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Submission date: 19-Mar-2025 05:51AM (UTC+0700)

Submission ID: 2618560746

File name: 22990-66021-1-SM.docx (247.45K)

Word count: 7934

Character count: 46883

GENERATION Z'S BEHAVIORAL INTENTION IN ADOPTING ISLAMIC FINTECH: THE MEDIATING ROLE OF PERCEIVED USEFULNESS

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ABSTRACT - This study aims to examine the mediating role of perceived usefulness on behavioral intention. The research sample consists of 155 respondents from Generation Z in Java Island who use Islamic fintech. Sampling technique used purposive sampling, and data analysis technique employed Structural Equation Modeling with assistance of AMOS 25.0. The results indicate that perceived usefulness successfully mediates the influence of subjective norms and perceived ease of use on behavioral intention. The managerial implications of this research are that fintech managers gain deeper and more relevant insights into the importance of the perceived usefulness role. This will enable the development of more targeted services in line with market needs, particularly regarding the use of Sharia financial technology to attract customers from Generation Z. Islamic fintech companies can pay more attention to providing services that not only emphasize the usefulness of technology in the Sharia context but also ensure that the technology is user-friendly for potential users, thereby increasing technology adoption.

Keywords: Subyektif Norm, Perceived Usefulness, Perceived Ease of Use, Behavioral Intention.

ABSTRAK – Behavioral Intention Generasi Z Dalam Mengadopsi Fintech Syariah: Peran Mediasi Perceived Usefulness. Penelitian ini bertujuan untuk menguji peran mediasi *perceive usefulness* pada behavioral intention. Sampel penelitian adalah Generasi Z di Pulau Jawa yang menggunakan fintech syariah yang berjumlah 155 responden. Teknik pengambilan sampel menggunakan purposive sampling, teknik analisis data menggunakan Structural Equation Modeling dengan bantuan AMOS 25.0. Hasil penelitian menunjukkan bahwa *perceived usefulness* berhasil memediasi pengaruh *subjective norms* dan *perceived ease of use* terhadap *behavioral intention*. Implikasi manajerial pada penelitian ini adalah manajer fintech memperoleh wawasan yang lebih mendalam dan relevan akan pentingnya peran *perceive usefulness*. Hal ini akan memungkinkan pengembangan layanan yang lebih terarah dan sesuai dengan kebutuhan pasar, khususnya dalam hal penggunaan teknologi keuangan syariah oleh untuk mendapatkan pelanggan dari generasi Z. Perusahaan fintech syariah dapat lebih memperhatikan penyediaan layanan yang tidak hanya menekankan kegunaan teknologi dalam konteks syariah, tetapi juga memastikan bahwa teknologi tersebut mudah digunakan oleh pengguna potensial, yang pada gilirannya akan meningkatkan adopsi teknologi tersebut.

Kata Kunci: Subyektif Norm, Perceived Usefulness, Perceived Ease of Use, Behavioral Intention.



INTRODUCTION

The changing business landscape has impacted every field, affecting the development of economic transactions (Stafford and Kuiper 2021). Islamic Fintech combines IT innovation with existing financial products and services and technology to accelerate and facilitate business operations, transactions, investments, and money distribution in accordance with Sharia principles (Aziz, Lestari, and Furwanti 2020). Current technology facilitates economic transactions, enabling them to be conducted anytime, anywhere, and with just a touch of a finger using Fintech applications (Yang and Wang 2022). The financing of Sharia-compliant fintech in Indonesia is expected to increase from year to year (Nadya and Iqbal 2021). Indeed, the distribution networks of Islamic banks (BSI) and Shariah Rural Banks (BPR Syariah) for Shariah fintech could potentially reach more than Rp 2 trillion. Additionally, the growth of regional banks converting to Shariah is a key factor in the development of the Shariah fintech industry (Tobing and Adrian 2020). Investree Syariah has implemented various tactics, such as attracting institutional investors, to boost performance this year. Shariah fintech, as part of fintech adhering to Islamic Sharia principles, is also becoming increasingly popular among Generation Z who seek financial services alternatives that align with their beliefs (Singh and Sharma 2022).

The adoption of Sharia financial technology by Generation Z currently involves several influencing factors, including subjective norms, perceived ease of use, perceived usefulness, and behavioral intention (Baber and Billah 2022); (Nur 2022); dan (Almajali, Masa'Deh, and Dahalin 2022). Studying and understanding the influence of these variables is crucial to support the growth and acceptance of Sharia financial technology by Generation Z, while also opening opportunities to address potential barriers and challenges that may arise in the adoption and use of Sharia fintech (Usman, Mulia, et al. 2022).

