestyle preferences. Furthermore, most existing studies rely on quantitative surveys, making it difficult to capture the subjective meaning behind young consumers' choices. Very few studies employ phenomenological approaches to explore the depth of students' experiences with Islamic financial products. Additionally, prior literature has yet to propose a holistic model that integrates spirituality, digital behavior, and community-based engagement as components of consumer loyalty.

By addressing these gaps, this study contributes to the development of a more nuanced understanding of young consumers' loyalty in the Islamic financial sector and introduces a novel conceptual model that integrates emotional, spiritual, and technological dimensions.

## **Methodology**

This study employed a qualitative method with a phenomenological approach to deeply explore students' subjective experiences and interpretations of Islamic financial products. The phenomenological approach was chosen because it allows researchers to understand how individuals interpret their religious and financial experiences holistically, not simply from a rational perspective or consumerist behavior (Alhazmi & Kaufmann, 2022). Through this approach, the study seeks to uncover how spiritual values, trust in financial institutions, and digital engagement shape students' loyalty to Islamic financial products.

Primary data were collected through semi-structured interviews with 17 students from various universities selected using purposive sampling, which involves deliberately selecting participants based on their relevance to the research objectives (Magnone & Yezierski, 2024). The participant criteria included: (1) respondents were active students; (2) had experience

using or understanding Islamic financial products such as savings, financing, or investments; (3) had a basic level of knowledge of Islamic financial principles; and (4) were willing to explain their experiences and views in depth. The number of informants was determined based on the principle of data saturation, which occurs when additional interviews no longer yield new information or themes (Turner & Lopez, 2024).

Interviews were conducted face-to-face and online for 45–60 minutes, using flexible interview guidelines to allow researchers to explore each participant's unique experiences. All interviews were recorded with the participants' permission and then transcribed verbatim for further analysis.

Data analysis was conducted using NVivo software, which assisted in coding, categorizing, and identifying key themes from the interview transcripts (Zhou et al., 2022). The phenomenological analysis followed the stages of data reduction, meaning-making, and thematic synthesis as described by (Abdellatif & Haynes, 2024) and was reinforced by modern phenomenological analysis guidelines (Vignato et al., 2021).

To ensure the validity and reliability of the data, this study employed source triangulation, member checking, and peer debriefing techniques to ensure consistent and credible interpretation of the results (Erdmann & Potthoff, 2023). The final stage of the research involved interpreting the findings, which was conducted by linking the analysis results to Value-Belief-Norm (VBN) theory and the literature on consumer loyalty in the context of Islamic finance. Through this process, the research not only described the students' experiences but also interpreted the conceptual meaning behind the formation of loyalty in young Muslim consumers, as influenced by spirituality, digital engagement, and community advocacy.

**Table 1. Respondent Profile**

Participant ID	Gender	Age	Major	Experience with Islamic Finance
P1	Male	20	Islamic Economics	Basic
P2	Female	21	Sharia Banking	Moderate
P3	Female	22	Management	Advanced
P4	Male	23	Islamic Economics	Moderate
P5	Female	21	Accounting	Basic
P6	Male	24	Sharia Banking	Advanced
P7	Female	20	Economics	Moderate
P8	Male	22	Management	Basic
P9	Female	23	Sharia Finance	Advanced
P10	Male	21	Islamic Economics	Moderate
P11	Female	22	Accounting	Basic
P12	Female	20	Economics	Moderate
P13	Male	23	Management	Advanced
P14	Female	24	Islamic Economics	Basic
P15	Male	22	Sharia Banking	Moderate
P16	Female	21	Accounting	Advanced
P17	Male	23	Economics	Moderate

## Results and Discussion

### Student Preferences for Islamic Financial Products

One of the visual analysis methods used in this study is a Word Cloud or Word Frequency Query, which aims to identify the most frequently occurring words in respondents' responses. This visualization provides an overview of the dominant topics or issues related to students'

