

FACTORS INFLUENCING MILLENNIALS' AND ZILLENNIALS' DECISIONS ON HAJJ SAVINGS OWNERSHIP IN WEST JAVA

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(Submitted by Author: 12-11-2024)

(Accepted by the Editorial Board: 15-12-2024)

(Published by Editorial Board: 31-12-2024)

ABSTRACT

Hajj is one of the pillars of Islam that must be performed if one is able. This ability includes physical and material abilities. However, currently the waiting period for Hajj reaches decades, so there is a need for financial planning for the millennial and zillennial generations, one of which is through Hajj savings. This study aims to analyze the characteristics and factors that influence the decisions of the millennial and zillennial generations towards ownership of Hajj savings in West Java. Respondents in this study are millennials and zillennials who already have Hajj savings in West Java. This study uses primary data from 200 respondents. The results of the SEM-PLS analysis show that in the millennial generation the variables of cost and motivation have a significant positive effect, while in the zillennial generation the variables of motivation and trust have a significant positive effect.

Keywords: Millennial and Zilennial Generation, West Java, SEM-PLS, Hajj Savings

Wiliasih, R. & Nurhayati. 2024. Factors Influencing Millennials' and Zillennials' Decisions on Hajj Savings Ownership in West Java. *Jurnal Syarikah : Jurnal Ekonomi Islam* 10(2): 238-244.

INTRODUCTION

According to the World Population Review (2024), the Muslim population in Indonesia reached 236 million. Hajj is part of the pillars of Islam that must be carried out for Muslims if they are able. Deswara (2023) argues that this ability includes the ability of the congregation itself such as physical health and abilities related to things outside the congregation such as security and finance. In accordance with the Decree of the Minister of Health of the Republic of Indonesia No.1394/MENKES/SK/XI/2009, the implementation of the Hajj requires physical preparation so that the pilgrims can perform the Hajj pilgrimage properly, orderly, and solemnly. In addition, the Hajj Travel Cost (BPIH) is needed so that the series of Hajj trips can be carried out properly (Idawati, 2017). The legal basis for Hajj is found in the Word of Allah QS. Al-Imran: 97 which means "...Performing the Hajj is a human obligation towards Allah, namely (for) those who are able to travel to the House of Allah. Whoever denies (the obligation of Hajj), then surely Allah is rich (not in need of anything) of the universe". The number of Indonesian pilgrims tends to increase from 2016 to 2024. Indonesian pilgrims in 2024 will reach 241,000. The largest distribution of regular Hajj quota lists per province in Indonesia is occupied by West Java Province, which is 38,723 pilgrims with an additional 1,478 pilgrims in 2023. West Java Province has a waiting period for Hajj departure of around 18-28 years (Ministry of Religion, 2024).

West Java's population consists of a variety of ages. According to the 2020 population census, West Java ranks first with the largest number of millennial and

zillennial generations in Indonesia (BPS, 2020). The zillennial generation is the generation born between 1997-2012, while the millennial generation is the generation born in 1981-1996 (Astuti et al., 2023). With a waiting period for Hajj in West Java of around 28 years, the millennial generation can only perform Hajj at the age of 56-71 years, while the zillennial generation can only perform Hajj at the age of 40-55 years if they register now.

Based on data from the Ministry of Religious Affairs of the Republic of Indonesia in 2022, West Java ranks second with the highest number of new registrants of Hajj pilgrims by age, totaling 555,550 people in 2022. From the data obtained, the level of registration for the millennial and zillennial generations is quite low, namely 133,687 people, but for registrants in generation X it is higher, namely 312,816 people (Ministry of Religion, 2022). With a waiting period for regular Hajj of 28 years from the time of registration for the Hajj portion, an illustration is that if you register at the age of 27, then departure can only be done at the age of 55. The high number of Hajj applicants in generation X can pose various health risks for the congregation because age greatly affects the health conditions of the pilgrims (Singka & Eca, 2020). Health problems that are often experienced by pilgrims are non-communicable diseases (NCDs) such as cardiovascular disease, chronic obstructive pulmonary disease (COPD), stroke, Chronic Kidney Disease and mental disorders. Other health problems such as hypertension, diabetes mellitus, cholesterol, obesity, and heart failure are also things that must be considered in elderly pilgrims. In addition, the long

waiting time for Hajj and the increase in costs need to be taken into consideration for millennials and zillennials in preparing for Hajj departure planning. According to Ramadhan (2019) the younger generation must have financial planning for the future, the existence of Hajj savings can be a solution for the community so that they can go to the holy land in prime condition.