Behavioral intention is the primary predictor in the Theory of Planned Behavior, which is used to understand human behavior in making decisions about a particular action or behavior (Khan et al. 2022). The expectations and hopes of Generation Z regarding Sharia fintech are critical factors in shaping subjective norms and behavioral intentions. Some barriers and challenges in the adoption of Sharia fintech by Generation Z include a lack of understanding of Sharia principles, concerns about security and data privacy,



as well as a lack of awareness of the benefits and ease of use of Sharia financial technology (Haseeb, 2018). Identifying these barriers can assist Sharia fintech service providers in designing more effective solutions and campaigns to strengthen behavioral intentions and increase the adoption of Sharia fintech by Generation Z.

The adoption of Sharia fintech by Generation Z not only benefits individual users but also has the potential to contribute positively to the development of inclusive and sustainable economies (Zuhroh 2021). By understanding the factors influencing the adoption and usage of Sharia fintech, service providers and stakeholders can design appropriate strategies to strengthen behavioral intentions and optimize the benefits of Sharia fintech for Generation Z and society as a whole. The research gap in this study lies in the lack of research on Sharia fintech. Despite fintech being a common topic in consumer behavior and financial technology adoption research, studies specifically focusing on Sharia fintech are limited. This research delves deeper into the use of Sharia fintech among Generation Z, whereas previous studies mainly focused on conventional fintech and were conducted on Millennials. Differences in the characteristics of Sharia fintech users, such as different religious values and ethical orientations, can influence the factors affecting behavioral intention, which is the focus of this study. Previous research on Sharia fintech tended to focus more on technological factors and economic benefits, with limited exploration of the influence of social norms or subjective norms. Identifying how social norms within specific religious communities influence behavioral intention in using Sharia fintech can provide valuable insights.

The novelty of this research lies in highlighting the role of perceived usefulness as a mediator in the context of Sharia fintech. Previous studies have not comprehensively examined the role of perceived usefulness or the perception of technology usefulness as a mediator in the relationship between subjective norms and behavioral intention. This research will fill this gap by explaining how social norms influence behavioral intention through perceptions of the usefulness of Sharia fintech. It will bring cultural and religious contexts into deeper consideration, providing a better understanding of how unique psychological and social factors in societies prioritizing Sharia



finance can influence behavioral intention in using Sharia fintech. The hope is that this research can contribute to the development of Sharia fintech by providing valuable insights for developers and providers of Sharia fintech services. By understanding the factors influencing behavioral intention, authorities can design policies that encourage broader and sustainable adoption of Sharia financial technology.

LITERATURE REVIEW

This research examines the Theory of Planned Behavior (TPB), which is a social psychology theory used to understand human behavior in making decisions about a particular action or behavior. The theory was developed by finance (Ajzen 1985), which is an extension of earlier attitude theories. TPB posits that individual behavior is influenced by their behavioral intentions, and these intentions are determined by three main factors: attitude. Attitude encompasses individuals' beliefs about the positive or negative consequences of a behavior.

¹⁹ The Influence of Subjective Norms and Perceived Ease of Use on Perceived Usefulness

Research conducted by (Abdullah et al. 2019) using a survey study of e-government users in Malaysia through a questionnaire. The results of this research found that subjective norms have a positive and significant influence on perceived usefulness. This means that individuals' perceptions of expectations and views of others regarding the use of e-government impact how useful the system is perceived by users. Research by (Wang et al. 2019) using survey methods and collecting data from social commerce users in China found that subjective norms have a positive and significant influence on perceived usefulness in the adoption of social commerce. Perceived ease of use influences perceived usefulness due to the psychological influence between the two concepts. Research by (Lu et al. 2022) states that perceived ease of use significantly influences perceived usefulness. When users feel that a product or service is easy to use, they will exert less cognitive effort in understanding how to operate it.

Perceived ease of use is often closely related to positive user experience. Users who feel happy and satisfied with their product usage experience tend to prefer and perceive the product as more useful (Londa, Worang, and Arie 2022). By enhancing the perception of ease of use, a product or service can



reduce barriers that may hinder users from trying or adopting the product. Perceived ease of use influences perceived usefulness (perceptions of usefulness) among Generation Z in using Sharia fintech due to the correlation between these two factors, which affect preferences, adoption, and usage of technology by Generation Z, who have specific characteristics (Putri et al. 2022).

Sharia fintech offers financial alternatives that align with the values and principles of Islamic Sharia. If Generation Z finds it easy to use Sharia fintech, they are more likely to feel that this service aligns with their values, thus enhancing their perception of its usefulness (Dawood et al. 2022). The views, support, and expectations of others in an individual's social environment can influence their perception of how useful a technology or information system is. This perception then contributes to the user's intention and behavior in adopting and using the technology. Perceived ease of use influences perceived usefulness among Generation Z because the ease of use of Sharia fintech increases the acceptance, adoption, and usage of this technology, which aligns with the specific characteristics of Generation Z.

H1a: Subjective norms significantly influence perceived usefulness.

H1b: Perceived ease of use significantly influences perceived usefulness.

