



Emotional and Rational in the Decision to Use Payment Services of Islamic Financial Institutions for DIKTIS Students in Pamekasan Regency: The Mediating Effect of Regulation

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Abstract

Purpose – To analyze the significant influence of Emotional and Rational factors on the Decision to Use Payment Services of Sharia Financial Institutions among DIKTIS students in Pamekasan Regency, and to analyze how Regulation moderates the influence of Emotional and Rational factors on the significant Decision to Use Payment Services of Sharia Financial Institutions among DIKTIS students in Pamekasan Regency.

Methodology – Linear regression analysis with a moderating variable is used to determine whether the moderating variable strengthens or weakens the relationship between other independent variables and the dependent variable. In this study, the independent variables are Emotional and Rational factors, the dependent variable is the Decision to Use, and the moderating variable is Regulation.

Findings – Emotional and Rational Factors influence the decisions of DIKTIS students in Pamekasan Regency to use payment services provided by Islamic financial institutions. Furthermore, Regulation as moderator significantly strengthens the relationship between Rational Factors and Usage Decision. However, Emotional Factors do not have their relationship with Usage Decision strengthened by Regulation.

Implications – It turns out that the decision of students from campuses under DIKTIS in using payment services at Sharia financial institutions is not solely based on religious emotional factors, but also on rational considerations.

Originality – There has never been a study on students affiliated with Islamic universities in using Sharia financial services in Pamekasan Regency.

Introduction

The development and acceptance of Islamic banking products have experienced significant growth in recent years. This progress is reflected in the increase in assets, the amount of financing provided, and the third-party funds held by Islamic banks. Over the past five years, the average increase in Islamic bank assets has been 15% (Khasanah, 2020). Islamic banks offer an alternative based on religious values and ethical principles in an increasingly complex and dynamic financial world. Additionally, conventional financial entities also offer Islamic financial products through their business units (Billah, 2019). Islamic financial products have a broader market reach because they can be used not only by Muslims but also by non-Muslim customers. However, this broad

market reach is not aligned with the market share held by Islamic banks, as they only capture 7%, while the remaining 93% is still dominated by conventional banking (Aditya, 2023).

Various efforts must be made to increase the market share of Islamic banks, such as by conducting segmenting, targeting, and positioning (Widyanti, 2020). One of the strategic markets that the Islamic banking industry needs to target is students of Islamic higher education institutions, as they have an advantage in knowledge about Islamic financial products (Samsul & Ismawati, 2020). The decision of Islamic higher education students to use Islamic banking products in society involves complexities that include rational and emotional factors influencing the decision-making process. Rational motives for using Islamic banking products include considerations of financial benefits, transaction costs, service convenience, and product features provided. These motives are logical reasons that make students potentially more likely to choose conventional banking products over Islamic banking (D. A. Thamrin & Athief, 2021). However, in addition to rational motives, emotional motives also play an important role in decision-making. Religious values, spiritual satisfaction, and trust in Sharia principles are key elements in emotional motives (Ifita & Canggih, 2021). Islamic higher education students can feel an emotional closeness to Islamic banking products that accommodate the values they adhere to, making them more likely to use Islamic banking products.

Currently, there are 819 Islamic higher education institutions across Indonesia. East Java Province has the highest number of Islamic universities, with a total of 169 institutions (Kemenag, 2022). Pamekasan Regency is one of the regencies in East Java with a significant number of Islamic higher education institutions, totaling 15, several of which offer programs in Islamic economics and banking. Furthermore, since 2002/2003, Pamekasan Regency has implemented the *Gerakan Pembangunan Masyarakat Islam* (Islamic Community Development Movement), abbreviated as *Gerbang Salam*. This program was established by the Pamekasan Regional Government in collaboration with Islamic scholars from *Syarikat Islam* (SI), *Muhammadiyah*, *Persis*, *Nahdlatul Ulama* (NU), and other Islamic organizations. The program aims to foster an Islamic environment by cultivating a society guided by Islamic norms and teachings (Uha, 2013). Due to these factors, the researcher selected Pamekasan Regency as the research location to examine whether this long-standing program has been effectively implemented within the community, particularly among students at Islamic higher education institutions.