MATERIALS AND METHODS

Hajj

In language, the word Hajj means *al-qashdu*, which means deliberate to do something great. Meanwhile, the term Hajj means visiting the Kaaba to perform certain rituals (Sarwat, 2019). Meanwhile, according to the Big Indonesian Dictionary (KBBI) Hajj is the fifth pillar of Islam (worship obligation) that must be carried out by Muslims who are able to visit the Kaaba in the month of Hajj and perform Hajj practices, such as *ihram*, *tawaf*, *sa'i*, and *wukuf* (Idawati, 2017). The ruling of performing Hajj is obligatory for those who are able and not obligatory for those who are not able. Able in this case includes being able to physically, financially, knowledge, psychologically and security (Kholilurrahman, 2017). The legal basis is QS. Al-Baqarah: 158 which means "Verily Shafa and Marwah are some of the signs of Allah. So whoever makes the pilgrimage to the House of Allah or goes on an *umrah*, there is no sin for him to do *sa'i* between the two".

Hajj Savings

Savings is the activity of setting aside a portion of income as a form of future investment, while Hajj is a form of worship by visiting Baitullah by carrying out the conditions and pillars of Hajj 5 (Daulay, 2017). Therefore, Hajj savings are individual financial planning deposits made by someone who has the intention to perform Hajj. Hajj savings can also be defined as a program offered by Islamic

banking in Indonesia to provide convenience for people who want to go on hajj but are financially constrained (Daulay, 2017). Based on DSN (National Sharia Council) information, the contracts allowed in the Hajj savings program are *wadiah* or *mudharabah* (Yahya et al., 2019). There are several Islamic banks in Indonesia that provide services in the form of Hajj savings such as, Bank Syariah Indonesia (BSI), Bank Bukopin Syariah, Bank CIMB Niaga Syariah and others. Hajj savings can be a way for people to save so they can go on hajj.

Millenial and Zilenial Generations

Gen Y or known as the millennial generation is the generation born in 1981-1996. This generation uses a lot of instant communication technology such as Facebook and Twitter, in other words, this generation grew up in the era of the internet boom (Lyones, 2004). The millennial generation is characterized by: having different characteristics, open communication patterns, fanatical use of social media and their lives are affected by technological developments and reactive to environmental changes. The millennial generation is the generation born in 1997-2012 (BPS, 2020). This generation is the youngest generation to enter the workforce. This generation has similarities with the millennial generation, the difference is that the zillennial generation is able to carry out all activities at one time (multitasking) such as: running social media with a cellphone, browsing with a PC, and listening to music using a headset and most of their activities are related to the digital world. The zillennial generation is a generation that is very familiar with technology.

Research Methodology

The author uses the SEM-PLS analysis method and Descriptive Analysis. The data used is primary data in the form of distributing questionnaires. Sampling using non-probability sampling techniques with purposive sampling data retrieval techniques, with Likert scale research instruments, namely (1) strongly agree, (2)

agree, (3) disagree (4) strongly disagree (Sugiyono 2017).