The influence of subjective norms, perceived usefulness, and perceived ease of use on perceived behavioral intention

Subjective norms are a critical factor in the Theory of Planned Behavior (TPB), which has been widely used in the context of consumer behavior studies and technology acceptance. This concept refers to individuals' perceptions of the extent to which social norms, social pressure, or others' expectations influence behavioral intention, or individual behavior intentions (Wang and Tsai 2022). In the context of using Sharia fintech, subjective norms encompass individuals' views on whether their social environment, including family, friends, and the community, supports or opposes the use of Sharia financial technology. These norms can be positive or negative and play a role in shaping individuals' beliefs about whether the use of Sharia fintech is an expected behavior or considered as a favorable action (Baber and Billah 2022).



The perception of subjective norms is highly relevant for understanding behavioral intention in using Sharia fintech. If someone feels that their friends and family support the use of Sharia fintech, then the likelihood of their intention to use it will be higher (Majid and Nugraha 2022). In previous academic studies, subjective norms have been found to significantly influence behavioral intention in various contexts (Oladapo et al. 2022). Companies and service providers can develop more effective marketing and education strategies to encourage the adoption of this technology. Additionally, authorities and regulators can also use the results of this research to develop policies that support the wider and sustainable growth and development of Sharia fintech (Berakon, Aji, and Hafizi 2022).

Previous studies have found that subjective norms have a significant influence on behavioral intention in various contexts, including consumer behavior and technology adoption (Lavidas, Komis, and Achriani 2022). The findings of this research are significant as they demonstrate that social interactions and pressure from the social environment can influence an individual's intention to adopt or reject a behavior, including in the context of using Sharia fintech. The influence of subjective norms on behavioral intention in using Sharia fintech is also important to understand because it can provide insights into how social norms in societies prioritizing Sharia finance affect the adoption of this technology (Perwitasari 2022).

Perceived ease of use refers to the extent to which a user believes that using a technology or system will be easy. If someone perceives that using the technology is easy, they are likely to have a more positive attitude towards using that technology (Almajali, Masa'Deh, and Dahalin 2022). In this context, behavioral intention refers to an individual's intention to use Sharia fintech for financial transactions. Perceived ease of use is considered a factor influencing an individual's behavioral intention to use the technology (Lavidas, Komis, and Achriani 2022). In empirical research and practical applications, it has been found that perceived ease of use significantly influences behavioral intention to use technology. If users believe that the technology is easy to use, they are more likely to have a stronger intention to adopt and use the technology in their daily activities (Fatmawati et al. 2022).

H2a : Subjective norms significantly influence behavioral intentions.

H2b : Perceived usefulness significantly influences behavioral intentions.

H2c : Perceived ease of use significantly influences behavioral intentions.

The influence of subjective norms on behavioral intention is mediated by perceived usefulness

The influence of subjective norms on behavioral intention, mediated by perceived usefulness, is a model or concept that continues to be developed in the context of Sharia fintech adoption and acceptance. Perceived usefulness successfully mediates the influence of subjective norms on behavioral intention (Daragmeh, Lentner, and Sági 2021). Subjective norms do not directly influence behavioral intentions in using Sharia fintech (Sumiati, Widyastuti, and Takidah 2021). Perceived usefulness in using Sharia fintech is considered beneficial and can assist in fulfilling financial needs or achieving financial goals. This mediation process implies that subjective norms influence perceived usefulness, which then affects behavioral intentions. In other words, other people's views on the use of Sharia fintech influence individuals' perceptions of its benefits, which in turn shape their intention to use it.

Research exploring the influence of subjective norms on behavioral intention mediated by perceived usefulness in the context of Sharia fintech has several advantages and practical implications. This research can provide valuable information for authorities and regulators in developing educational campaigns and socialization about the benefits and security of using Sharia fintech. The findings of this research can also serve as input for authorities and regulators in designing policies that support the sustainable development of Sharia fintech. By understanding the factors influencing behavioral intention, authorities can design policies that encourage wider adoption of Sharia financial technology in society (Al-masaeed et al. 2021).

H3: Subjective norms significantly influence behavioral intention, mediated by perceived usefulness

The influence of perceived ease of use on behavioral intention is mediated by perceived usefulness

Perceived ease of use refers to individuals' perceptions of how easy it is to use a particular technology, such as Sharia fintech in this case. If individuals feel that the technology is easy to use, they tend to have a positive perception of its usability. Perceived ease of use successfully acts as a mediating variable



between perceived usefulness and behavioral intentions (Prastiawan, Aisjah, and Rofiaty 2021).

Mediation means that the perception of ease of use influences the perception of usefulness, which in turn affects an individual's intention to actually adopt and use the technology. Research on the influence of perceived ease of use on behavioral intention in the context of Sharia fintech has several important implications. By understanding the influence of perceived ease of use and perceived usefulness, Sharia fintech companies and service providers can optimize the design and user interface to enhance the user experience (Al-Gasawneh et al. 2022). The ease of use and clear benefits can enhance the acceptance of this technology by potential users. (Maryanto and Kaihatu 2021). A higher level of adoption and acceptance will drive the growth of this industry and spur innovation in the Islamic finance sector (Rabbani et al. 2021).

