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SOCIAL MEDIA MARKETING, FINTECH KNOWLEDGE, PERCEIVED RISK ON INTENTION TO USE ISLAMIC FINTECH: THE MODERATING ROLE OF SHARIA COMPLIANCE AMONG GENERATION Z)

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Abstract

The rapid growth of Islamic financial technology (fintech) presents significant opportunities to enhance financial inclusion, particularly among Generation Z, who are highly exposed to digital platforms. However, the determinants of their intention to adopt sharia fintech remain insufficiently understood, especially when integrating social, cognitive, and risk-related factors. This study aims to examine the influence of social media marketing, fintech knowledge, and perceived risk on the intention to use Islamic fintech, with sharia compliance as a moderating variable. A quantitative approach was employed using survey data collected from 219 Generation Z respondents, analysed through Partial Least Squares Structural Equation Modelling (PLS-SEM). The results indicate that social media marketing and fintech knowledge significantly influence intention, while perceived risk does not. Furthermore, sharia compliance does not moderate the effects of social media marketing and fintech knowledge but plays a significant buffering role in reducing the negative impact of perceived risk. These findings suggest that digital exposure and knowledge are key drivers of adoption, while sharia compliance enhances trust by mitigating perceived risk, thereby contributing theoretically by clarifying the role of sharia compliance as a risk-mitigating mechanism in Islamic fintech adoption and providing practical implications for Islamic fintech providers in designing more effective educational and social media marketing strategies for Generation Z.

INTRODUCTION

The accelerated development of digital technology has radically changed the way people access and manage financial services, especially with the development of financial technology (fintech). Fintech development in Indonesia encompasses conventional and sharia—conforming services and includes provision of financial services that are in line with the Islamic teachings. This change is particularly applicable to generation Z, a digitally native generation with a high adaptability to technological innovation. Nonetheless, the implementation of sharia fintech has yet to realize this potential due to the challenges of limited access and comparatively low levels of Islamic financial literacy (Hakim & Supriyanto, 2024). Besides, the level of awareness regarding the mechanisms, benefits, and risks of sharia fintech is still low among the Generation Z (Fahrunnisa & Puspawati, 2025).

Social media has become a key source of financial information for Generation Z. In Indonesia, around 143 million people (50.2% of the population) actively used social media in January 2025, with YouTube, TikTok, and Instagram dominating information consumption (Kemp, 2025). Previous research suggests that the use of digital materials can also contribute to Islamic financial literacy and trigger the desire to use sharia fintech services (Ningtyas et al., 2024). Moreover, marketing strategies centred on the use of technology allow companies to effectively convey the value of products, thus influencing the behavioural intentions of users (Muslihun, 2024). Nonetheless, exposure to information is not sufficient to be adopted.

Perceived risk is one key factor that has been shown to influence adoption; it includes concerns related to the safety of data, financial loss, and uncertainty of the system (Saputra & Sulindawati, 2024). Although the users might be convinced about the usefulness of fintech, perceived risk might be preventing their intention to use these services. Religiosity and following the sharia principle are also important factors influencing the financial decision—making in the context of Islamic finance. The compatibility with Islamic values has been demonstrated to impact the intention to use sharia fintech (Aisyah et al., 2023), whereas sharia compliance may also influence behavioural outcomes by interacting with other determinants (Br Siregar et al., 2024).

Empirical literature highlights both the opportunities and challenges facing Indonesia's fintech lending industry. As of August 2025, Indonesia had 96 OJK—licensed fintech lending providers, including seven sharia fintech operators. Islamic fintech lending recorded an outstanding financing of IDR 779.86 billion with a TKB90 of 95.63%, indicating a relatively sound financing performance despite its limited market share (OJK, 2025). However, Islamic financial literacy remained at only 39.11%, suggesting that limited financial knowledge and persistent risk perceptions continue to constrain the adoption of Islamic fintech, particularly among Generation Z (Mustika et al., 2025; OJK, 2024).

Nevertheless, the literature in this domain has mostly conducted research on these variables in isolation, with little research done to combine social media marketing, fintech knowledge, and perceived risk in a single study. Literature is more likely to consider part of a relationship, such as financial literacy, perceived usefulness, or religiosity, without at the same time considering the role of digital marketing and risk perception in influencing adoption behaviour (Aisyah et al., 2023; Hakim & Supriyanto, 2024; Saputra & Sulindawati, 2024). Additionally, compliance with sharia has been mainly considered as an independent direct variable instead of a moderator in the models of fintech adoption (Br Siregar et al., 2024; Permana, 2024). These limitations indicate an empirical gap in understanding the simultaneous effects of social, cognitive, and risk—related factors, as well as a theoretical gap regarding the contingent role of sharia compliance in explaining Islamic fintech adoption.