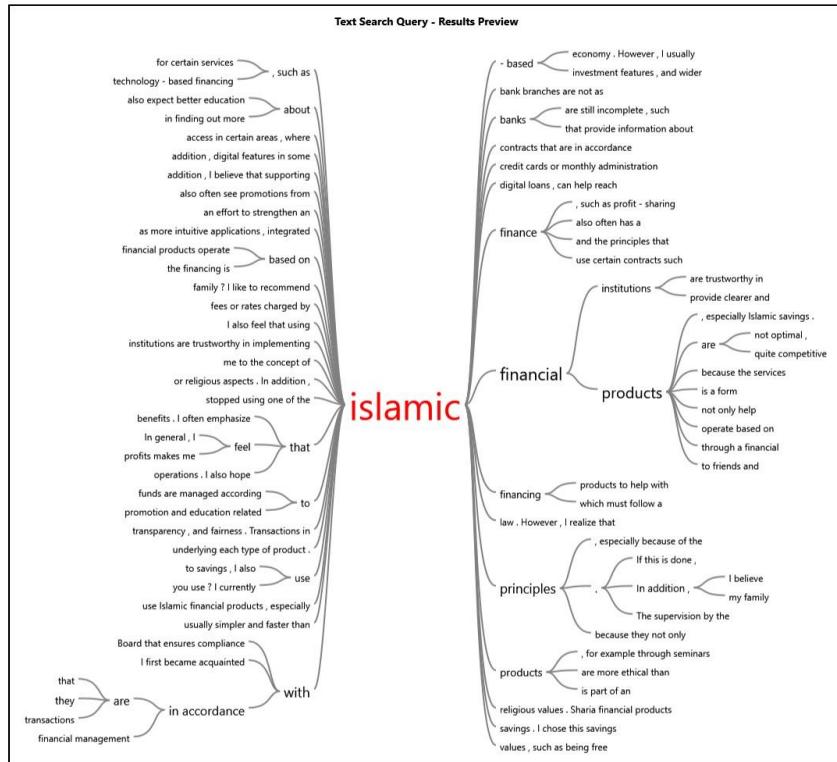
preferences for Islamic financial products. These findings not only highlight respondents' primary concerns but also provide a basis for further understanding how perceptions and trust in Islamic financial products may influence respondents' loyalty levels.



Source: NVivo Analysis Results

The word cloud image shows that the terms "*Islamic*," "*financial*," and "*products*" appear most frequently. The dominance of these three words reflects students' primary focus on financial products based on Islamic principles. Furthermore, several other prominent terms, such as "*sharia*," "*principles*," "*transparency*," "*management*," "*values*," "*savings*," and "*access*," confirm that their preferences extend beyond Islamic labels to encompass aspects of value, system clarity, and ease of use.

To deepen understanding of the most central word, namely 'Islamic', the analysis was continued using a Word Tree.



Source: NVivo Analysis Results  
**Figure 2. Word Tree with Keyword Islamic**

The results of the Word Tree analysis show how the word "*Islamic*" appears in various sentence contexts, such as *Islamic financial products*, *Islamic institutions*, and *Islamic principles*. These findings demonstrate that the perception of "*Islamic*" does not stand alone as a religious label, but rather is directly linked to functional aspects (products, financing, institutions) and moral values (principles, transparency, fairness). Thus, the word "*Islamic*" becomes the main node connecting religious values, belief systems, and students' financial behavior.

The terms "*sharia*" and "*principles*" indicate that students value the importance of alignment between financial practices and Sharia principles. They view clarity of contracts and the absence of usury as the primary foundations for choosing financial products. This finding is supported by respondent (P5)'s statement, "*I feel more comfortable using Sharia products because the contracts are clear and there is no interest. That makes me confident that they align with Islamic teachings.*" Furthermore, the emergence of the words "*values*" and "*transparency*" indicates that students consider honesty and openness important factors in shaping preferences. Transparency in fees, profit sharing, and operational systems are indicators of trust in Sharia financial institutions, as stated by respondent (P8): "*What I like is that Sharia banks explain the details of profit sharing. It feels fairer and more transparent.*"

Furthermore, the terms "*digital*," "*access*," and "*management*" highlight a new dimension in student preferences: the need for easy and efficient digital access. They desire a fast, modern, and Islamic-based transaction experience, as stated by respondent (P11): "*I choose a sharia bank with a good app, because if it has comprehensive features, I can use it without any hassle.*" Meanwhile, the frequent occurrence of the terms "*trust*" and "*reputation*" (although less frequent) indicates that trust in the institution remains the primary basis for forming preferences. Institutions with a good reputation and supervised by sharia authorities are considered more reliable. This statement is supported by respondent (P3): "*If it has a sharia logo and is supervised by the MUI, I am confident that my money is safe and compliant with regulations.*"

Overall, the results of the Word Cloud analysis and interviews show that students'

preferences for Islamic financial products are driven by a combination of religious values, institutional transparency, reputation, and digital convenience. Thus, student preferences are not simply rational choices but also expressions of religious identity and moral belief in the Islamic financial system.