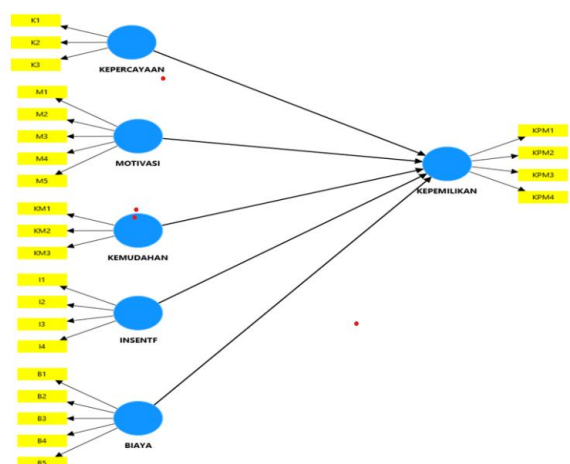


Figure 1. Initial model of generational research millennials and zillennials

Validity and Reliability Test

The question items in this study can be declared valid if they can explain the phenomenon to be calculated in the study and proven using the validity test. Questions that can be used in research are valid questions (Sugiyono, 2017). The question is declared valid if the calculated r value $>$ table r value and vice versa if the calculated r value $<$ from r table then the question is declared invalid (Ghozali, 2018). If all questions have been declared valid, then the questionnaire can be used to process data. The SEM-PLS analysis will be explained in the data analysis section.

RESULT AND DISCUSSION

Millennial and zillennial generation respondents are dominated by women with a percentage of 61% and 74% respectively. The last education of the respondents is S1. The majority of respondents work as private employees and entrepreneurs. The majority of respondents live in the Regency. Based on monthly income, respondents in this study are dominated by income of IDR 2,000,000 - IDR 5,000,000.

SEM-PLS data analysis was used to see the factors that influence millennial and zillennial generation decisions on Hajj savings. These factors consist of independent variables, as follows: trust, convenience, motivation, incentives, and costs. And the dependent variable used is the ownership of Hajj savings (Y).

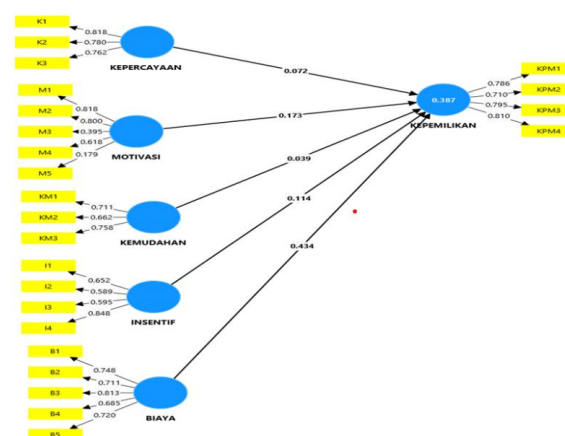


Figure 2. Millennial generation initial loading factor test

Path Coefficients

Based on the SEM output Coefficient table, it is obtained that in the millennial generation the trust variable has a positive but insignificant influence. This can be seen from the original sample value of 0.068 (>0) and a T-Statistic value of 0.786 (<1.96) and a P-value of 0.432 (<0.5). This is in line with what was done by Hana (2019) which states that there is no direct influence of trust on millennial generation purchasing decisions.

Meanwhile, in the Zillennial generation, the trust variable has a positive and significant relationship. This can be seen from the t-statistic value on this variable of 2.926 or > 1.96 with a p-value of 0.003 or <0.05 . The direction of the relationship between the trust variable and the ownership variable is positive with an original sample value of 0.334. This research is supported by Adam's research (2022) which states, trust has a simultaneous effect on customer decisions

to use Hajj savings products at PT. Bank Muamalat.

The convenience variable in both generations has a positive but insignificant effect. This can be seen from the t-statistic value in the millennial generation, which is 0.556 or <1.96 and a p-value of 0.578 or >0.05 with an original sample value of 0.053 (>0). In the zillennial generation, the t-statistic value is 1.766 or <1.96 and the p-value is 0.077 or >0.05 with a positive relationship direction, this can be seen from the original sample value of 0.198 (>0). This means that respondents' awareness of the ease of opening Hajj savings is still low, so it has no effect on ownership of Hajj savings. This research is in line with research conducted by Indra et al (2024) which states that the convenience variable has no effect on the decision to use Qris BSI mobile.