H4: The Perceived Ease of Use significantly influences Behavioral Intention, mediated by Perceived Usefulness

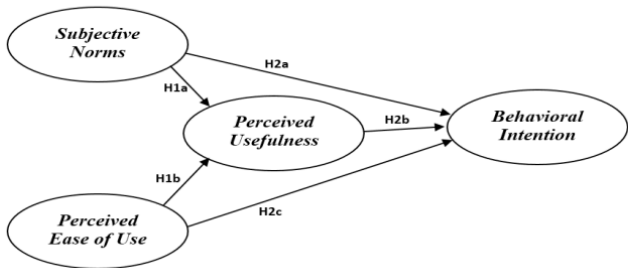


Figure 1. Research Framework
(Source: Daragmeh et al. 2021; Baber & Billah 2022; and Al-Gasawneh et al. 2022)

METHODOLOGY

The research population encompasses Generation Z individuals who utilize Shariah-compliant fintech in Java Island, Indonesia. This is chosen due to the island's dense population in Indonesia. Sampling from densely populated areas can provide a representative overview of Shariah-compliant fintech practices and the level of sustainability and challenges they face. The sampling method to be utilized in this research is purposive sampling.

Purposive sampling is one of the non-random sampling methods that allows researchers to deliberately select samples based on specific characteristics that align with the research objectives (Sekaran and Bougie 2016). In this study, hypothesis testing will be conducted using Structural Equation Modeling with the assistance of AMOS 25.0.

Operational Definition of Variables

Subjective norms refer to concrete measurements or steps utilized in research to gauge or observe individuals' perceptions of social norms or social pressures that encourage or discourage the use of Shariah-compliant fintech. The subjective norms variable in this study is measured using a questionnaire adopted from (Hill, Mann, and Wearing 1996). Perceived ease of use is a concept in consumer behavior and technology adoption studies that refers to individuals' perceptions of how easy and simple it is to use a technology or service. The perceived ease of use variable is measured using a questionnaire adopted from (Kim et al. 2010). Perceived usefulness comprises concrete measures utilized in research to gauge or observe individuals' perceptions of the extent to which a technology or service is considered useful or beneficial in meeting needs or achieving specific goals. Perceived usefulness is measured using a questionnaire adopted from (Davis 1989).

Behavioral intention represents an individual's inclination or intention to engage in a specific behavior or action in the future. Behavioral intention serves as a crucial indicator in predicting actual behavior or actions that individuals will take. Such behavior or actions may include purchasing a product, subscribing to a service, enrolling in a program, or using a particular technology. In this study, behavioral intention is measured using a questionnaire adopted from (Kim et al. 2010). This research is measured using a Likert scale ranging from 1 to 5.

RESULT AND DISCUSSION

Validity Testing

The validity testing of the instruments has been conducted on the three main variables in this study: subjective norms, perceived ease of use, perceived usefulness, and behavioral intention.



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Table I. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.908
Bartlett's Test of Sphericity	Approx. Chi-Square	946.631
	df	105
	Sig.	.000

(Source: Research output, 2023)

The table indicates that from the analysis conducted using SPSS, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO-MSA) value is 0.831. The KMO-MSA value is above 0.5, and the Bartlett Test with significant Chi-square value at 0.000. Therefore, it can be concluded that the factor analysis testing can proceed.

Table 2. Results of Factor Analysis

Variable	Questionnaire	Value
9 Subjective Norms	1. Important people in my life (such as family, friends, religious scholars, experts, etc.) believe I should use Shariah-compliant Fintech.	0.604
	2. People whose opinions I value prefer me to use Shariah-compliant Fintech.	0.560
	3. Important people in my life support the use of Shariah-compliant Fintech.	0.727
	4. Significant individuals recommend me to use Shariah-compliant Fintech.	0.722
	5. Important people in my life influence my decision to use Shariah-compliant Fintech.	0.587
Perceived Ease of Use.	1. Learning to use Shariah-compliant Fintech is easy for me.	0.721
	2. The procedures for using Shariah-compliant Fintech are clear and easy to understand.	0.742
	3. It is easy for me to become skilled in using Shariah-compliant Fintech.	0.838
Perceived Usefulness	1. Using Shariah-compliant Fintech enables faster financial transactions.	0.617
	2. Using Shariah-compliant Fintech makes it easier for me to conduct financial transactions.	0.702
	3. Using Shariah-compliant Fintech would be more advantageous than traditional transaction methods.	0.542
	4. In my opinion, transactions with Shariah-compliant Fintech are a useful alternative in financial transactions.	0.621

Behavioral Intention	1. When I have access to financial transactions with Shariah-compliant Fintech, I will use it.	0.632
	2. I will always try to use Shariah-compliant Fintech in my daily life.	0.537
	3. In the future, I intend to conduct transactions with Shariah-compliant Fintech.	0.669

(Source: Research output, 2023)

Based on the validity testing results involving 155 respondents, there is a strong indication that the Anti-image Matrix values indicate validity for all items. This conclusion is based on the fact that all information extracted from these instrument items is fully valid, with each factor loading value exceeding 0.5.