It is important to note that, in addition to being a target market, students of Islamic higher education institutions can also serve as ambassadors for Islamic banking in society. In other words, if they use Islamic banking products for transactions, the public will also be interested in using Islamic banking products as they do. However, not all students of Islamic banking and economics use Islamic banking products; many of them still use conventional banking products due to various considerations, such as ease of access and the facilities offered (Pauzia et al., 2022). Students who use Islamic banking products do not all do so out of personal awareness, but because of regulations in place at their universities, such as policies requiring tuition payments to be made through Islamic banking services. Such regulations are found at several universities in Pamekasan, such as IAIN Madura, which uses Bank Syariah Indonesia, and IAI Miftahul Ulum, which uses BMT Mawaddah. Some other universities still maintain manual payment systems through campus counters, which do not provide opportunities for students to make payments using Islamic financial services, as is the case at IAI al-Akhairat.

(Surjaatmadja & Saputra, 2020) mentions that the decision to use Islamic banking products is influenced by various factors. His study found that the perception of product diversity significantly contributes to the decision or intention of the public to use Islamic banking services. This statement is reinforced by another study which suggests that the Sharia principles applied in

banking have a significant influence on customers' decisions to use Islamic banking products. In other words, customer perception plays an important role in determining the public's decision to use Islamic banking products (Dahmiri, 2020). Besides the perception of religious factors, for students specifically, there are other factors that can influence their decision to use Islamic banking products, namely product knowledge, learning about Islamic banking, and financial literacy. The factor of religiosity can moderate these three factors in determining the decision to use Islamic banking products (Thohari & Hakim, 2021).

On the other hand, the decision to use Islamic banking products can also be influenced by rational factors, such as profit-sharing rates, security, facilities, and services (Sudarwati & Yani, 2021). When choosing financial products, customers consider the profit-sharing rate they will receive from the funds they deposit in the bank. The higher the profit-sharing rate of a product, the greater the interest of customers in using that product. Additionally, the level of risk is another consideration in using Islamic financial products, as products with lower risk are more preferred than high-risk products with the same return rate. Facilities and services are also determining factors in customers' decisions to use Islamic banking products. Products with more reliable facilities and superior services will be more favored than those with ordinary facilities and services. Afriani supports the study conducted by Sudarwati, stating that the profit-sharing rate significantly contributes to the decision to use Islamic banking products. She adds that, besides high profit-sharing rates, financial literacy also significantly influences the decision to use Islamic banking products (Afriani & Asandimitra, 2020). Financial literacy is the understanding of the benefits and risks of financial products. Financial literacy is included in rational factors in determining the decision to use a financial product.

This research needs to be conducted because of the aforementioned factors, both rational and emotional, as they both contribute to influencing the decision to use Islamic banking products and services. Therefore, it is necessary to measure which factor has a greater contribution in shaping this decision, whether it is rational or emotional. Rational factors are objective assessments based on pragmatic considerations, while emotional factors are subjective assessments based on the values and beliefs held by students (Scarpi, 2020). However, these two factors can be moderated by regulations, as students who have a rational tendency to use non-Islamic banking products may be compelled to use Islamic banking services due to campus regulations requiring the use of Islamic banks.

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Literature Review

Consumer Behaviour

Consumer behavior theory is a field of study that explores the factors influencing consumer decision-making and behavior (Mou & Benyoucef, 2021). Consumer behavior theory is part of marketing strategies that developed in the late 1950s. The study of consumer behavior as a separate discipline from marketing science began when marketers realized that consumers do not always act or react as marketing theories suggest. Consumer behavior theory discusses how individuals make

decisions to use their resources to purchase goods or services for consumption needs (Schiffman et al., 2013).

The study of consumer behavior does not possess its own distinct history or research body, as it is an integral part of marketing theory. Marketing experts have extensively borrowed concepts developed in various disciplines, such as psychology (the study of individuals), sociology (the study of groups), social psychology (the study of how individuals operate within a group), anthropology (the study of societal influences on individuals), and economics, to establish the foundation of this emerging marketing discipline. Initially, experts posited that consumer behavior was grounded in economic theory, which asserts that individual actions are always rational, aimed solely at maximizing satisfaction when purchasing goods and services. However, subsequent studies have yielded different results; consumers are highly likely to make impulsive purchases, influenced not only by family or friends, various advertisements, and influencers, but also driven by mood, emotional state, and mental condition. All these factors contribute to a holistic model of consumer behavior that encapsulates cognitive, knowledge-based, and emotional aspects in consumer decision-making (Sunyoto & Saksono, 2022).