### ***Factors Influencing the Formation of Student Loyalty.***

From the results of qualitative data processing, several main themes emerged that were consistently expressed by respondents, namely *trust*, *positive experience*, *Islamic values*, and *service accessibility*.

The first and most striking finding concerns trust in sharia principles. Most respondents confirmed that loyalty stems from the belief that Islamic financial institutions operate based on halal principles and are free from usury. One respondent (P9) stated, "*I feel more at ease using Islamic banking products because they are interest-free, and that's important to me as a Muslim.*" This statement illustrates that religiosity not only contributes to spiritual identity but also serves as a foundation of belief that shapes loyalty to Islamic financial institutions.

The second factor frequently mentioned was a positive transaction experience. Several respondents stated that fast service, friendly staff, and clear information made them feel comfortable and reluctant to switch to another institution. One respondent (P10) explained, "*The service was friendly and fast, making me feel valued as a customer.*" This demonstrates that the service aspect is equally important in building loyalty, often serving as a practical reason that strengthens emotional bonds with an institution.

Furthermore, Islamic values were also a recurring theme. Many students felt that choosing an Islamic financial institution was part of their moral commitment and social responsibility as Muslims. One respondent (P15) stated, "*For me, choosing an Islamic bank is not just about money, but about making a life choice that aligns with Islamic teachings.*" This view emphasizes that loyalty is built not only on economic aspects, but also on the alignment between personal values and the institution's values.

The final factor identified was ease of access and digital services. Several respondents highlighted the importance of mobile banking facilities, ATM availability, and the ease of opening an account online. One respondent (P16) stated, "*Everything is digital now, so if the Islamic banking app is easy to use, I will definitely continue using it.*" This suggests that student loyalty is also determined by the ability of Islamic financial institutions to adapt to technological developments and modern lifestyles.

Overall, the results of this analysis indicate that student loyalty to Islamic financial institutions is shaped by a combination of spiritual and rational factors. The religious dimension remains the primary foundation, but is strengthened by service quality, positive experiences, and technological innovations that facilitate customer financial activities.

### ***The Relationship between Religious Values, Digital Behavior, and Loyalty.***

Thematic analysis of the interview results revealed a strong correlation between religious values, belief in Sharia principles, and students' digital behavior in shaping loyalty to Islamic financial institutions. This relationship pattern illustrates that loyalty arises not solely from emotional factors or service experiences but is rooted in a deeply held value system and manifested through actual behavior in a digital context.

The first finding shows that religious values are a primary motivator in financial decision-making. Most respondents stated that they strive to ensure their financial activities remain

aligned with Islamic values. One respondent (P12) stated, "*I still want to conduct transactions in a halal manner, so even through an app, I ensure it's from a Sharia-compliant institution.*" This statement confirms that the use of digital technology does not eliminate spiritual awareness; in fact, it provides a new medium for religious expression in a modern context.

In terms of *belief*, a pattern emerged showing that students have a high level of trust in institutions that consistently demonstrate commitment to Sharia principles. Another respondent (P13) stated, "*I feel more confident using an institution's services if the Sharia principles are clear and the information on the app is transparent.*" This indicates that religious beliefs strengthen trust in financial institutions' digital systems, as both are perceived as aligned in terms of values and practices.

Furthermore, an interesting finding emerged in the context of *digital behavior*. The majority of respondents actively use digital platforms such as mobile banking or Sharia-compliant e-wallets for daily transactions. However, they still consider ethical aspects in their use. One respondent (P17) explained, "*I often use Sharia-compliant digital applications, but I always check the agreement and features first to ensure they don't violate Islamic principles.*" This demonstrates that students' digital behavior is shaped by their awareness of the values and norms they believe in, not simply by the drive for technological efficiency.