Reliability Testing

The results of instrument reliability testing were conducted to assess the consistency of the questions used in measuring a variable. A variable construct is considered reliable if its alpha value exceeds 0.60. This evaluation aims to ensure whether the questionnaire items used exhibit adequate consistency in measuring the same concept. The results of the instrument's reliability testing can be seen in the following table:

Table 3. Results of Reliability Test

Variabel	Cronbach's Alpha
Subjective Norms	0.865
Perceived Ease of Use	0.860
Perceived Usefulness	0.821
Behavioral Intention	0.833

(Source: Research output, 2023)

The results of the reliability testing conducted on the instrument are presented in the table. From the calculations, it can be concluded that all variables under focus in this study are reliable, as each variable demonstrates a Cronbach's Alpha value exceeding 0.60, indicating consistency and reliability in measuring these variables.



Hypothesis Testing

Hypothesis testing in this research employs Structural Equation Modeling analysis using the AMOS 21.0 program. The theoretically explained model in the path diagram will be analyzed based on the data obtained in the study. Structural Equation Modeling analysis is conducted to evaluate the unidimensionality level of each indicator forming latent variables. After conducting the tests, the conclusion drawn is that the utilized model is acceptable. Analysis of measurement indices indicates that the Structural Equation Modeling (SEM) model fit test meets the Goodness of Fit requirements. This is evidenced by the adequacy of the Chi-Square, CFI, TLI, AGFI, RMSEA, and GFI values compared to the criteria outlined in the Goodness of Fit tableThe results of the testing indicate that the calculations meet the criteria for Goodness of Fit.

Table 4. Hypothesis Testing Results

		Estimate	S.E.	C.R.	P	Keterangan
Subjective Norms	→ Perceived Usefulness	1,447	,146	9,901	***	Supported
Perceived Ease of Use	→ Perceived Usefulness	1,236	,132	9,373	***	Supported
Perceived Usefulness	→ Behavioral Intention	1,243	,131	9,485	***	Supported
Perceived Ease of Use	→ Behavioral Intention	.205	.506	.405	.685	Rejected
Subjective Norms	→ Behavioral Intention	1,527	,158	9,676	***	Supported

(Source: Research output, 2023)

Discussion of Analysis Results

The discussion of the analysis results is a crucial stage in the testing process after the selection and collection of research data. This involves interpreting the data with the aim of providing solutions to the research questions, which are the core of the study itself. One of the analysis methods used in this research is SEM, conducted using AMOS 25.0 software. SEM, which stands for Structural Equation Modeling, is a set of statistical techniques that allow testing a number of complex relationships simultaneously. This method enables researchers to analyze and test theoretical models involving various variables and relationships among variables within a single analytical framework.



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The Influence of Subjective Norms and Perceived Ease of Use on Perceived Usefulness

The data processing results using SEM on hypothesis 1a indicate a significant influence between the subjective norms variable and perceived usefulness. This is evident from the analysis results in Table 4, where the Critical Ratio (CR) value is 9.901 with a P-value showing a very strong level of significance. As a result, since the CR value exceeds the threshold of 2.0 and the P-value is less than 0.05, it can be concluded that the hypothesis associating subjective norms with perceived usefulness in this study is supported.

If Shariah-compliant fintech is perceived as easy to use, Generation Z is more likely to adopt the service as a practical solution in managing their finances, as it meets the need for ease and convenience in transactions. Furthermore, the research also highlights that perceived ease of use is often associated with positive user experiences. Overall, this previous research emphasizes the importance of considering factors such as subjective norms and ease of use in product or service development. Good integration between ease of use and perceived benefits will help increase user acceptance and satisfaction with technology. This strengthens the argument that technology that is easy to use with clear benefits will be more preferred by users, especially in the context of Generation Z, which has specific preferences regarding the ease of use of technology.

This research aligns with findings from (Abdullah et al, 2019), the research method employed was a survey of e-government users in Malaysia using a questionnaire. The research findings indicate that subjective norms have a positive and significant influence on perceived usefulness. On the other hand, the study conducted by (Wang et al., 2016) involved a survey of social commerce users in China. The research found that subjective norms have a positive and significant influence on perceived usefulness in social commerce adoption. Expectations and perceptions of individuals within their social environment affect how users perceive the benefits of using social commerce platforms. Another study by (Kim & Oh, 2014) gathered data from users of mobile social gaming services in South Korea using a survey method. The research findings showed that subjective norms have a positive and significant



influence on perceived usefulness in the adoption of mobile social gaming services. Views and expectations from friends or family regarding the use of social gaming services also play a role in users' perceptions of their benefits.