Consumer decisions to purchase a product or service involve three components: input, process, and output (Nadya Nur Arifa & Aguilika, 2023). Input consists of external information about a product or service that influences the consumer's perceptions, values, attitudes, and actions. This input is part of the marketing mix. The process refers to the consumer's decision-making method. The consumer decision-making process involves three stages: recognition, pre-purchase research, and evaluation of alternatives. Need recognition pertains to the consumer's problem and what product can address it. Research involves the consumer seeking information about the product or service, such as models, prices, quality, and the process of obtaining it. Evaluation of alternatives involves considering several products that could solve the consumer's problem, using various criteria to determine which product to purchase (Wardhana et al., 2023).

Output is the decision-making model post-purchase of a product or service. This output consists of two interrelated aspects: post-purchase evaluation and purchasing behavior. Post-purchase evaluation refers to the consumer's level of satisfaction after buying and using the product. This evaluation impacts subsequent purchasing behavior, which can be categorized into three types: trial purchases, repeat purchases, and long-term commitment purchases. The desired outcome is for consumers to make repeat purchases and long-term commitments (Milner & Rosenstreich, 2013).

Hypothesis development (if exist), If the paper has a theoretical framework and have a hypothesis, it should explain in this chapter how the framework and hypothesis is developed which strengthen with the previous research.

Decision to Use

Decision to Use is a systematic process of carefully selecting the optimal alternative among various options with the intention of utilizing it as a problem-solving strategy. The decision-making process is based on considerations of recognizing needs, seeking information, evaluating alternatives, making decisions, and post-decision evaluation (Setiadi, 2008). The indicators in decision-making are recognizing needs, seeking information, evaluating alternatives, making decisions, and post-decision evaluation.

The recognition to fulfill these needs arises because of internal discrepancies or external influences. Subsequently, the level of effort involved in information search can vary depending on the perceived risk by customers regarding the product or service they intend to utilize (Suryani, 2017). After a thorough evaluation of the available options, customers proceed to decide. Following the purchase action, customers must undertake an assessment process regarding their determination and actions in utilizing banking services. If customers evaluate the performance of the banking products or services obtained as matching or exceeding their expectations, satisfaction will occur, and vice versa (Suryani, 2017).

Previous research on usage decision making has been carried out. As done by Devi Satna et al. This research aims to determine the influence of emotional and rational factors on customers'

decisions to save at PT. Bank SUMUT Syariah. The research results show that the Emotional Factor and Rational Factor variable has a significant positive effect partially on customer decisions (Habibie & Murtani, 2023).

The Relationship between Emotional Factor and Decision to Use

Emotional factors are closely related to feelings and sensations. It plays a crucial role in the decision-making process (Setiadi, 2008). These motives originate from internal drives within an individual, guiding them toward specific actions, such as purchasing a product. It is essential to recognize that these motives are subjective and often influenced by personal emotions, pride, status, self-esteem, and other related factors. The indicators associated with emotional factors include the following: Religiosity, attributes/brands and social environment.

Religiosity isn't confined to formal rituals or acts of worship alone. It reaches beyond the visible and tangible, delving into the realm of spiritual experiences and supernatural connections. It is not just about attending services; it resides within the depths of the human heart (Fauzi & Murniawaty, 2020). Furthermore, religiosity is not only seen from activities that are visible outwardly, but also activities that are not visible in the human heart. Then, this attribute consists of brand identity, packaging, warranty agreements, terms of service, and other related aspects. And the social environment is a determining factor in behavioral changes that occur in each individual or group (M. Thamrin & Suwandi, 2022). The social environment includes family environment, peers, community environment and social environment.

Previous research was conducted by NAI Ramadhani et al (Ramadhani et al., 2019) and Fadhilatul Hasanah (Hasanah, 2019). In NAI Ramadhani et al's research, religiosity had a significant positive effect on the interest in saving Banyuwangi students in Malang City, while the social environment had no significant effect on the interest in saving of students. Meanwhile, research conducted by Fadhilatul Hasanah concluded that religiosity influences the savings preferences of Palembang Muhammadiyah University students at Bank Syariah Indonesia. Then the research hypothesis proposed is as follows:

H₁: Emotional Factor has a positive significant effect on Decision to Use.