This integration of religious values and digital behavior ultimately forms normative loyalty, namely the tendency to remain loyal to Sharia-compliant financial services because it is perceived as part of their moral responsibility. One respondent (P7) stated, "*Once you know which ones are Sharia-compliant, it feels awkward to switch to conventional ones.*" This statement demonstrates that loyalty is not simply a rational choice, but rather a reflection of a commitment to values and moral convictions.

From these findings, it can be seen that the relationship between *values*, *beliefs*, and *norms* emerges naturally from how students understand and carry out digital-based financial activities. Religious values provide direction, beliefs strengthen trust in the system, and moral norms guide actions to ensure consistency in choosing Islamic financial institutions. The combination of these three forms the foundation for building sustainable loyalty.

## **Discussion**

### ***Determining Factors of Student Preferences for Islamic Financial Products.***

The research results show that students' preferences for Islamic financial products are driven by four main dimensions: religiosity, transparency and fairness, the reputation of the financial institution, and ease of digital access. These findings emphasize that students' decisions to choose Islamic financial products are not solely economic or utilitarian, but also reflect faith-based decision-making, in which spiritual and moral values play a significant role in the consideration process.

Theoretically, this aligns with the Value-Belief-Norm (VBN) Theory, which explains that individual behavior is shaped by internalized value systems and beliefs (Lee et al., 2023). In the context of Islamic finance, religious values are a fundamental component that guides individuals to behave in accordance with Islamic principles. This finding is supported by research (Andespa et al., 2023), which confirms that Muslim consumers assess Islamic compliance as a core dimension in forming positive perceptions of financial institutions. Similarly, (Junaidi et al., 2021) found that college students with high levels of religiosity showed a stronger tendency to use Islamic financial products because they viewed these transactions as part of spiritual obedience, not simply an economic choice.

The transparency and fairness aspects emerging in this study also reinforce the view that

young consumers now demand clarity in every financial process. A study (Jaradat & Oudat, 2025) identified transparency as a key determinant in building *trust* in Islamic financial institutions. Clarity of contracts, transparency regarding profit sharing, and the absence of usury are perceived as demonstrating the institution's moral integrity. These values align with the principles of honesty (*al-shidq*) and trustworthiness (*amanah*), which underlie Islamic business ethics.

Furthermore, the reputation of financial institutions has emerged as a key indicator of student preferences. Institutions with high credibility and strong sharia oversight are perceived as more credible. According to (Mufligh, 2021), an institution's reputation serves as a moral signal, strengthening consumer confidence that its activities align with Islamic principles. In the student context, reputation is measured not only by halal certification or fatwas issued by the National Sharia Council (DSN-MUI), but also by the institution's consistency in implementing sharia principles.

Meanwhile, ease of digital access indicates a shift in the younger generation's behavioral orientation toward financial services. Students now demand efficient, fast, and secure digital experiences. This is consistent with findings (Aisyah & Sesunan, 2023; Febrianty et al., 2025) that *digital convenience* is a key differentiating factor between young Sharia and conventional consumers. From a loyalty theory perspective, this convenience factor is related to the *behavioral dimension of loyalty*, where satisfaction from digital experiences can strengthen emotional attachment to a brand or institution (Jamshed & Uluyol, 2024).

Thus, the results of this study enrich the literature on Muslim consumer behavior, particularly among the student segments. Preference for Islamic financial products cannot be explained solely by the classic utilitarian model but rather requires a holistic approach through a combination of religious values, ethical perceptions, and digital behavior. These findings also support an integrative approach between consumer loyalty theory and VBN theory, where spiritual and digital dimensions can interact to form the basis of long-term loyalty to Islamic financial institutions.

### ***Formation of Student Loyalty to Islamic Financial Institutions.***

College students' loyalty to Islamic financial institutions is influenced by four main factors: *trust*, *positive experiences*, *Islamic values*, and *service accessibility*. These four factors demonstrate that loyalty is not merely an economic phenomenon but also the result of an integration of spiritual, emotional, and functional aspects within the experiences of young Muslim consumers.