The data processing results using SEM on hypothesis 1b indicate a significant influence between the perceived ease of use variable and perceived usefulness. From the analysis in Table 4, it is evident that the Critical Ratio (CR) value is -9.373 with a P-value showing a very strong level of significance. With the CR value exceeding the threshold of 2.0 and the P-value less than 0.05, it can be concluded that the hypothesis linking perceived ease of use with perceived usefulness in this study is supported. In the research context, this result emphasizes that the perception of the ease of using a technology, in this case, Shariah-compliant fintech, significantly influences how individuals perceive the usefulness or benefits of that technology (perceived usefulness). This means that the easier individuals feel using the technology, the higher the likelihood they will perceive the technology as beneficial or useful for their financial needs or activities. Perceived ease of use influences perceived usefulness because of the psychological linkage between these two concepts.

This study reinforces the research conducted by (Lu et al. 2022), stating that perceived ease of use has a significant influence on perceived usefulness. When users perceive a product or service as easy to use, they will experience less cognitive effort in understanding how to use it. This makes users faster and more efficient in using the product. Ease of use can also increase users' confidence in using the product or service. The perception of ease of use is often closely related to positive user experiences. Users who feel happy with the experience of using a product tend to prefer and perceive the product as more useful (Londa et al. 2022). By enhancing the perception of ease of use, products or services can reduce barriers that may hinder users from trying or adopting them. Perceived ease of use plays an important role in the adoption of Shariah-compliant fintech by Generation Z because this generation has different preferences, adoption, and usage of technology (Putri et al. 2022).

Generation Z grew up in the digital era with extensive exposure to technology and has higher technological skills. The ease of use of Shariah-compliant fintech meets their need for ease and convenience in managing their finances. Shariah-compliant fintech offers financial alternatives in line with the values and principles of Islamic Shariah. If Generation Z feels that Shariah-



compliant fintech is easy to use, they are likely to perceive this service as consistent with their values and find it more useful (Dawood et al. 2022). In conclusion, various studies show that subjective norms have a positive influence on perceived usefulness. Views, support, and expectations from an individual's social environment can affect their perception of the usefulness of a technology or information system. While perceived ease of use impacts perceived usefulness in Generation Z due to the ease of using technology that aligns with the specific characteristics of that generation.

14 The Influence of Subjective Norms, Perceived Usefulness, and Perceived Ease of Use on Behavioral Intention

The results of the analysis using Structural Equation Modeling (SEM) for hypothesis 2a indicate significant findings. The Critical Ratio (CR) value for testing the influence of subjective norms on behavioral intention, as represented in Table 4, is 9.485 with a highly significant P-value. This finding confirms previous research results by affirming the relationship between subjective norms and behavioral intention. The significance of the CR value exceeding 2.0 and the P-value less than 0.05 confirms that the hypothesis proposed in this study is supported.

This concept revolves around the influence of individuals' views and expectations from their social environment on their behavioral intentions to adopt a specific technology or behavior, as highlighted by researchers (Wang & Tsai, 2022). The views and expectations of the social environment are crucial in shaping individuals' mindsets regarding how they should act or use technology. This includes the influence and expectations of family, friends, and society on technology acceptance and how these perceptions affect individual decisions to adopt the debated behavior or technology. Thus, subjective norms not only reflect social expectations of individual behavior but also play a significant role in shaping individuals' behavioral intentions towards technology or behavior.

In the context of Shariah-compliant fintech, subjective norms are relevant because they consider individuals' views on the support or rejection from the social environment regarding the use of Shariah-compliant financial technology. Various studies have highlighted that perceptions from family,



friends, and society play a significant role in influencing individuals' intentions to use Shariah-compliant fintech. If the environment provides support, the tendency to adopt this technology increases. Conversely, if there is rejection or disapproval from the environment, the intention to use Shariah-compliant fintech tends to decrease. This implies that attitudes and support from the social environment are essential factors in shaping individuals' decisions to adopt financial technology.

Subjective norms play a crucial role in driving or inhibiting the adoption of Shariah-compliant fintech. Views and support from the social environment can exert significant pressure on individuals' decisions to use this financial technology. The results of data analysis using Structural Equation Modeling (SEM) for hypothesis 2b show significant results. The Critical Ratio (CR) value for testing the influence of perceived usefulness on behavioral intention, recorded in Table 4, is 9.357 with a highly significant P-value. From these test results, the hypothesis proposed in this study receives strong support. The significance of the CR value exceeding the threshold of 2.0 and the P-value less than 0.05 indicate that the hypothesis in this study is supported by the SEM analysis. The conclusion of this study confirms that perceived usefulness has a strong influence on behavioral intention, confirming the influence between perceived usefulness and behavioral intention within the scope of the study. Previous research has emphasized that social norms influence behavioral intentions in various contexts, including the adoption of financial technology.