The Relationship between Rational Factor and Decision to Use

Rational choice is a theory that assumes an individual selects one of several alternative choices based on the postulate of rationality. This postulate is a normative statement that provides guidance to an individual on what they should do after receiving certain rationality criteria in a specific situation (Harrington, 2006).

In the rational choice theory developed by Coleman, it is explained that an individual's actions are goal-oriented, and these goals are determined by values and choices. The focus of this theory is on the actor of the action. The actor is assumed to be a human who selects goals and must take steps or actions to achieve those goals. The steps or choices taken by the actor are based on rational considerations grounded in their beliefs. Thus, choices, actions, and beliefs are interconnected, and an actor can be considered rational if the actions they take align with their held beliefs. To prove that an action is rational, there must be an explanation or reason that justifies it (Ritzer, 2004).

In the context of consumer behavior, rational choice theory is relevant because consumers purchase or use a product/service based on consumer utilitarianism, which is a notion that states consumer behavior is based on the idea of maximizing utility or benefit. This notion assumes that consumers make choices to maximize their overall satisfaction or well-being by considering cost and benefit (Scarpi, 2020). Some rational considerations for consumers in making decisions to use a product or service include utility, price, and process.

User satisfaction can be measured by the alignment of a product/service with the user's needs and expectations (Barlian et al., 2016). The higher the utility of a product/service, the more consumer interest in using it increases. Furthermore, the price can be in the form of the return provided or the administrative fees charged for using financial products/services. The higher the administrative fees imposed on a product/service, the lower the interest of individuals in using that

product/service (Noeraini & Sugiyono, 2016). Additionally, the easier the product is to access by consumers, the higher the interest in that product will be (Sa'adah & Sopingi, 2019).

Previous research was conducted by NM Khairiyah et al (Khairiyah et al., 2022), and Devi Satna et al (Habibie & Murtani, 2023). In research by NM Khairiyah et al, it was concluded that rational factors had a significant influence on students' interest in saving at Bank Syariah Indonesia. Meanwhile, in Devi Satna et al.'s research, rational factors had a significant influence on customer decisions at Bank Sumut Syariah Marelan Raya. Then the research hypothesis proposed is as follows:

H₂: Rational Factor has a positive effect on Usage Decision Making.

The Relationship between Emotional and Rational Factor to Decision to Use with Mediation Effect from Regulation

Regulation refers to the rules and policies established by the government or competent authority to regulate and control various aspects of the activities of society, industry or a particular sector (*Regulation*, 2023). In this research, the type of regulation used is the rules set by universities in the mechanism for paying educational fees. Several universities have made regulations that payment of education costs must use certain financial services, such as UKT (Single Tuition Fee) payments at IAIN Madura which can only be done through Bank Syariah Indonesia. This regulation requires students, whether voluntarily or not, to use payment services provided by sharia financial institutions. Regulations like this strengthen or weaken decisions to use Islamic banking products/services when influenced by rational or emotional factors.

Previous research was conducted by (Purwanto et al., 2024). Their study aimed to investigate how government regulations impact green marketing through consumer behavior in shrimp exporting companies located in East Java. The results indicated a significant influence of government regulations on consumer behavior within shrimp exporting companies, suggesting that regulations guiding consumers towards choosing environmentally friendly products can encourage companies to enhance their green marketing strategies. Then the research hypothesis proposed is as follows:

H₃: Regulations have significant strengthen effect from Emotional Factors on Decisions to Use.

H₄: Regulations have significant strengthen effect from Rational Factors on Decisions to Uses.

Research Methods

This research uses causal quantitative research with the analytical method is linear regression analysis with moderator variables. This analysis uses three types of variables (See Table 2), namely the dependent variable (Decision to Use), independent variables (Emotional and Rational) and variable moderator (Regulation).

The population in this research is active students of the Sharia Economics and Sharia Economic Law Study Program under the Directorate of Islamic Higher Education (DIKTIS) in Pamekasan Regency. Population data is categorized as finite data because the population data for each university is available on the Higher Education Database (PPDikti) on the web page: pddikti.kemdikbud.go.id.