The first factor, trust in sharia principles, is the strongest foundation for building loyalty. This trust stems from the belief that Islamic financial institutions operate in a halal and riba-free manner. Within the context of *Value-Belief-Norm* (VBN) theory, this factor reflects the relationship between religious values and moral beliefs that guide individual financial behavior (Davis & Rodriguez, 2024). Research (Mufligh et al., 2024) also shows that the *Islamic trustworthiness* dimension is a significant predictor of customer loyalty, as consumers assess Islamic institutions not only based on financial performance but also on ethical commitment. Furthermore, (Saad et al., 2022) confirm that perceptions of halal and riba-free banking practices increase customers' emotional attachment to Islamic institutions, which in turn strengthens long-term loyalty.

The second influential factor is a positive experience during transactions. Students who feel valued through fast, friendly, and informative service tend to demonstrate a higher level of commitment to the institution. This aligns with the *Cognitive-Affective-Behavioral Model of*

*Loyalty* (Çinkır et al., 2022), which explains that loyalty is formed through stages of cognitive satisfaction, emotional attachment, and repeat actions. A study (Riaz et al., 2022) reinforces this finding by showing that satisfactory service quality creates *emotional resonance* between customers and Islamic financial institutions, especially among younger groups who are sensitive to *customer experience*. Thus, good service is not merely transactional but also a relational medium that strengthens loyalty.

Furthermore, *Islamic values* act as a moral bond between individuals and financial institutions. Students view the use of Islamic financial products as a manifestation of religious identity and a form of spiritual obedience. This finding aligns with research (Nasir, 2022), which asserts that Muslim consumer loyalty is normative, where financial decisions are guided by moral responsibility and a sense of solidarity with the Islamic economic system. From the perspective of VBN theory, these religious values function as *motivational drivers* that guide loyal behavior based on moral awareness, not merely utilitarian impulses.

The final influential factor is ease of service and digital access. As *digital natives*, students tend to judge financial institutions based on their technological capabilities, which facilitate fast and flexible transactions. This finding aligns with findings (Nguyen & Vu, 2025), which identified *digital convenience* as a key determinant of young customer loyalty. In the modern financial ecosystem, digital experience is not merely an additional factor, but an integral part of perceived service quality. Research (Arya et al., 2024; Berakon et al., 2021) also confirms that adopting digital technology while maintaining Sharia values can increase *behavioral loyalty* because customers feel their spiritual and practical needs are simultaneously met.

Thus, these four factors form a multidimensional structure of student loyalty to Sharia financial institutions. Trust serves as the spiritual foundation, positive experiences serve as the emotional dimension, Islamic values serve as the moral anchor, and the ease of digital services serves as a rational bridge connecting modern needs with Sharia values. This combination reinforces the idea that loyalty in the context of Islamic finance cannot be reduced to a single aspect, but rather is the result of a synergy between spirituality and modernity that is internalized in the financial behavior of the younger generation of Muslims.

### ***The Relationship between Religious Values, Digital Behavior, and Loyalty through the Value–Belief–Norm (VBN) Conceptual Model.***

The research results show that student loyalty to Islamic financial institutions is formed through a process that is not merely driven by functional satisfaction, but is rooted in religious values, belief in Islamic principles, and digital behavior that reflects spiritual awareness. This reinforces the view that loyalty in the context of Islamic finance is a manifestation of the integration of values, beliefs, and norms internalized in the financial behavior of Muslim students. This finding aligns with the *Value–Belief–Norm* (VBN) theoretical framework (Mertzanis et al., 2023; Ramazanova et al., 2022), which explains that human actions are rooted in a value system that guides moral beliefs and shapes behavioral norms. In this context, *religious values* serve as a moral foundation that encourages students to choose financial institutions that align with Islamic teachings.

The belief dimension is reflected in students' trust in the honesty and integrity of Islamic financial institutions. They believe that institutions consistent with Islamic principles are worthy of trust and loyalty. Research (Ngatindriatun et al., 2024) confirms that *perceived sharia compliance* and *institutional trust* are mutually reinforcing factors in creating long-term loyalty. Meanwhile, (Rosula et al., 2024) shows that religiosity directly influences loyal intentions and

behavior toward Islamic financial institutions, as religious values act as an ethical filter in decision-making. Thus, student loyalty is not simply the result of rational evaluation, but rather a form of moral awareness rooted in faith.