This research is important because it has positioned sharia compliance as a moderating element in the Theory of Planned Behavior (TPB) framework. While previous studies have predominantly examined sharia compliance as a direct determinant of Islamic financial adoption, its moderating role remains underexplored in the Islamic fintech literature (Sari, 2025; Suswanto et al., 2025). Methodologically, this study also extends previous research by integrating these variables into a single TPB—based framework and examining their relationships using PLS—SEM. The research will offer a deeper insight into the factors that determine sharia fintech adoption among the Generation Z by combining social media marketing, fintech knowledge, and perceived risk into a single analytical framework.

Thus, in the context of sharia fintech among the generation Z, it is the object of the investigation which should examine the impact of social media marketing, fintech knowledge, and perceived risk on the intention to use sharia fintech and to analyze the moderating role of sharia compliance in the relationships.

LITERATURE REVIEW

The present study uses the Theory of Planned Behaviour (TPB) formulated by Ajzen (1991) as the main theoretical framework to explain the intention to use Islamic fintech in the case of Generation Z. TPB provides that human behaviour is determined by three key constructs: attitude toward behaviour, subjective norm, and perceived behavioural control. These constructs are all combined to produce behavioural intention, which is the closest predictor of actual behaviour (Ajzen, 1991). TPB has been extensively used in the research on the adoption of financial technology (Irimia–Diйguez et al., 2023; Xie et al., 2021), including in the context of Islamic finance (Fahmi et al., 2024; Muninggar et al., 2025).

Current trends suggest that TPB is still highly flexible and can be elaborated by introducing variables that can be used to capture the current digital and Islamic financial environments. Fahmi et al. (2024) show that TPB can be enhanced with the introduction of Islamic financial knowledge and Islamic–related constructs, whereas Muninggar et al. (2025) explain the role of financial literacy in forming the economic behaviour of Generation Z.

Generation Z refers to individuals born between 1997 and 2012 and is widely recognized as the first generation to grow up in a fully digital environment (Rosenberg et al., 2025). Their intensive use of the internet, smartphones, and social media has shaped distinctive financial behaviours, making them more receptive to technology–based financial services than previous generations (Pintйr et al., 2021). However, high digital engagement does not necessarily translate into adequate financial literacy or greater confidence in adopting Islamic fintech services. As a result, Generation Z represents an appropriate context for examining how social media marketing, fintech knowledge, perceived risk, and sharia compliance jointly influence the intention to adopt Islamic fintech.

In the context of the TPB, there are conceptual ways in which the variables analysed in this study can be aligned with the core components of the TPB. Attitude toward behaviour is expressed in perceived risk because it is the assessment of a potential negative outcome of using fintech services by an individual. An increased degree of perceived risk is likely to result in a less positive attitude towards adoption (Silva et al., 2023). Social media marketing reflects subjective norm because it embodies the power of social interaction, peer comments, and information exposure via online platforms that influence the decision–making process of individuals (Singh & Saluja, 2022). In the meantime, fintech knowledge is related to perceived behavioural control, because it reflects the ability, confidence, and perceived ease in understanding and using fintech services, of an individual (Al–Afeef et al., 2024).

The intention to use Islamic fintech is the behavioural intention as the endogenous variable in this model, with sharia compliance as a moderating variable that can strengthen or weaken the relationship between the exogenous variables and the behavioural intention.

Social Media Marketing

Social media marketing is defined as promotional, communication, and engagement activities that are performed using social media platforms to affect consumer behaviour. Within the framework of TPB, social media marketing contributes to the development of subjective norms as individuals are influenced by the opinions, information and relationships that exist in their online social environment.

Irimia—Diйguez et al. (2023) discovered that social media marketing has a strong impact on the attitude of users and subjective norms and eventually on their intention to use financial technology. By being exposed to interesting and positive information, one can have a more positive attitude towards fintech services.

Social media marketing is even more crucial in the context of Islamic fintech, where not only practical advantages are to be communicated but also adherence to Islamic principles. Trust and acceptance among Muslim consumers can be enhanced through content that emphasizes sharia values (Fahmi et al., 2024). Resting on these arguments, the hypothesis presented below is made:

H1: The intention to use Islamic fintech among Generation Z is positive and significant impacted by social media marketing.

Fintech Knowledge

Fintech Knowledge This is the level of knowledge that an individual has about the concepts, mechanisms, and applications of financial technology. Fintech knowledge within the context of TPB indicates the perceived behavioural control as it increases the capacity and confidence of a person to execute a behaviour (Ajzen, 1991).

According to Muninggar et al. (2025), Islamic financial literacy can significantly impact the economic behaviour of Generation Z. More educated people are more likely to evaluate fintech services, comprehend their benefits, and address possible risks. Likewise, Luqman Hakim et al. (2023) demonstrate that the knowledge of fintech innovation has a positive impact on investment intention. Therefore, people who have a higher level of fintech knowledge have a higher propensity to use Islamic fintech services because of a higher level of confidence and the feeling of control. Resting on these arguments, the hypothesis presented below is made:

H2: Fintech knowledge positive and significant contributes to the intention to use Islamic fintech among the Generation Z.

