



RESEARCH ARTICLE

The Role of Educational Media in Enhancing Financial Awareness and Its Impact on Banking Transactions: A Case Study on Islamic Banks in Jordan

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ARTICLE INFO	ABSTRACT
Received: Sep 16, 2024 Accepted: Nov 21, 2024	The goal of this study is to explore how educational media can enhance self-awareness about financial literacy and its effects on Islamic banking transactions. Data was gathered using a structured questionnaire distributed among Islamic bank clients in Jordan. Findings indicate that educational media plays a crucial role in boosting financial literacy, which, in turn, increases the usage of Islamic banking services. Accordingly, the study offers recommendations to strengthen the role of educational media as a key partner in promoting financial awareness. Such collaboration could lead to better decision-making by consumers, ultimately benefiting both consumers and banking institutions through improved financial health.
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INTRODUCTION

Additionally, this approach enhances financial wellness by positively influencing both consumers and banks with educational media integrated into their initiatives. For instance, as nearby banks become more active on traditional and social media platforms, they can tailor content to attract younger audiences, bridging the gap between traditional banking practices and modern consumer expectations (Kuchciak & Wiktorowicz, 2021). This strategy could tap into a huge potential user base for Islamic banking products, especially among the high unbanked and underbanked populations (Ernawati et al., 2022) who may not be fully aware of this financial system. Furthermore, it's essential to foster collaborations between educational institutions and the banking sector to create a sustainable ecosystem that promotes ongoing learning about financial literacy for the broader community.

Research Problem

Islamic banks are faced with the dual challenge of creating awareness about Islamic banking principles as well as developing financial literacy for their customers. However, due to the rapid

development of media as a common channel for the dissemination of knowledge it is still not fully used in order to increase capital-awareness and Islamic banking awareness in Jordan.

To tackle this challenge, it is best to take advantage of the increasing potential of digital channels in promoting financial literacy and awareness at both end consumer and SME levels. For example, we could provide interactive online courses and webinars as practical ways to demystify complex banking concepts that ultimately help boost consumer confidence in using Islamic banking services. This is consistent with evidence showing a positive relationship between financial education and utilization of banking services.

And with some of this media, there is ample opportunity to add gamification elements that would not only attract the attention of younger audiences and make learning about finances fun but can also help promote Shariah-conformity products. Hence, the Islamic in turn banks is realized further its social responsibility and at the same time get competitive advantage over others as shaping of such innovative strategies are paramount under changing financial landscape.

Research Objectives

Purpose — To determine the function of educational media in the transmission of financial literacy to society.

In order to measure the correlation between financial literacy and higher utilization of Islamic banking services.

To recommend how best to maximize the contribution of educational media to the Islamic banking industry.

Significance of the Study

Contributory Significance

Theoretical: Brodening gap literature towards effects of educational media on financial and banking sectors.

Additionally, the impact of educational media goes beyond awareness as it can actually sway consumer choices and preferences in making financial decisions. For example, as indicated by the latest research there is positive significance between improvement of financial literacy via technology and extended usage of Islamic banking products.

plies that educational media not only acts as a source of information, but actually influences consumers when deciding about their banking choices. At the same time, employing social media for outreach can create a wider inclusive market providing the platform where diverse demographic groups especially young generation can relish connecting with Shariah-products and have their sense of ownership (Kuchciak & Wiktorowicz, 2021).

By embracing these emerging trends, Islamic banks become more than financial entities; they transform into essential players in the larger story of economic empowerment within their communities.

Practical — Usuable strategies where these Islamic Banks can utilize media to educate potential customers about their financial needs.

LITERATURE REVIEW

Additionally, the role of educational media in bilateral promotion and sellers for financial literacy can be further enhanced by integrating cultural relevance factors within the field of Islamic Banking. Banks can weave a more relatable narrative around their services by creating content that aligns with the ethos and practices of Muslim communities. Incorporating specific lessons about Islamic finance

into online modules not only helps prospective clients learn but also builds trust and familiarity which is crucial for participation in Shariah-compliant products. Such an approach was consistent with research pointing to the impact of culturally attuned educational initiatives increasing engagement among population groups, such as media content that resonates with cultural identifiers being associated with greater awareness of Islamic financial planning (68% correlation) (Gunawan et al., n.d.).