Table 1. *List of DIKTIS Universities in Pamekasan Regency*

No	Name of College	Subdistrict	Status	Undergraduate Study Program	Population	Sample
1	Universitas Islam Negeri Madura	Tlanakan	Public	Sharia Economics	787	40
				Sharia Economic Law	707	35
2	Institut Agama Islam Al-Khairat	Palengaan	Private	Sharia Economics	153	10

3	Institut Agama Islam Miftahul Ulum	Palengaan	Private	Sharia Economic Law	317	16
4	Sekolah Tinggi Agama Islam Al-Mujtama'	Pegantenan	Private	Sharia Economic Law	30	5
5	Sekolah Tinggi Agama Islam Al-Falah	Kadur	Private	Sharia Economic Law	53	5
6	Sekolah Tinggi Ekonomi Islam Masyarakat Madani	Pakong	Private	Sharia Economics	168	10
7	Sekolah Tinggi Ilmu Syariah As-Salafiyah	Pakong	Private	Sharia Economic Law	139	10
Total					2.354	131

Source: (Ministry of Education and Culture Republic of Indonesia, n.d.)

The number of DIKTIS universities in Pamekasan Regency is seven campuses with a population of 2.354 students (see Table 1). The reason for choosing the undergraduate study program in Sharia Economics and Sharia Economic Law is because their learning curriculum contains knowledge about law and the application of sharia economics.

The sampling technique used is non-probability sampling with purposive sampling. The sample criteria taken in this research were active students at DIKTIS Higher Education in Pamekasan Regency. The number of samples used was 131 students.

Table 2. *Measurements*

Variables	Indicators	References
Emotional	Religiosity	(Fauzi & Murniawaty, 2020), (M. Thamrin & Suwandi, 2022), (Ramadhani et al., 2019), (Hasanah, 2019)
	Attribute/Brand	
	Social Environment	
Rational	Utility	(Harrington, 2006), (Ritzer, 2004), (Scarpi, 2020), (Barlian et al., 2016), (Noeraini & Sugiyono, 2016), (Sa'adah & Sopingi, 2019), (Khairiyah et al., 2022)
	Price	
	Process	
Decision to Use	Recognizing Needs	(Suryani, 2017), (Setiadi, 2008), (Habibie & Murtani, 2023)
	Seeking Information	
	Evaluating Alternatives	
	Making Decisions	
	Post-Decision Evaluation	

The type of data used is primary data. The research instrument used was a closed questionnaire using a Likert scale with 1 (Strongly Disagree) to 5 (Strongly Agree) for variable dependent (Y) and independent (X_1 dan X_2). The moderator variable (Z) is a variable with a dichotomous value of 0 and 1. Value 0 indicates that the campus never requires students to use the Islamic Financial Institution (LKS) payment service. The universities into this category are Institut Agama Islam Al-Khairat, Sekolah Tinggi Ekonomi Islam Masyarakat Madani and Sekolah Tinggi Ilmu Syariah As-Salafiyah. Meanwhile, value 1 indicates that the campus requires students to use the LKS payment service. The universities into this category are Institut Agama Islam Negeri Madura, Institut Agama Islam Miftahul Ulum, Sekolah Tinggi Agama Islam Al-Mujtama', and Sekolah Tinggi Agama Islam Al-Falah.

Data analysis used was data quality testing, description of respondent profiles and linear regression with moderator variables. Linear regression analysis with a moderator variable is used to analyze whether the moderator variable strengthens or weakens the relationship between other independent variables and the dependent variable. The moderator variable is multiplied by each independent variable to analyze the moderator effect (Mubarak, 2021). So, the linear regression equation model with moderator variables from this research is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 Z + \beta_4 X_1 * Z + \beta_5 X_2 * Z + e$$

with Y = Usage Decision
 X_1 = Emotional
 X_2 = Rational
Z = Regulation
 α = Constant
e = Error
 β = Regression Coefficient

In multiple linear regression analysis, there is T test and F test to evaluate whether the regression coefficients representing the variables X_1 , X_2 , Z, $X_1 * Z$ and $X_2 * Z$ (Mubarak, 2021).

Results and Discussion

Result

Results of classical assumptions are presented as follows: (1) The normality test of the residual data shows that it has normal distribution because Asymp. Sig. (2-Tailed) more than 0,05; (2) Durbin-Watson (DW) is 1,971, dL is 1,663, and dU is 1,760, so there is no autocorrelation positive or negative; (3) The results of the Glejser test show that the Sig. of each independent variable is more than 0.05 so it can be concluded that homoscedasticity occurs (See Table 2). (3) The VIF value is less than 10, so the regression model is free from multicollinearity (see Table 3). Overall, the regression model is good and the ideal can be fulfilled.