Currently, opening Hajj savings can be done using an online system, one of which is BSI mobile. In addition, Pradwita et.al (2020) state that convenience has no positive effect. Yuliawan's research (2018) states that, the convenience factor is reflected in how it is used when transacting online. At the time of online transactions, individuals will need a lot of time to adapt and understand online transactions, sometimes even experiencing difficulties because not all online transactions apply the same transaction system. So that this makes individuals tend to discourage if they find difficulties in transactions. Based on the research results, some respondents think that registering/depositing Hajj savings is more convenient if done offline or visiting the bank directly. This is done to make it easier for customers to ask directly to the bank. In addition, opening a Hajj savings account has no effect online or offline because both have their own advantages and disadvantages.

Incentive variables towards ownership in the millennial generation are positive but not significant. This can be seen from the t-statistic value in the millennial generation, which is 1.687 or

<1.96 and a p-value of 0.092 or >0.05 with a positive relationship direction with an original sample value of 0.148 (>0). In the zillennial generation, the incentive variable has a negative and insignificant effect. This can be seen from the t-stistic value of 0.948 or <1.96 and a p-value of 0.343 with a negative relationship direction, this can be seen from the original sample value of -0.098 (<0). This research is in line with research conducted by Novianto (2021), which states that in the long run the bonus rate has a negative effect on wadiah banking savings of Indonesian Islamic banks.

In line with research conducted by Novianto (2021), this study also proves that there is still a lack of incentives provided to customers. Indicator 4 in the millennial generation and indicator 1 in the millennial generation on the incentive variable in this study, namely the existence of a bailout fund provided to customers who want to register for a Hajj portion number (I 4) and the existence of insurance coverage provided by the bank where I keep my Hajj savings (I1) actually, has the lowest average value when compared to other indicators. That means the incentives provided by the bank have not been felt by customers.

Motivation variables on ownership in both generations have a positive and significant influence. This can be seen through the t-statistic value and p-value. The t-statistic value for millennials is 2.043 or >1.96 and the p-value is 0.042 or <0.05 with a positive relationship direction. This can be seen from the original sample value of 0.194 or >0 . In the zillennial generation, the t-statistic value is 2.892 or >1.96 with a p-value of 0.004 or <0.05 with a positive direction of relationship, this can be seen from the original sample value of 0.308 or >0 . This means that the higher the respondent's motivation to go on hajj, the greater the chance of ownership of hajj savings. This research is also supported by Darmawan's research (2023), which states that the motivation variable has a

significant effect on customer decisions in choosing Hajj savings products.

In the millennial generation, the cost variable has a significant effect. This can be seen from the t-statistic value which is > 1.96 , which is 4.108 and the p-value which is < 0.05 , which is 0.000 . The direction of the relationship of this variable is positive, which is indicated by looking at the original sample value of 0.419 . This research is in line with research conducted by Ulya et al (2021) which states that, there is a positive and significant influence between the administrative cost variable on people's decisions to choose gold savings products.

In the zillennial generation, the cost variable has no significant effect. This can be seen based on the t-statistic value which is < 1.96 , which is 0.390 and the p-value > 0.05 , which is 0.697 with a positive relationship direction which can be seen from the original sample value of 0.044 or > 0 . This research is in line with the research of Detha et al (2013), which states that the price variable has no effect on saving decisions. Based on the theory of Swastha and Irawan (2008), price can be interpreted as a sum of money by consumers to get the benefits of a product or service. This means that the higher the cost of the Hajj pilgrimage, the fewer people will open Hajj savings.

CONCLUSIONS

The characteristics of respondents in the Millennial and Zillennial generations are predominantly female. The majority of respondents have completed their education up to S1 and in the millennial generation the majority work as private employees and entrepreneurs while in the Zillennial generation work as entrepreneurs. The majority of millennial and zillennial generation monthly income is in the range of IDR 2,000,000 - IDR 5,000,000.

In the millennial generation, the variables of cost and motivation have a positive and significant influence on the

ownership of Hajj savings in the millennial and zillennial generations in West Java. In the Zillennial Generation, the variables of Motivation and Trust have a significant positive effect on the ownership of Hajj savings in the millennial and zillennial generations in West Java.

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