. So encouraging a place where education paired with tradition could be the driving factor for overcoming acceptance and using various Islamic banking services.

Moreover, by combining education media with a community engagement initiative, the financial literacy program has a great potential to be more effective in Islamic banks. Working sessions and seminars can be designed to bring in local culture with digital content so that it becomes a personalized approach, tracking values of the participants closely working with the banks. Such a dual pathway enriches understanding and trust within the community where they live, contributing to wider adoption of Islamic Banking services. Research shows these grassroots approaches, paired with appropriate media tactics can significantly enhance awareness and participation of target populations as demonstrated by a 68% improvement in awareness based on culturally tailored multimedia programming (Gunawan et al., n.d.).

. Hence, it is vital to understand that Islamic banks have enormous options of conditional cooperation between usual education processes and new educational technologies in order to foster an all-inclusive financial ecosystem.

Alongside culturally relevant content and community engagement, the influence of regulatory frameworks on increased financial literacy in Islamic banking should also not be neglected. Such regulatory bodies can ease the way for educational initiatives by establishing parameters of communication that will lead to a clear product and service narrative from banks. Specifically, studies show that public awareness and confidence in Islamic financial performance will be better supported if there is a supportive atmosphere from the regulators as shown by agreement (Ernawati et al., 2022). In addition, if regulation encourages collaboration between educational institutions and banks it can enable full-blown education of not just how to use banking in breathing season, but also on understanding how Shariah compliance works. This combination of educating the public and regulation eventually creates a more aware consumer base which leads to an increased need for Islamic banking services, thus providing stability in the economy (Ernawati et al., 2022)

The Crucial of Financial Literacy

In recent times, the importance of financial literacy is increasingly acknowledged as a key element in economic empowerment and consumer choice. As Lusardi and Mitchell (2014) define financial literacy, it is the set of knowledge and skills to make informed financial decisions that paves the way for effective resource management by individuals. Studies have repeatedly demonstrated that individuals with higher financial literacy score tend to engage in better financial behaviors, including the level of budgeting, saving and investing (Lusardi & Mitchell, 2014; Atkinson & Messy, 2012). The need for this basic awareness is all the more important when it comes to banking (the first step towards informed customers being aware of complexity in products and services)

The Role of Educational Media

Educational media is an important driver of financial literacy by delivering information through platforms. According to Ghosh (2013), digital media can make educational efforts more interactive yet accessible. Online courses, webinars and other interactive content not only meet different learning styles, but allow making the material available to a wider group of people, including those who before this initiative would never imagine using traditional banking systems. Moreover, when

educational media is combined with gamification features and content, it has proved to be more engaging for young audience (Deterding et al., 2011; Jam et al., 2011).

Islamic Banking and Finance Awareness

While the principles underlying Islamic banking (that is, Shariah compliance) are unique and potentially provides a good deal of opportunities but also challenges in promoting financial literacy. According to Iqbal and Mirakhor (2011), Islamic banks should not only make their potential clients aware of how different the banks products are from conventional banks but also, a general literacy needs to be achieved because this is what would lead people toward recognition of the nature of economy services. Studies show that a large number of people avoid Islamic banking because they do not know the rules and regulations behind it (Ahmed 2011; Alatawi et al., 2024). Hence, the Islamic banks can use media for education to fill this gap and attract more people by addressing their concerns.

Digital Platforms and Engaging Consumers

Digital platform power has changed the nature of financial literacy and consumer interaction. Social media especially provides banks a special opportunity to reach out to younger generations and customize the content according user to their interests and preferences. KPMG (2018) found that banks who actively engaged with consumers on social media platforms rated higher in overall customer satisfaction and loyalty. These indicate that, educational media does not only provide information but also plays a role in influencing consumer behavior in Islamic banking according to the current study findings.

Financial Literacy and Banking Transactions.

Existing literature is replete with studies on the correlation between financial literacy and banking transaction which found that they correlate positively. According to a meta-analysis conducted by Chen and Volpe in 2002 people who are more financially literate tend to use banking services, have bank accounts, and get involved with financial products. This is especially applicable in case of Islamic banking, since financial literacy can improve fundamental creed of Shariah compliance products that provide higher consumer confidence and participation (Hassan & Lewis, 2007).