Perceived Risk

Perceived risk is the evaluation of a person regarding the risks that may arise when using fintech services, such as the loss of money, data security issues, and system uncertainty (Xie et al., 2021). In the TPB model, the perceived risk represents the attitude to behaviour as it forms the negative assessment of using fintech.

Irimia—Diйguez et al. (2023) discovered that the more perceived risk, the more negative the attitude toward adopting financial technology. Perceived risk in the setting of Islamic finance also encompasses the issues of adherence to the sharia concepts. Pradita & Daryono (2025) show that the effect of religious orientation on the ways in which individuals perceive and tolerate risks in Islamic fintech can be demonstrated. Thus, the perceived risk would be expected to have a negative impact on intention. Resting on these arguments, the hypothesis presented below is made:

H3: Perceived risk has a negative and significant effect on the intention to use Islamic fintech among Generation Z.

Sharia Compliance

Sharia compliance refers to the extent to which Islamic financial products and services adhere to Islamic principles, including the prohibition of *riba*, *gharar*, and *maysir* (Fahmi et al., 2024). In the context of Islamic fintech, sharia compliance enhances users' trust and promotes the acceptance of financial services that comply with Islamic ethical principles.

Previous studies have primarily examined sharia compliance as a direct determinant of Islamic fintech adoption (Pradita & Daryono, 2025; Br Siregar et al., 2024), whereas its moderating role remains underexplored. From the perspective of the Theory of Planned Behaviour (TPB), sharia compliance may strengthen or weaken the influence of exogenous variables on the intention to use Islamic fintech. Accordingly, this study conceptualises sharia compliance as a moderating variable. Based on this argument, the following hypotheses are proposed:

H4: Sharia compliance positively moderates the relationship between social media marketing and the intention to use Islamic fintech.

H5: Sharia compliance positively moderates the relationship between fintech knowledge and the intention to use Islamic fintech.

H6: Sharia compliance negatively moderates the relationship between perceived risk and the intention to use Islamic fintech.

Intention to Use Islamic Fintech

The intention to use Islamic fintech means that one is willing to use, keep using, and refer to sharia–compliant financial technology. Behavioural intention is the key construct in the TPB predicting actual behaviour (Ajzen, 1991). Unlike conventional fintech, which primarily emphasizes financial efficiency and convenience, Islamic fintech integrates sharia principles by prohibiting *riba*, *gharar*, and *maysir*, making religious compliance an important consideration in users' adoption decisions (Shaheen et al., 2025).

As demonstrated in Irimia–Diйguez et al. (2023), attitudes, social norms, and perceived behavioural control play a major role in influencing the intention to adopt the fintech. Considering the context of Islamic fintech, perceived usefulness may be influenced by its compatibility with religious values (Fahmi et al., 2024).

For Generation Z, intention reflects the willingness to try, continue using, and recommend Islamic fintech services. As digital natives, Generation Z is highly familiar with technology–based financial services, yet their adoption decisions remain influenced by financial knowledge, perceived risk, and religious considerations (Idziak et al., 2024). Therefore, this study adopts the intention to use Islamic fintech as the endogenous variable.

Based on the literature review and the hypotheses formulated, this study develops a conceptual framework to describe the relationships among the variables under study, as shown in the following figure.

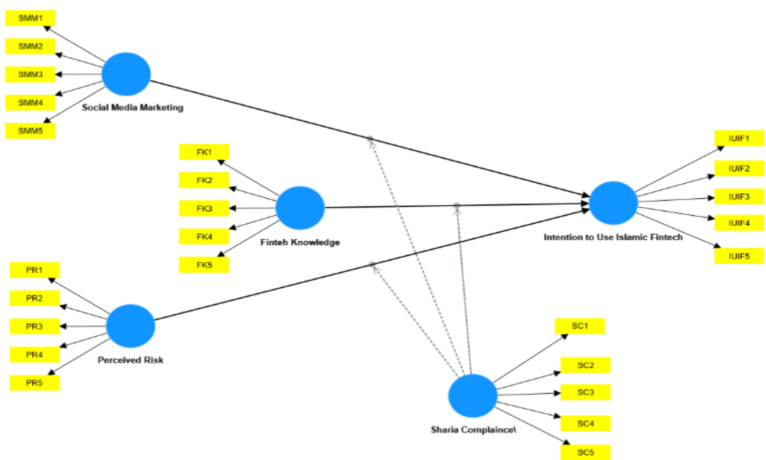

Figure 1. Conceptual Framework

METHOD

Research Design and Data Collection

The proposed study adopts a quantitative research method based on a survey research method to test the relationship between the variables in the proposed research model. Quantitative design is suitable because hypothesis testing can be conducted by using a statistical test and generalization of the results can be done among a target population. Generation Z was selected as the focus of this study because they are digital natives with high exposure to social media and digital financial services, making them the most relevant population for investigating Islamic fintech adoption (Lubis et al., 2026). The research is devoted to the behavioural intention to use sharia fintech services in Indonesia by Generation Z.