This religious expression is also manifested through digital behavior. Students use Islamic financial applications not only for their efficiency and convenience, but also out of an awareness of maintaining halal transactions and ethical values in the digital space. This finding supports research (Alam et al., 2025), which found that *digital religiosity*, namely the awareness of applying Islamic principles in digital activities, is a crucial factor in maintaining loyalty to Islamic financial institutions. Thus, students' digital behavior is not merely a technological activity but also a spiritual expression and symbol of Islamic identity for the younger generation of Muslims.

The integration of religious values, moral beliefs, and digital behavior then forms three main dimensions in the student loyalty model for Islamic financial products: *Spiritual Attachment*, *Digital Engagement*, and *Community-Based Advocacy*. The *Spiritual Attachment* dimension is rooted in religious values and belief in Islamic principles. Belief in the absence of usury, fairness, and transparency creates a sense of calm and a spiritual bond between consumers and financial institutions. Strong religious values make loyalty a form of spiritual obedience, not simply an economic decision. In line with the view of *attitudinal loyalty* (Jeon & Choi, 2021), emotional attachment and value alignment are key factors that strengthen long-term commitment.

The *Digital Engagement* dimension represents how students' digital behavior strengthens the relationship between values and satisfaction. A good digital experience through fast service, *Sharia-friendly* features, and a transparent system encourages *satisfaction* and *economic benefits*. This is consistent with findings (Riza & Wijayanti, 2024) that suggest that advances in digital technology increase satisfaction and the intention to continue using Sharia financial services. In this context, digital technology functions not only as a means of transaction efficiency but also as a medium for strengthening spiritual values adapted to the modern era.

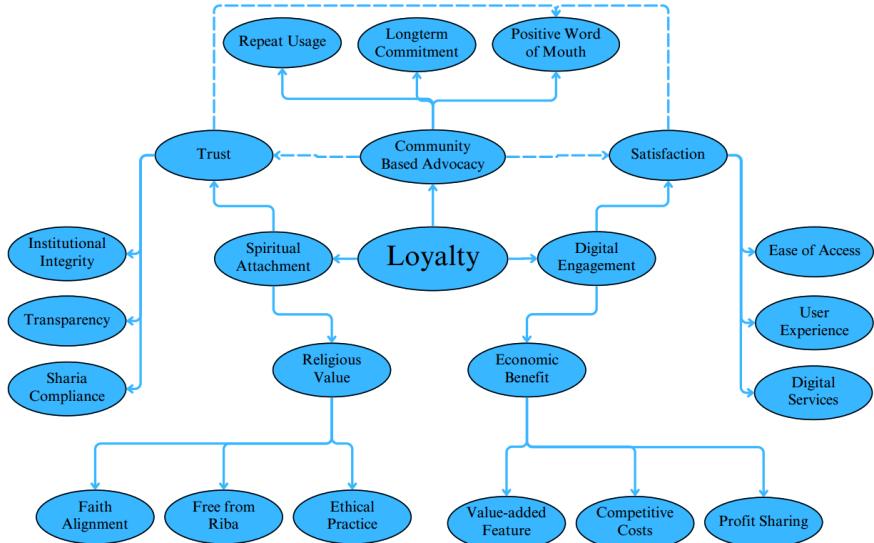
The third dimension, *Community-Based Advocacy*, illustrates the role of the community as a social medium in expanding the influence of loyalty. Students who are satisfied with and trust Islamic financial institutions tend to recommend them to others through word of mouth, social media, and religious activities. The emotional loyalty formed from trust and satisfaction encourages advocacy based on religious values. Institutions can capitalize on this by establishing digital communities, discussion forums, or community-based loyalty programs that connect consumers spiritually and socially. Research (Nofrizal, 2023; Yusfiarto et al., 2022) supports this view that Muslim consumer loyalty is normative and identity-based, where consumption is seen as a form of solidarity with the Islamic economic system.

Conceptually, the integration of VBN theory and the empirical findings of this study produces a conceptual model called the Islamic *Value-Based Loyalty Model* (VBN Integration). This model views student loyalty as the result of the interaction between three main elements: (1) Religious Values and Beliefs that shape *Spiritual Attachment*, (2) Digital Behavior and Technical Experience that create *Digital Engagement*, and (3) Social Engagement and Community Advocacy that strengthen normative loyalty.

These three elements form a mutually reinforcing system: religious values serve as a source of morale, digital engagement reinforces satisfaction, and community advocacy serves as a channel for the social dissemination of loyalty.