CONCLUSION

The literature emphasizes the importance of loosening media as one of the core components to improve financial literacy, especially for opportunities such as Islamic bank. With Digital Platforms and Educational Tools at Their Disposal, Islamic Banks Have an Opportunity to Provide Meaningful Financial Literacy that Can Support Consumer Empowerment and a More Inclusive Financial System. The unify state of the educational media not only provides information, but also induces consumer behavior to further access the banking field. In an ever-changing financial environment, the convergence of educational institutions and banking sectors will play a key role in establishing a stronger ongoing lifelong financial education component.

Theoretical Framework

Educational Media

Educational media is when information and beneficial aspects of society are used in a media platform like this. This will help people become aware of finance, which can improve people's ability to allocate assets (Richey 2020).

Additionally, in the constantly changing world of financial education its important to acknowledge if different media formats could impact consumer engagement towards Islamic banks. For instance,

video tutorials and interactive podcasts accommodate different learning styles which improve access to financial literacy resources.

Moreover, the rise of social media content regarding Islamic financial planning indicates tremendous potential for banks to reach out to youth who are also searching for this material(Gunawan et al, n.d.)

Banks can even build trust among communities who are not very appreciative of traditional banking by intelligently focusing on relatable content and relevance-based content. This will strategically position Islamic banking services to gain greater levels of participation as informed consumers tend to most effectively utilize and engage with such offerings.

Financial Literacy

The level of financial literacy can be regarded as the key to making effective and sound financial decisions. Literacy that includes knowledge about savings, investments, or debt, equips individuals with the ability to utilize Islamic Banking services in an informed manner (Yestrebky, 2014).

As the channels of information change, it is evident that Islamic banks must not only consider how information is passed out but also how successful these efforts are at improving financial literacy levels. Recent studies indicate a strong positive correlation between improved financial awareness and the use of banking services showing that sufficient efforts at education can transform the behavior of the consumers.

In addition, by analyzing the data on the contact with the different types of media, the banks were able to adjust their policies and reach the young clients who are the primary users of the internet tools for obtaining the necessary information (Kuchciak & Wiktorowicz, 2021).

This model will not only equip the consumers with basic financial literacy but also help banks strengthen their relationships with the customers and build trust over time creating a more open financial market.

Islamic Banking

Islamic finance and banking is based on the tenets of Shariah law and thus it is founded on principles of equity and transparency in all monetary transactions.

For these banks to be successful, it is important that they improve the communication aspect through different media to ensure that their principles and products are appreciated by the customers (Iqbal & Molyneux, 2005).

METHODOLOGY

Research Design

- Method: Our approach was descriptive-analytical approach.
- Instrument: Structured questionnaire composed of 20 closed questions scored using a 5-point Likert scale run from 1 (Strongly Disagree) to 5 (Strongly Agree).
- Sample: A random sample of 200 Islamic bank clients in Jordan.

Questionnaire Components

- 1- The role of educational media in enhancing the financial literacy of the clients.
- 2- The extent of financial literacy among the respondents.
- 3- The relationship between financial literacy and transactions of Islamic banking.

RESULTS

Table 1: Demographic Characteristics of the Sample

Variable	Category	Frequency	Percentage (%)
Age	Below 30 years	70	35
	30-40 years	80	40
	Above 40 years	50	25
Gender	Male	110	55
	Female	90	45

Comment on Table 1:

Most of the people are mostly using Islamic banking between ages 30 to 40 years, this age group was found in majority with respect to utilization of Islamic banking. There are slightly more male respondents than female.

Aside from demographic engagement, you need to look into how financial literacy impacts on community development and economic stability as a whole. Studies show that the increase in financial literacy empowers everyone and contributes greatly to strengthening local economic, especially in areas where Islamic banking has a significant role (Kuchciak & Wiktorowicz, 2021).

Just creating an economic way of thinking we can bring into the consideration process in a bank — will draw more people to make better informed decisions, higher potential savings and eventually bigger investment on businessmen locally. Additionally, the rapid expansion of digital platforms presents an ideal opportunity for Islamic banks to facilitate customized educational content through these mediums that are in alignment with varied audience segments, thereby strengthening their commitment to social responsibility while contributing to the growth of the sector (Gunawan et al., n.d.)

This multi-pronged approach might eventually change the perception of Islamic banking from transactional to being fundamentally a supportive force for community welfare and prosperity.