The data were gathered between November 2025 to February 2026 through an online questionnaire that was distributed via Google Forms. The questionnaire has been distributed across different social media sites and digital communication channels to ensure wide coverage and reach the respondents who fulfilled the research criteria.

A purposive sampling method has been used to select respondents that fit certain criteria, such as individuals aged between 17 and 28 years (representing Generation Z) and active users of social media. There were 219 valid responses received and analysed. This sample size of 219 is greater than the minimum sample size needed by PLS−SEM analysis, as Hair et al. (2022)recommend, and therefore assures sufficient statistical power and strong model estimation. PLS−SEM was employed because this study aims to simultaneously examine multiple relationships, including moderating effects, while providing robust parameter estimates for prediction−oriented research with relatively complex models (Hair et al., 2022; Henseler et al., 2015).

Operational Variables

Measuring the variables in this research was done through multiple indicators that had been adapted by the previous research to guarantee validity and reliability of the measures (Hair et al., 2022). All the constructs were operationalized into several measurement items in the form of questionnaire statements. The respondents were to rate each statement on a five−point Likert scale of (1) strongly disagree to (5) strongly agree. The scale is commonly applied in empirical research to capture the perceptions, attitudes and intentions of respondents in behavioural studies (Joshi et al., 2015).

Table 1 contains a summary of the constructs, definitions, measurement indicators, and sources. To enhance readability and brevity, representative measurement items are only presented, with the entire instrument being provided on request.

Table 1. Measurement Items and Sources

Construct	Definition	Measurement Items	Source
Social Media Marketing	The use of social media to disseminate information and influence user decisions regarding sharia fintech services.	SMM1: Information usefulness. SMM2: Responsiveness. SMM3: Ease of access. SMM5: Social influence. SMM6: Engagement with content.	(Bajunaied et al., 2023; Herzallah et al., 2025)
Fintech Knowledge	Individual understanding and ability to use and evaluate sharia fintech services.	FK1: Understanding of usage. FK2: Technical ability. FK3: Ability to compar e systems.	(Bhutto et al., 2023)

Construct	Definition	Measurement Items	Source
		FK4: Information evaluation. FK5: Problem—solving ability.	
Perceived Risk	Perception of potential losses and uncertainty in using sharia fintech.	PR1: Performance risk PR2: Financial risk PR3: System reliability PR4: Data security concerns. PR5: Trust Uncertainty. .	(Bajunaied et al., 2023; Cabeza—Ramнrez et al., 2022; Zhao & Khaliq, 2024)
Sharia Compliance	The extent to which fintech services comply with Islamic principles.	SC1: Compliance with Islamic law. SC2: Absence of riba. SC3: Halal products. SC4: Transparency. SC5: Supervision by sharia authority. .	(Abdurrahman et al., 2025; Alsmadi, 2025)
Intention to Use Islamic Fintech	The tendency to adopt and continue using sharia fintech services (e.g., Islamic peer—to—peer lending, Islamic crowdfunding, and Islamic digital payment services).	IUIF1: Intention to use. IUIF2: Continued usage. IUIF3: Recommendation intention. IUIF4: Transaction intention. IUIF5: Future usage plans.	(Bajunaied et al., 2023; Sultana et al., 2023)

A summary of the measurement constructs and the indicators of these constructs used in the study can be summarized in Table 1. The measures of each construct are determined by using a set of different items that were adapted with the help of existing literature to provide consistency and validity to the measurement. The indicators are capturing the perceptions, knowledge, risk assessment, and behavioural intentions of the respondents towards sharia fintech services, whereas the sharia compliance construct is the confidence of the respondents with the alignment of financial services with the Islamic principles.

Sample Characteristics

A total of 219 respondents that qualified for the research criteria were included in the analysis. The demographic profile of respondents is given in Table 2 which summarizes the distribution of respondents by gender, age, education level, occupation, and monthly income. Most of the respondents were females (58.9%), with the largest age group between 22—25 years (48.8%), and between 18—21 years (39.3%). Most of the respondents had a bachelor's degree (61.6%) and were mostly students (65.8%), which means that the sample consists of mostly educated and digitally active members of Generation Z.

Table 2. Respondent's Demographic Characteristics (N = 219)

Characteristics	Frequency (n)	Percentage (%)
Gender		
Woman	129	58.9%
Man	90	41.1%

Characteristics	Frequency (n)	Percentage (%)
Gender		
Age		
<18	9	4,1%
18 – 21	86	39.3%
22 – 25	109	48,8%
26 – 28	15	6.8%
Education Level		
High School/Equivalent	74	33,8%
Diploma	7	3,2%
Bachelor's Degree	135	61,6%
Master's/Doctorate	3	1.4%
Occupation		
Students	144	65.8%
Government Employee	13	5.9%
Private Sector Employee	46	21%
Entrepreneur	10	4,6%
Influencers/Content Creator	3	1,4%
Other	3	1.3%
Monthly Income		
Rp 500.000 – Rp 1.000.000	58	26,5%
Rp 1.000.000 – Rp 2.000.000	72	32,9%
Rp 2.000.000 – Rp 3.000.000	33	15,1%
Rp 3.000.000 – Rp 5.000.000	35	16%
>Rp. 5.000.00	21	9,6%

