

ABSTRACT

The advancement of financial technology has facilitated easier access to digital investment products, including Islamic mutual funds. Generation Z, as digital natives, tend to utilize online investment applications such as Bibit. However, their level of participation in Islamic mutual funds is influenced by several factors. This study aims to analyze the influence of promotion, Islamic financial literacy, and risk on Generation Z's decision to invest in Islamic mutual funds (a study on the Bibit application).

This research employs a quantitative approach using primary data collected from 172 Generation Z respondents through questionnaires. The data were analyzed using Structural Equation Modelling-Partial Least Squares (SEM-PLS) with SmartPLS 3.2.9. The findings reveal that promotion, Islamic financial literacy, and risk have a positive and significant effect on Generation Z's investment interest in Islamic mutual funds via Bibit. Among these variables, Islamic financial literacy exerts the most dominant influence, followed by risk and promotion.

These results highlight the importance of enhancing Islamic financial literacy among young generations, optimizing targeted promotional strategies, and ensuring transparent risk management to strengthen investor trust. This study provides practical implications for the development of digital Islamic financial services and offers academic contributions for future research on youth investment behavior.

Keywords: Promotion, Islamic Financial Literacy, Risk, Interest, Generation Z, Islamic Mutual Funds, Bibit Application