Table 3. *Homoscedasticity and Multicollinearity Test Results*

Variable	Sig.	VIF
X_1	0,785	2,001
X_2	0,720	2,187

Following the fulfillment of classical assumption tests, an F-test is conducted to determine whether at least one independent variable has a significant impact on the dependent variable. The results of the F-test yield a significant value of 0.000, which is less than the threshold of 0.05. This

indicates that at least one independent variable significantly influences the decision to use. Therefore, the analysis proceeds with the T-test. R-Square from the moderator regression analysis is 70.1%, indicating that the model is quite robust.

Table 4. *Moderate Regression Results*

Predictor	Coefficient	SE Coefficient	T	Sig.
Constant	5,620	2,185	2,572	0,011
X ₁	0,384	0,093	4,122	0,000
X ₂	0,751	0,097	7,761	0,000
Z	0,090	0,949	0,095	0,924
X ₁ *Z	-0,180	0,217	-0,830	0,408
X ₂ *Z	0,057	0,020	2,824	0,006

If the Sig. value is less than 0.05 in the T-test, it is concluded that the predictor has a significant effect on the dependent variable. Table 4 demonstrates that predictor X₁ has Sig. = 0.000 with coefficient = 0.384. Therefore, Hypothesis 1 is accepted, concluding that the Emotional Factor has a positive effect on Usage Decision Making. Similarly, predictor X₂ has Sig. = 0.000 with coefficient = 0.751. Thus, Hypothesis 2 is accepted, indicating that the Rational Factor has a positive effect on Usage Decision Making.

However, predictor X₁*Z is not having a significant effect on Usage Decision Making (Y), as its Sig. value is 0.408, which is greater than 0.05. This suggests that Hypothesis 3 is rejected, implying that Regulations do not strengthen the effect of Emotional Factors on Usage Decisions.

In contrast, Hypothesis 4 is accepted because X₂*Z has a Sig. value of 0.006, which is less than 0.05, with a coefficient of 0.057. Therefore, it is concluded that Regulations strengthen the effect of Rational Factors on Usage Decisions. Regulations (Z) thus act as a quasi-moderator variable between Rational Factors (X₂) and Usage Decisions (Y), given that predictor Z itself is not significant (Sig. = 0.924).

From Table 4, a linear regression model with the moderator variable can be formulated from Eq. (1) as follows:

$$Y = 5,620 + 0,384 X_1 + 0,751 X_2 + 0,057 X_2 * Z + e \quad (2)$$

The interpretation Eq. (2) is If Z = 0, it means that the university does not require students to use the LKS payment service, thus the regression model becomes:

$$Y = 5,620 + 0,384 X_1 + 0,751 X_2 + e \quad (3)$$

And if Z = 1, it means that the university requires students to use the LKS payment service, thus the regression model becomes:

$$Y = 5,620 + 0,384 X_1 + 0,751 X_2 + 0,057 X_2 + e$$

$$Y = 5,620 + 0,384 X_1 + 0,808 X_2 + e \quad (4)$$

Therefore, the implementation of the regulation strengthens the effect Rational Factors to Usage Decisions by 0.057, thereby increasing it to a total of 0.808.

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Discussion

This research aims to determine whether rational and emotional factors influence students' decisions to use payment services provided by Islamic financial institutions. The results of linear regression analysis indicate that both rational and emotional factors positively impact students' decisions to use these payment services.

Consumer behavior theory posits that consumers generally behave rationally, considering rational aspects in their actions and behavior. Consumers tend to think logically before deciding to use a product. Experts believe that the primary goal of consumers in using a product is to maximize the satisfaction they will gain (Bahoo et al., 2023). Therefore, they always consider the aspects of cost and benefits, aiming to minimize costs while maximizing benefits. Costs include everything consumers must sacrifice, such as energy, time, effort, and thought. Benefits extend beyond the core utility of a product/service and encompass aspects of convenience, speed, accuracy, and satisfaction (Rehman et al., 2019).

The findings of this research show that students' behavior in deciding to use payment services provided by Islamic financial institutions is influenced by rational aspects, which include: 1) utility or the inherent usefulness of the product, in this case, the payment services provided by Islamic financial institutions, 2) price, i.e., the cost incurred by students when using these payment services, and 3) process, referring to the procedures, mechanisms, and series of activities students must go through when using the payment services (Junaidi & Miralam, 2020).