Source: *Questionnaire, data processed (2026)*

In terms of economic background, the largest proportion of respondents reported a monthly income between Rp 1,000,000 and Rp 2,000,000 (32.9%), followed by Rp 500,000–Rp 1,000,000 (26.5%). This distribution reflects the typical financial condition of Generation Z, many of whom are still in the early stages of their careers or education. Overall, the demographic composition suggests that the sample is relevant for examining fintech adoption behaviour among young digital users.

Sample Distribution by Social Media Platforms and Sharia Fintech Types

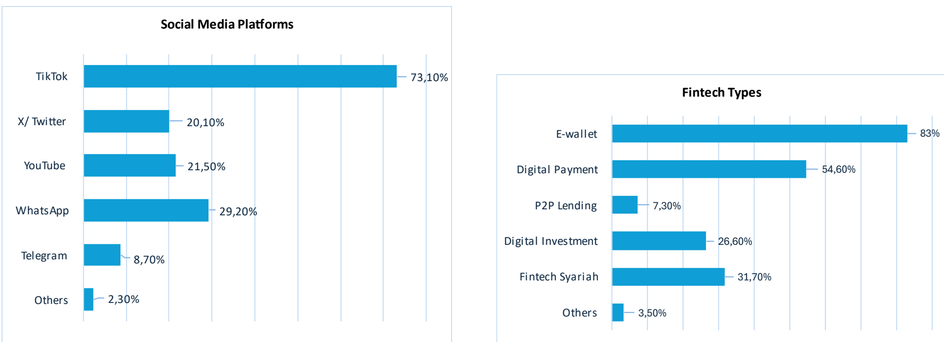

Figure 2. Illustration of Sample Distribution

Further behavioural insights are illustrated in Figure 2, which shows the distribution of social media usage and fintech service adoption. The most common platforms are Instagram (76.3%), and Tik Tok (73.1%), indicating the popularity of visual–based media among the respondents. Regarding the use of fintech, the most used are e-wallet services (83%), digital payments (54.6%), and sharia fintech (31.7%). Less commonly used are the other financial services such as digital investment (26.6%), P2P lending (7.3%) and other less frequently used fintech services. This implies that the utilization of fintech among the generation Z remains focused on the basic features of transactional services as opposed to more sophisticated financial products.

Data Analysis Technique

The research employs Structural Equation Modelling (SEM) and Partial Least Squares (PLS-SEM) approach, to be implemented with the help of SmartPLS version 4.0.9.9. PLS-SEM is suitable because it can be used with complex models with many constructs, moderating variables, and relatively small to medium sample sizes. Moreover, PLS-SEM can be applied in predictive research and does not presuppose strict conditions of normal data distribution, which is why it is often used in behavioural and fintech studies (Hair et al., 2022).

This analysis was done in two processes: the outer model and the inner model. They evaluated the validity and reliability of the measurement instruments using the outer model. Outer loading (threshold must be greater than 0.70) was used to evaluate convergent validity, whereas values of Average Variance Extracted (AVE) above 0.50 were used to establish adequate construct validity. Cross-loading criteria were used to determine the discriminant validity where indicators loading high on a construct should load low on other constructs (Hair et al., 2022). The evaluation of reliability was done using Cronbach and Alpha (>0.60) and Composite Reliability (>0.70) (Hair et al., 2022).

The structural relationships among variables and the testing of the hypotheses proposed were tested using the inner model. Path coefficients, t-statistics, and p-values were used to determine the significance of relationships. Moreover, moderation analysis was done in the form of Moderated Regression Analysis (MRA) within PLS-SEM framework to measure the moderating effect of sharia compliance in the relationship between social media marketing, fintech knowledge, perceived risk, and behavioural intention.

RESULTS AND DISCUSSIONS

Results

Assessment of Reliability and Validity

Table 3 presents the results of the reliability and convergent validity tests. All constructs meet acceptable reliability standards, with Cronbach's Alpha values ranging from 0.692 to 0.947, exceeding the minimum threshold of 0.60 for exploratory research. Composite Reliability (CR) values range from 0.829 to 0.959, all above the recommended threshold of 0.70, indicating strong internal consistency (Hair et al., 2022).