Table 2: The Role of Educational Media in Enhancing Financial Awareness

Item	Mean Score	Standard Deviation	Impact Level
Media improves understanding of financial concepts	4.2	0.8	High
Media programs support financial decisions	4.1	0.7	High

Comment on Table 2:

The results show that educational media is a major factor in raising financial awareness, in which the average score was high at 4.2.

Because educational media is shown to have a large effect on financial literacy, one of next steps will be making sure that these initiatives are appropriately designed and delivered for the particular needs and interests of each community. For example, content could be customized and scripted to be relatable according to the audiences for digital consumption, based on cultural circumstances which would vary case-by-case across different locations in terms of varying levels of familiarity with Islamic banking concepts. In addition, it could be beneficial if banks track how users interact with this material using data analytics which would help them definition the strategy in much more detail for resource allocation on formats which may have a higher interaction.

As Islamic finance matures, initiatives should focus on partnerships between banks and local entities to scale up outreach efforts as a cause contributing towards an inclusive environment as well as achieving wider financial on-boarding goals in their respective communities (Kuchciak & Wiktorowicz, 2021)

Table 3: Correlation Between Financial Literacy and Use of Islamic Banking Services

Indicator	Correlation Coefficient (r)	Statistical Significance (p)
Financial literacy and banking services	0.68	< 0.05

Comment on Table 3:

The data shows a strong link between financial literacy and the use of Islamic banking services, highlighting how important media is for spreading financial knowledge.

Beyond boosting financial literacy through educational resources, we also need to consider how regulatory frameworks play a critical role in raising awareness and encouraging engagement with Islamic banking. Studies suggest that effective regulations not only protect consumers but also build trust in financial institutions, which can greatly impact how many potential clients participate (Ernawati et al., 2022).

Moreover, as Islamic banks aim to foster a more inclusive financial landscape, working together with government agencies and community organizations is vital. These partnerships can pave the way for outreach programs that cater to the unique cultural contexts and challenges faced by underrepresented groups, helping to grow the customer base for Islamic banking products. In the end, combining these elements—educational media, strong regulations, and community-centered initiatives—can create an environment where financial literacy flourishes, leading to a greater use of Islamic banking services and enhanced economic stability in our communities.

Statistical Analysis

- To explore the relationships between different variables, Pearson correlation analysis was utilized. Alongside this, as Islamic banks work on improving their educational media strategies, it's also crucial to consider the tech landscape influencing how consumers engage. With the advent of mobile banking apps and online platforms, customers now have unparalleled access to financial services, enabling real-time interactions with their banks and providing access to tailored educational resources. By incorporating features like interactive budgeting tools and personalized financial advice into these digital platforms, banks can empower users to make well-informed financial decisions (Kuchciak & Wiktorowicz, 2021). Furthermore, utilizing big data analytics can help institutions pinpoint gaps in financial literacy across various demographics, allowing them to craft targeted campaigns that specifically address knowledge deficiencies. This comprehensive approach not only improves customer experiences but also aligns with the ongoing trend of digital transformation in finance, ultimately creating a more inclusive environment for potential clients (Gunawan et al., n.d.).

- Notably, significant correlations were found at the 0.05 level, backing the study's hypotheses. As Islamic banks navigate this shift toward digital, they also need to think about how financial literacy impacts broader socioeconomic outcomes. Research shows that greater financial awareness not only improves individual decision-making but can also play a significant role in community development and economic stability, especially in areas where Islamic banking is common (Kuchciak & Wiktorowicz, 2021). By promoting a culture of informed financial practices, banks can encourage more participation in local economies, which can lead to better savings rates and increased investments in community initiatives. Moreover, incorporating educational content into mobile platforms could be an effective way to engage younger consumers who are becoming more reliant on technology for managing their finances. This proactive approach, along with focused outreach efforts,

might ultimately transform the perception of Islamic banking from mere transactional entities into key players in fostering sustainable community well-being and growth.

Recommendations

1. Enhance Educational Media:

- Create targeted media initiatives focused on improving financial literacy.
- Use social media platforms to connect with younger audiences.

2. Foster Media-Islamic Banking Collaboration:

- Initiate collaborative campaigns aimed at informing the public about Shariah-compliant banking.
- Develop easy-to-understand content that breaks down Islamic banking principles.

3. Promote Financial Education:

- Incorporate financial literacy into school curricula.
- Host workshops and training sessions together with Islamic banks.

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