Social norms encompass individuals' views and expectations from their social environment regarding specific behaviors, and this plays a significant role in shaping individuals' decisions to adopt Shariah-compliant fintech. If an individual's environment is supportive, their willingness to adopt this technology increases. Conversely, if there is rejection or disapproval from the environment, the intention to use Shariah-compliant fintech will tend to decrease. Meanwhile, perceived ease of use, or the perception of ease of use, also plays a crucial role in shaping behavioral intention. This factor highlights the extent to which individuals feel that using particular technology is easy. In the context of Shariah-compliant fintech, if users perceive this technology as easy to use, the intention to use it will significantly increase.

The perception of ease of use creates a positive tendency in adopting technology, especially in the growing market of Shariah-compliant fintech. In



the context of regulations and policies, understanding the impact of social norms and perceptions of ease of use in adopting Shariah-compliant fintech can help authorities create regulations that support the growth and development of this financial technology more broadly and sustainably. Innovations in Shariah-compliant fintech are becoming increasingly important in providing financial services that align with Islamic principles and are accessible to the communities in need. Overall, further research and understanding of the factors influencing behavioral intentions in adopting Shariah-compliant fintech, especially through the lens of social norms and perceptions of ease of use, have significant implications for the development, market penetration, and acceptance.

The results of the data analysis using Structural Equation Modeling (SEM) on hypothesis 2c showed significant findings. The Critical Ratio (CR) value for testing the influence of perceived ease of use on behavioral intention, as recorded in Table 4, is 0.405 with a P-value of 0.685. From these test results, it can be concluded that the hypothesis proposed in the study. The significance of the CR value being less than the threshold of 2.0 and the P-value being greater than 0.05 indicate that the hypothesis in this study is not supported or rejected. The conclusion of this research confirms that perceived ease of use does not have an influence on behavioral intention, thus undermining the understanding of the relationship between the perception of ease of use and behavioral intention within the scope of this study.

This study is in line with previous research conducted by (Lee et al. 2022), which suggests that perceived ease of use is not considered a factor influencing an individual's behavioral intention to use technology. A deeper understanding of subjective norms and perceived ease of use is not deemed crucial. This condition arises because there are still few users of Shariah-compliant fintech applications, and the ratings of these applications on the Google Play Store are not favorable. The subjectivity of social norms and perceptions of the ease of use of Shariah-compliant financial technology have not yet provided a basis for developing more effective marketing strategies, nor have they led to educational approaches that can enhance the adoption and acceptance of this technology among the public. Although environmental



support for adopting this technology will increase, there is also resistance, leading to a decrease in the tendency to use it.

This creates challenges for companies to understand and respond to adoption patterns. Perceived ease of use refers to an individual's perception of how easy they believe the technology can be used. When individuals perceive the technology as easy to use, their intention to use it, in fact, does not become stronger. The focus on ensuring that the technology is easy to understand and use by potential users is key to increasing the adoption of Shariah-compliant fintech. By deepening the understanding of these factors, companies can direct more specific and relevant marketing and educational efforts. For example, if research shows that environmental rejection is one of the main obstacles, strategies focused on socialization and education in specific communities will be important. Likewise, if perceived ease of use is a challenge, developing simpler and more intuitive user interfaces becomes imperative. The role of regulators and government agencies is also crucial in understanding these factors. With a better understanding, policies can be formed to support the overall growth of Shariah-compliant fintech. This may include government-supported education campaigns, incentives, or regulations designed to reduce adoption barriers, and frameworks that lead to the development of products that better suit the needs of the public. Through a deeper understanding of perceived ease of use, both fintech companies and regulators can take smarter and more measured steps. This will help strengthen the Shariah-compliant fintech market, with the hope of providing a solid foundation for the sustainable adoption of Shariah-compliant financial technology among the public, especially among Generation Z.

18

The Influence of Subjective Norms on Behavioral Intention Mediated by Perceived Usefulness

24

This research successfully found that perceived usefulness mediates the relationship between subjective norms and behavioral intention, supporting hypothesis 3 in this study. The influence of subjective norms on behavioral intention mediated by perceived usefulness is a model currently being developed and extensively researched in the context of Shariah-compliant fintech adoption and acceptance.

These research findings reinforce previous studies conducted by (Daragmeh et al. 2021), showing that perceived usefulness effectively mediates the influence of subjective norms on behavioral intention. If individuals feel



pressure from their social environment to use fintech services because it is deemed appropriate or expected, it will affect their intention to actually adopt fintech. Another study by (Sumiati et al. 2021) showed that subjective norms do not directly influence behavioral intentions in using Shariah-compliant fintech. However, perceived usefulness mediates the relationship between these two variables. Perceived usefulness in using Shariah-compliant fintech is considered a beneficial factor in meeting financial needs or goals. This mediating process indicates that other people's views on the use of Shariah-compliant fintech influence individuals' perceptions of its benefits, which in turn shape their intention to use it.