Table 3. Reliability and Convergent Validity Results

Construct	Items	Outer Loading	Cronbach's Alpha	CR	AVE
Social Media Marketing	SMM1	0.768	0.692	0.829	0.619
	SMM3	0.809			
	SMM5	0.782			
Fintech Knowledge	FK1	0.826	0.947	0.859	0.604
	FK2	0.717			

Construct	Items	Outer Loading	Cronbach's Alpha	CR	AVE
	FK3	0.730			
	FK5	0.829			
Perceived Risk	PR1	0.891	0.947	0.959	0.826
	PR2	0.922			
	PR3	0.913			
	PR4	0.901			
	PR5	0.916			
Sharia Compliance	SC1	0.750	0.727	0.830	0.549
	SC3	0.724			
	SC4	0.711			
	SC5	0.777			
Intention to Use Islamic Fintech	IUIF1	0.761	0.832	0.882	0.598
	IUIF2	0.783			
	IUIF3	0.760			
	IUIF4	0.771			
	IUIF5	0.791			

Source: *Questionnaire, data processed (2026)*

Convergent Validity

Convergent validity in this study was assessed based on the outer loading values and Average Variance Extracted (AVE), as shown in Table 3. The test results indicate that the outer loading values range from 0.711 to 0.922. These values generally exceeded the recommended threshold of 0.70, indicating that the indicators strongly contribute to reflecting their constructs. However, according to Hair et al. (2022), outer loading values in the range of 0.40–0.708 are still acceptable and do not need to be immediately removed, unless such removal has the potential to improve the AVE or composite reliability. Based on these considerations, several indicators were eliminated in this study, namely SC2 (0.583), SMM2 (0.651), FK4 (0.680), and SMM4 (0.686).

Furthermore, the AVE test results showed values ranging from 0.549 to 0.826, all of which exceeded the recommended minimum threshold of 0.50. Thus, it can be concluded that all constructs in this study met the criteria for convergent validity.

Discriminant Validity

The results of the discriminant validity assessment (Table 4) show that each indicator has a higher loading value on its own construct than on others. This means each indicator better represents its variable. Thus, the cross–loading results confirm that the criteria for discriminant validity are satisfied in this study.

Table 4. Summary of Discriminant Validity Assessment

Cross Loading Test Result					
	SMM	**FK**	**PR**	**SC**	**IUIF**
SMM1	**0.768**	0.572	0.055	0.466	0.513
SMM3	**0.809**	0.535	0.059	0.515	0.525
SMM5	**0.782**	0.568	0.272	0.506	0.583
FK1	0.576	**0.826**	0.211	0.542	0.633
FK2	0.463	**0.717**	0.165	0.587	0.581

Cross Loading Test Result

FK3	0.589	**0.730**	0.071	0.505	0.502
FK5	0.586	**0.829**	0.211	0.607	0.674
PR1	0.196	0.230	**0.891**	0.153	0.192
PR2	0.164	0.184	**0.922**	0.136	0.203
PR3	0.145	0.163	**0.913**	0.096	0.169
PR4	0.104	0.190	**0.901**	0.103	0.141
PR5	0.153	0.223	**0.916**	0.127	0.178
SC1	0.472	0.517	0.108	**0.750**	0.538
SC3	0.384	0.507	0.072	**0.724**	0.541
SC4	0.514	0.555	0.046	**0.711**	0.612
SC5	0.491	0.556	0.173	**0.777**	0.659
IUIF1	0.488	0.570	0.101	0.587	**0.761**
IUIF2	0.536	0.620	0.224	0.591	**0.783**
IUIF3	0.571	0.585	0.183	0.587	**0.760**
IUIF4	0.527	0.603	0.131	0.689	**0.771**
IUIF5	0.544	0.617	0.123	0.624	**0.791**

Source: *Questionnaire, data processed (2026)*

Multicollinearity Assessment

To ensure that multicollinearity does not bias the estimation results, Variance Inflation Factor (VIF) values were examined. All VIF values were found to be below the recommended threshold of 5.0 as shown at Table 5, indicating that multicollinearity is not a concern in this study and that the independent variables do not exhibit high intercorrelation (Hair et al., 2022).

Table 5. Inner VIF Values

	VIF
Social Media Marketing → Intention to Use Islamic Fintech	2.163
Fintech Knowledge → Intention to Use Islamic Fintech	2.905
Perceived Risk → Intention to Use Islamic Fintech	1.422
Sharia Compliance x Social Media Marketing → Intention to Use Islamic Fintech	4.138
Sharia Compliance x Fintech Knowledge → Intention to Use Islamic Fintech	4.736
Sharia Compliance x Perceived Risk → Intention to Use Islamic Fintech	1.717

Source: *Questionnaire, data processed (2026)*

Structural Model Evaluation

The structural model was evaluated to assess the relationships among latent variables and the model's explanatory power. As shown in Table 6, the R−square value for the intention to use Islamic fintech is 0.758, indicating that 75.8% of the variance in the dependent variable is explained by the model. The adjusted R−square value of 0.750 further confirms the model's stability and robustness.

Additionally, the QÄ Predict value of 0.710 indicates strong predictive relevance, as values greater than zero suggest that the model has adequate predictive capability.