## **Model Development.**

Based on the analysis and synthesis of VBN theory with empirical research findings, a conceptual model called the "*Islamic Value-Based Loyalty Model (VBN-Digital Integration)*" was developed. This model combines three main dimensions that shape student loyalty to Islamic financial institutions: the spiritual dimension, the digital dimension, and the socio-community dimension.



**Figure 4. Islamic Value-Based Loyalty Model (VBN-Digital Integration)**

This model can be explained as follows:

1. *Trust* and *Religious Values* are directly linked in the *Spiritual Attachment* dimension, as religious values and belief in sharia principles form the emotional and spiritual foundation of Muslim consumer loyalty. The stronger the religious values and beliefs, the deeper the spiritual attachment to Islamic financial institutions.
2. *Satisfaction* and *Economic Benefit* are influenced by *Digital Engagement*, because positive user experiences with digital features, such as ease of transactions, transparency of information, and service efficiency increase satisfaction and strengthen the decision to continue using the product.
3. *Community-Based Advocacy* plays a role in strengthening *Trust* and *Satisfaction*, because consumers who feel satisfied and trust will tend to share their experiences through word of mouth, social media, and campus networks, which ultimately expands the reach of loyalty socially.

Thus, this model demonstrates that college students' loyalty to Islamic financial products is not only rooted in religious values and spiritual beliefs but is also strengthened by digital experiences and community participation. This also confirms that, within the context of the younger generation, Muslim consumer loyalty is spiritual, digital, and socially interactive.

## Conclusion

This study reveals that college students' preferences for Islamic financial products are influenced by various factors, including religiosity, institutional reputation, trust, digital service innovation, and financial education. These factors not only influence students' decisions in selecting Islamic financial products but also significantly impact the formation of consumer loyalty. Data analysis using NVivo has identified complex conceptual patterns and enabled the development of a value-based consumer loyalty model encompassing the dimensions of Spiritual Attachment, Digital Engagement, and Community-Based Advocacy. This model,

which we call the Islamic Value-Based Loyalty Model (VBN-Digital Integration), offers a new perspective in understanding consumer loyalty, particularly among college students, by emphasizing the importance of integrating religious values, digital experiences, and community participation.

Theoretically, this study extends the literature on Muslim consumer behavior and preferences, emphasizing that college students' loyalty to Islamic financial institutions cannot be explained solely through economic or utilitarian considerations. These findings confirm that the integration of religious values, moral beliefs, and digital behaviors forms a multidimensional loyalty rooted in moral awareness, consistent with the Value–Belief–Norm (VBN) theoretical framework.

Practically, the research findings provide implications for Islamic financial institutions in designing strategies that are more relevant to the younger generation. A focus on Sharia compliance, service transparency, Sharia-friendly digital innovation, and the formation of communities and advocacy based on religious values can strengthen long-term loyalty. The proposed conceptual model can guide institutions in designing services and loyalty programs that align with the spiritual values and digital needs of young consumers.

This study has several limitations. First, the number of respondents was limited to 17 university students, which does not reflect the diversity of preferences among students as a whole. Second, the phenomenological approach used was exploratory, so the results cannot be broadly generalized. Third, the study's focus on NVivo analysis presents technical challenges in interpreting relationships between themes.

For future research, it is recommended to expand the scope of respondents from various cultural and educational backgrounds and consider a combination of qualitative and quantitative approaches to strengthen the validity and generalizability of the findings. Furthermore, further application of the Islamic Value-Based Loyalty Model in a broader market context can be tested to assess its relevance and effectiveness in increasing loyalty among younger Muslim consumers.

### **Author's Contribution**

Lina Marlina and Sudana: Creating and designing analyses; Developing the conceptual framework; Performing analysis; Writing and revising the manuscript, collecting data; Contributing data or analysis tools; Supporting qualitative coding; Assisting in performing analysis.

Muhammad Jagat Dermawan: Contributing data and analysis tools; Assisting in methodological development; Supporting instrument refinement and validation.

Ana Fauziya Diyana and Safa Hanifah Kustendi: Collecting data; Assisting in interview transcription; Supporting initial thematic coding and analysis preparation.

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### **Declaration of Competing Interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper. The authors affirm that there is no conflict of interest associated with the publication of this manuscript.

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