These findings align with research conducted by (Habibie & Murtani, 2023), which demonstrated that rational factors influence customers' decisions to save at Bank Syariah Sumatera Utara, Marelán Raya Branch. Similarly, (Hasanah, 2019) concluded that product and service quality aspects are rational considerations influencing students' preferences for saving at Islamic banks at Muhammadiyah University Palembang. Additionally, (Ilfita & Canggih, 2021) affirmed that the profit-sharing rate significantly influences students' interest in saving at Islamic banks, with profit-sharing considered a part of rational or utility considerations.

However, further research indicates that consumers do not always behave rationally. It is possible for consumers to make impulsive purchases or use products/services driven by emotional stimuli such as family influence, peer environment, advertisements, influencers, emotional states, or beliefs (Scarpi, 2020). In some cases, emotional factors become dominant in determining behavior, including consumers' decisions to use or not use products/services due to loyalty and fidelity (Sarıkaya & Köksalan, 2021).

This research reveals that emotional considerations also influence students' decisions to use payment services provided by Islamic financial institutions. Emotional factors motivating students include: 1) religiosity, i.e., adherence to religious teachings, where students choose to use these payment services to comply with Islamic teachings, such as avoiding usury, 2) attributes or branding, where the "sharia" status of the payment products provided by Islamic financial institutions becomes a distinct motive for students, and 3) social influence, the social environment in which students live and interact, which plays a significant role in determining their decision to use these payment services (Santos et al., 2020). This social environment includes family, where students often come from devout Muslim families, and educational environments, where they are active students at Islamic higher education institutions managed by Islamic boarding schools.

These findings support those of (Habibie & Murtani, 2023) study, which emphasized that emotional factors also influence customers' decisions to save at Bank Syariah Sumatera Utara, Marelán Raya Branch. Consistent with this, (Padmaninggar, 2016) study concluded that religiosity positively impacts students' interest in saving at Islamic banks. (Anggraeni et al., 2022) research

further corroborates these findings, indicating that religiosity and social environment significantly influence students' interest in saving at Islamic banks.

Furthermore, both rational and emotional factors can be strengthened or weakened by campus regulations. The basic assumption is that campus regulations prohibiting students from using payment services (Rhys, 2010); (Cole, 2007) provided by Islamic financial institutions will weaken these factors, while regulations mandating their use will strengthen them. Given that the research subjects are students at Islamic higher education institutions, the regulations refer to campus rules requiring students to use products/services provided by Islamic financial institutions, such as tuition payments through these institutions.

Based on linear regression results with a moderator variable, it can be concluded that regulations can moderate the impact of rational factors on students' decisions to use payment services provided by Islamic financial institutions. This means that aspects of utility, price, and process become more influential in students' decisions when there are campus regulations mandating their use (Peter & Bill, 2011). However, these regulations do not moderate the relationship between emotional factors and students' decisions. This indicates that decisions influenced by emotional factors such as religiosity, attributes/branding, and social influence are unaffected by the presence of regulations, rendering the regulations irrelevant.

Some campuses sampled in this research enforce regulations requiring students to use payment services from Islamic financial institutions, as seen at the State Islamic Institute of Madura during tuition payment periods. For students motivated primarily by emotional factors, these regulations have no significant impact on their decision to use the services (DesJardins & Toutkoushian, 2005). However, for students driven by rational factors such as utility in paying tuition, these regulations strengthen their rational motivations for using the payment services. This is logical, as rational factors have logical consequences, such as being unable to attend classes in the next semester, thus encouraging them to use the payment services for tuition payments.

Conclusion

Based on the results of the analysis and discussion, the conclusions drawn from this research are as follows: Emotional and Rational Factors influence the decisions of DIKTIS students in Pamekasan Regency to use payment services provided by Islamic financial institutions. Furthermore, Regulation as moderator significantly strengthens the relationship between Rational Factors and Usage Decision. However, Emotional Factors do not have their relationship with Usage Decision strengthened by Regulation.

For future research, it is recommended that analysis be conducted using the Structural Equation Modelling (SEM) method, as this approach provides a more comprehensive analysis compared to regression analysis. Additionally, it is suggested to include other variables to obtain a more optimal regression model, such as lifestyle, perception, belief, promotion, etc.

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