Table 6. R Square and Q^2 Predict Values

	R Square	**Q^2 Predict**
Intention to Use Islamic Fintech (IUFS)	0.758	0.710

Source: *Questionnaire, data processed (2026)*

Hypothesis Test Result

The structural model was evaluated using SmartPLS 4 to examine the relationships among variables and to test the proposed hypotheses. The results of the structural model analysis are presented in Figure 3, while the detailed hypothesis testing results are summarized in Table 7.

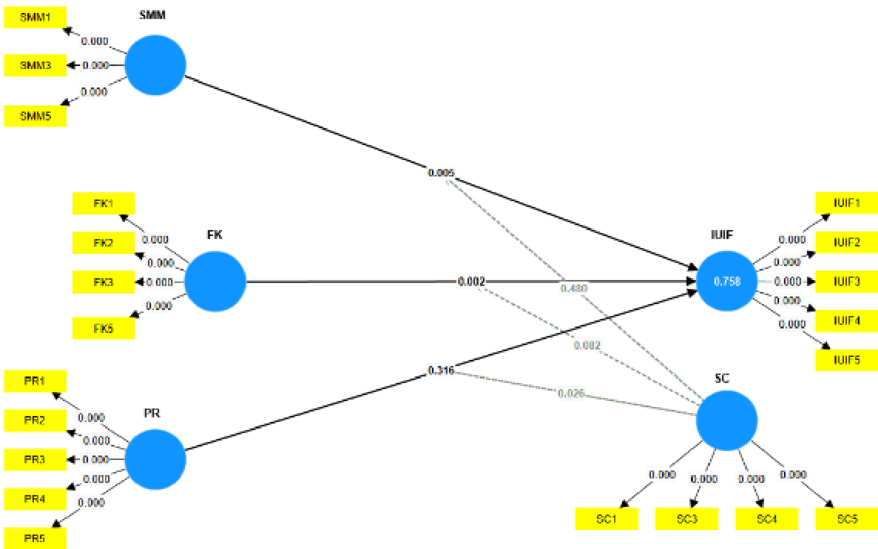

Figure 3. Hypothesis Testing

Based on the results presented in Table 7, hypothesis testing provides insights into both direct and moderating effects among the variables. The evaluation is based on path coefficients, t−statistics (>1.97), and p−values (<0.05) to determine the significance of each relationship.

Tabel 7. Result of Hypothesis Testing

Code	**Hypothesis Description**	**Original sample (O)**	**T Statistics (|O/STDEV|)**	**p values**	**Result**
		Path Coefficient	**t-value**		
	Direct Effects				
H1	Social Media Marketing → Intention to Use Islamic Fintech	0.171	2.606	0.005	Accepted
H2	Fintech Knowledge → Intention to Use Islamic Fintech	0.264	2.850	0.002	Accepted
H3	Perceived Risk → Intention to Use Islamic Fintech	−0.019	0.480	0.316	Rejected
	Moderating Effects				

Code	Hypothesis Description	Original sample (O)	T Statistics (|O/STDEV|)	p values	Result
		Path Coefficient	t-value		
H4	Sharia Compliance x Social Media Marketing → Intention to Use Islamic Fintech	−0.004	0.051	0.480	Rejected
H5	Sharia Compliance x Fintech Knowledge → Intention to Use Islamic Fintech	−0.123	1.393	0.082	Rejected
H6	Sharia Compliance x Perceived Risk → Intention to Use Islamic Fintech	0.141	1.950	0.026	Accepted

Source: *Questionnaire, data processed (2026)*

Direct Effects Analysis

The results of the direct effects indicate that H1 and H2 are supported, demonstrating that social media marketing and fintech knowledge have a positive and significant influence on the intention to use Islamic fintech. These findings suggest that digital exposure and user knowledge are key drivers in shaping adoption behaviour among Generation Z.

In contrast, H3 is not supported, indicating that perceived risk does not have a significant effect on intention. This suggests that risk considerations are not the primary determinant in the decision to use sharia−fintech services, possibly due to Generation Z's familiarity with digital financial platforms.

Moderating Effects Analysis

The moderating role of sharia compliance reveals different patterns across relationships. First, H4 and H5 are not supported, indicating that sharia compliance does not moderate the relationship between social media marketing and intention, nor between fintech knowledge and intention, as evidenced by the insignificant interaction effects ($\beta = -0.004$, $p = 0.480$; $\beta = -0.123$, $p = 0.082$, respectively). This suggests that these relationships are direct and independent of the level of perceived sharia compliance, indicating the absence of a significant moderating effect.

In contrast, H6 is supported, indicating a significant moderating effect of sharia compliance on the relationship between perceived risk and intention. This finding reflects a buffering moderation effect, where the presence of sharia compliance reduces the negative influence of perceived risk.

The positive moderating effect indicates a buffering role of sharia compliance, where higher compliance reduces the negative impact of perceived risk. This suggests that users are more willing to tolerate potential risks when they believe that the fintech services adhere to Islamic principles.

From a practical perspective, this implies that strengthening sharia compliance can enhance user trust and mitigate risk concerns, thereby encouraging the adoption of Islamic fintech services among Generation Z.