Another study by (Sumiati et al. 2021) investigated the indirect influence of subjective norms on behavioral intentions in using Shariah-compliant fintech. However, the role of perceived usefulness in this study becomes crucial as a mediator. Perceived usefulness in the context of Shariah-compliant fintech is seen as a useful tool in meeting financial needs or achieving financial goals. Through the mediation process, subjective norms influence perceived usefulness, which subsequently affects behavioral intentions. The implications of this research not only impact consumer behavior understanding but also provide valuable insights for regulators and authorities. The information generated can assist in designing educational and awareness campaigns that emphasize the benefits and safety of using Shariah-compliant fintech. With a better understanding of the factors influencing behavioral intention, regulations and policies that encourage the adoption of Shariah-compliant financial technology can be designed more effectively and sustainably. Studies on the influence of subjective norms on behavioral intention mediated by perceived usefulness in the context of Shariah-compliant fintech are expected to make a significant contribution to supporting the development and widespread acceptance of Shariah-compliant financial technology in society, as well as strengthening understanding of the Shariah financial market.

31 The Influence of Perceived Ease of Use on Behavioral Intention Mediated by Perceived Usefulness

The influence of perceived ease of use on behavioral intention mediated by perceived usefulness in hypothesis 4 of this study is fully supported (full



mediation). Perceived ease of use refers to individuals' perceptions of how easy a technology, such as Shariah-compliant fintech, is to use. If individuals perceive the technology as easy to use, they are likely to have a positive view of its usability. On the other hand, perceived usefulness refers to the extent to which individuals see the technology as useful in meeting their financial needs or goals. This study supports previous research by (Prast et al., 2021), which found that perceived usefulness acts as a mediator between perceived ease of use and behavioral intentions.

This mediation indicates that perceptions of ease of use influence perceptions of the technology's usefulness, which ultimately affects individuals' intentions to actually adopt and use the technology. The ease of use and clear benefits of this technology can increase acceptance by potential users. This research is expected to identify barriers that potential users may face in adopting Shariah-compliant fintech. By reducing barriers and improving ease of use, the adoption rate of this technology can be increased. Improving potential users' understanding will help increase their behavioral intention to use this technology. With higher adoption and acceptance, it is expected to drive growth in the Shariah-compliant fintech industry and stimulate innovation in the Shariah finance sector.

Therefore, research on the influence of perceived ease of use on behavioral intention mediated by perceived usefulness in the context of Shariah-compliant fintech will provide valuable insights for stakeholders to understand consumer behavior and factors influencing the adoption of Shariah-compliant financial technology. Generation Z, known for their tech-savvy skills and tendency to use technology in their daily lives, is a critical user segment in technology innovation adoption, especially in the financial sector. Perceived ease of use refers to individuals' perceptions of how easy a technology can be used. In the context of Shariah-compliant fintech, how easy Generation Z perceives the use of Shariah-compliant financial platforms or services can influence their tendency to adopt such services.

Factors such as intuitive layout, easy navigation, and clarity and ease of use of the platform can influence Generation Z's interest in adopting Shariah-compliant fintech services. Perceived usefulness highlights how Generation Z perceives Shariah-compliant financial technology as a useful tool in achieving their financial goals. Perceived usefulness explores their perceptions of how effective and beneficial the technology is in meeting their financial needs. The

information generated from this research will help them design platforms that are more attractive, easy to use, and effective in meeting the financial needs and desires of Generation Z in line with Shariah principles.

CONCLUSIONS

Based on the results of the hypothesis testing analysis, several conclusions can be drawn. Firstly, there is a significant influence of subjective norms and perceived ease of use factors on perceived usefulness. Subjective norms, reflecting individuals' perceptions of support or rejection from their social environment towards Shariah-compliant financial technology, significantly affect their perceptions of the usefulness of the technology. Perceived ease of use, which represents the perception of how easy the technology is to use, also significantly influences perceptions of technology usefulness. Secondly, factors such as subjective norms, perceived usefulness, and perceived ease of use have an impact on perceived behavioral intention. Subjective norms significantly influence behavioral intention, indicating that expectations from the social environment can influence individuals' intentions to use Shariah-compliant financial technology. Perceived usefulness also significantly influences behavioral intention, showing that individuals' beliefs about the usefulness of the technology affect their willingness to use it. However, perceived ease of use does not have a significant impact on behavioral intention in the studied population.

Furthermore, there is a mediating relationship between these factors. Subjective norms influence behavioral intention through perceived usefulness, indicating that perceptions and pressures from the social environment influence individuals' decisions to use Shariah-compliant fintech, and perceived usefulness mediates this relationship. Similarly, perceived ease of use influences behavioral intention through perceived usefulness. The limitation of this study is its focus solely on the adoption of Shariah-compliant fintech by Generation Z in Java Island, Indonesia. Recommendations for further research include expanding the scope, including deeper analysis of the influence of subjective norms on perceived usefulness, and how this affects behavioral intention. Further studies can also focus on the differences between respondents' age ranges and their preferences for specific



financial activities using Shariah-compliant fintech, to provide more detailed and relevant insights into consumer behavior, particularly Generation Z, in adopting Shariah-compliant fintech.

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GENERATION Z'S BEHAVIORAL INTENTION IN ADOPTING ISLAMIC FINTECH

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