Discussions

The results of this research paper can be empirically used to support the extended Theory of Planned Behaviour (TPB) in explaining the use of Islamic fintech's among Generation Z. Each of the determinants is a more integrated description of behavioural intention in the digital Islamic finance context.

Social Media Marketing

The positive and significant impact of intention of social media marketing confirms its role as a representation of subjective norms as part of TPB. It means that social influence, which is created during digital interactions, peer opinions and online content plays a key role in influencing the adoption behaviour.

It can be attributed to the fact that Generation Z has a high digital presence with social media serving as a central reference point to make decisions. Being a socially connected generation, they are greatly affected by what they perceive to be norms within their online world. High exposure to content related to fintech may be normalized and result in a stronger behavioural intention.

These results correspond to those of Irimia—Diйguez et al. (2023) and Fahmi et al. (2024), which also highlight the importance of digital content in attitude and intention formation. Nevertheless, this research builds on the existing literature as it demonstrates that not only exposure but also the alignment of values is a driver of effectiveness. Gen Z is more inclined to the content that portrays authenticity, relevance, and conformity to personal and religious beliefs.

Fintech Knowledge

The intention positively and significantly depends on fintech knowledge, which is why it deserves to be perceived as behavioural control in TPB. This implies that more knowledgeable people are more competent and confident in their ability to use fintech services.

This could be attributed to self—directed learning and online research being popular among Generation Z. Being a digital generation, they prefer using the knowledge acquisition system to minimize uncertainty and increase control over their financial choices. Not only does knowledge enhance understanding but also builds confidence and adoption decisions can be more rational and self—driven.

These results are in line with Muninggar et al. (2025) and Luqman Hakim et al. (2023) that emphasize the role of financial literacy in behaviour formation. This paper also indicates that knowledge is a kind of empowerment tool that can empower the generation Z to make autonomous and informed finance choices.

Perceived Risk

Perceived risk does not play a significant role in intention, implying that the role of perceived risk as attitude toward behaviour is less significant in this regard. This can be explained by the fact that Generation Z is already used to digital ecosystems, where online transactions and fintech applications already play an important role in the daily life of Generation Z. Consequently, risk can be viewed as an ordinary element of digital interaction, as opposed to a significant impediment.

This observation aligns with Risza (2024) and Al Mustofa et al. (2025) which reveal that the perceived risk is not necessarily a dominant factor in the adoption of fintech. This paper also contributes to the notion that Generation Z exhibits rather high risk—taking, especially when facilitated by the previous experience and adequate knowledge.

Sharia Compliance

The moderating effect is differentiated in Sharia compliance. It fails to moderate the relationships between social media marketing and intention, as well as between fintech knowledge and intention, which shows that H4 and H5 have no moderating effect.

This could be since the generation Z regards compliance with sharia as a mere necessity and not an aspect that improves values. In these regards, compliance is perceived as a general expectation of sharia fintech services and thus does not substantially reinforce the effect of social or cognitive factors. This observation is in agreement with Nurfadilah et al. (2026) and Samudra & Tamamudin (2025) which argue that sharia compliance mainly serves as a trust fund and not as an immediate driver of behaviour.

In contrast, sharia compliance significantly moderates the relationship between perceived risk and intention, indicating a buffering moderation effect. The positive moderating effect reveals a buffering effect of sharia compliance with higher compliance having a negative effect on the negative effect of perceived risk.

This can be attributed to the psychological comfort offered by religious orientation. To Generation Z, the belief in sharia compliance is a replacement of uncertainty, which will decrease the perceived risk and increase the acceptance. This result is consistent with Pradita & Daryono (2025), which emphasize the impact of religious values on reducing risk perception.

In practical terms, this implies that users will be more willing to accept risk when they have confidence that the fintech service is compliant with Islamic principles. Thus, to create trust and increase adoption, it is necessary to strengthen the elements of transparency, certification, and communication on the topic of sharia compliance.

CONCLUSION

The findings indicate that social media marketing, and fintech knowledge significantly increase intention, but perceived risk does not have a significant impact. Sharia compliance neither moderates the effects of social media marketing and fintech knowledge, nor reduces the negative effects of perceived risk, but serves a buffering role.

This study, in theory, extends the Theory of Planned Behaviour (TPB) by including social media marketing, fintech knowledge and perceived risk as a unifying construct, and by positioning sharia compliance as a moderating variable. The results point to the fact that the behavioural intention of generation Z is mainly fuelled by the social influence and the perceived capability, with the religious compliance playing a significant role in the perceived risk mitigation.

In practice, the findings indicate that fintech providers need to focus on value—driven digital marketing, increase financial literacy, and make sharia compliance more transparent to build trust. To policymakers, enhancement of Islamic financial literacy, normalization of sharia compliance is needed to facilitate adoption.

Future research is advisable to involve broader populations, incorporate additional variables like trust and perceived usefulness, as well as more varied research methods to gain deeper insights into the behaviour of fintech adoption.

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