

THEORETICAL GAP ANALYSIS: CONSTRUCTION OF GENERATION Z CONSUMER BEHAVIOR MODELS TOWARDS THE ADOPTION OF DIGITAL ISLAMIC FINANCIAL SERVICES

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Abstract

Advances in financial technology have transformed the landscape of financial services, including in Islamic financial institutions, which are now developing various digital innovations such as Islamic mobile banking, halal fintech, and Sharia-compliant e-wallets. Although Generation Z is the dominant user of digital technology, their adoption rate of Islamic financial services is still relatively low. This study aims to map the theoretical gap through a Systematic Literature Review (SLR) approach, utilizing the PRISMA 2020 protocol, which examines national and international literature published between 2015 and 2025. The results of the study show that classical models such as the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Unified Theory of Acceptance and Use of Technology (UTAUT) have not been able to explain the behavior of Generation Z in the context of sharia because they do not accommodate the values of trust, reputation, and religiosity. This study further formulates a new conceptual model that integrates Islamic values into the framework of digital behavior, intending to strengthen the theoretical basis for future empirical research and provide strategic direction in increasing interest, trust, and adoption rates of digital sharia financial services among Generation Z.

Keywords: *Gap Analysis; Generation Z; Consumer Behavior; Digital Sharia Financial Services; and Religiosity.*

Abstrak

Kemajuan teknologi finansial telah mengubah paradigma jasa keuangan, termasuk di lembaga keuangan syariah yang kini sedang mengembangkan berbagai inovasi digital seperti mobile banking syariah, fintech halal, dan e-wallet berbasis syariah. Meskipun Generasi Z adalah pengguna teknologi digital yang dominan, tingkat adopsi layanan keuangan syariah mereka masih relatif rendah. Penelitian ini bertujuan untuk memetakan kesenjangan teoritis melalui metode penelitian perpustakaan dengan pendekatan Systematic Literature Review (SLR) berdasarkan protokol PRISMA 2020, yang mengkaji literatur nasional dan internasional untuk periode 2015–2025. Hasil penelitian menunjukkan bahwa model klasik seperti Model Penerimaan Teknologi (TAM), Teori Perilaku Terencana (TPB), dan Teori Penerimaan dan Penggunaan Teknologi Terpadu (UTAUT) belum mampu menjelaskan perilaku Generasi Z dalam konteks syariah karena tidak mengakomodasi nilai-nilai kepercayaan, reputasi, dan religiusitas. Penelitian ini lebih lanjut merumuskan model konseptual baru yang mengintegrasikan nilai-nilai Islam ke dalam kerangka perilaku digital, dengan tujuan memperkuat dasar teoritis untuk penelitian empiris di masa depan dan memberikan arah strategis dalam meningkatkan tingkat minat, kepercayaan, dan adopsi layanan keuangan syariah digital di kalangan Generasi Z.

Kata kunci: Analisis Kesenjangan; Generasi Z; Perilaku Konsumen; Layanan Keuangan Syariah Digital; dan Religiusitas.

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INTRODUCTION

Generation Z is a generation group born between 1995 and 2010. They are known as digital natives who grew up in the era of technology and the internet. Compared to previous generations, Generation Z has different characteristics in terms of values, attitudes, and behaviors. Therefore, it is important to have a deeper understanding of this generation in order to interact and communicate with them effectively.¹ Generation Z is growing up amid rapid technological advancements, so they have wider access to information through the internet and social media. They tend to be more open to change, innovation, and diversity. In addition, Generation Z is also known as a generation that is critical, independent, and has a desire to contribute to society. Therefore, understanding the values and characteristics of this generation is key in building a good relationship with them.²

They also have a tendency to seek challenges, freedom, and opportunities to grow. By understanding the characteristics and values of Generation Z, it can create an environment that supports their growth and development. Additionally, it's important to provide space for Generation Z to express and collaborate, so that they feel valued and have an active role in various aspects of life. Thus, we can build a mutually beneficial and sustainable relationship with generation Z.³ By providing opportunities for Gen Z to participate in decision-making and giving them responsibility, it can help them feel in control of their own lives. This will strengthen the confidence and independence of Generation Z, as well as prepare them to face future challenges and opportunities. In addition, by providing opportunities to learn and grow continuously, we can help Generation Z to reach their full potential and become influential leaders in the future.⁴

Generation Z has unique characteristics that influence their consumer behavior. They grew up in a digital era full of information and technology, so they have a tendency to do independent research before making a purchase. In addition, Generation Z also tends to be more open to a wide range of brands and products, but they are also highly critical of company values and ethics. Therefore, understanding the consumptive behavior of Generation Z is essential for companies to be able to create marketing strategies that are effective and relevant to them.⁵

The rapid growth of digital Islamic financial services has become a significant trend in recent years that is most vulnerable and preferred by Generation Z. This is especially seen in the development of Islamic mobile banking, fintech, and halal e-wallets. Companies in the financial industry are increasingly utilizing technology to provide services that are in accordance with sharia principles, so that they can attract interest from consumers who need financial products that match their beliefs. With these innovations, customers can conduct

¹ Muhammad Yudi Fitriyadi et al., *The Influence Of The World Of It On The Behavior Of Generation Z Teenagers*, 1 (2023).

² Antri Arta et al., "The Role of Edupreneurship in Gen Z in Shaping Independent and Creative Young Generation," *Maro: Journal of Sharia Economics and Business* 6, no. 2 (November 2023): 231–41, <https://doi.org/10.31949/maro.v6i2.5673>.

³ compiled By And Nabiila Jahroo Az Zakiyyah, *Communication Science Study Program, Faculty Of Psychology And Socio-Cultural Sciences, Islamic University Of Indonesia Yogyakarta 2024*, n.d.

⁴ Nanda Choeriyah and Wahib Assyahri, "The Involvement of Generation Z in the Public Policy Making Process to Approach More Inclusive and Responsive Services," *Journal of Social Sciences and Humanities* 2, no. 2 (September 2024): 244–54.

⁵ Arta et al., "The Role of Edupreneurship in Gen Z in Shaping Independent and Creative Young Generation."

financial transactions easily, safely, and efficiently, without violating the sharia principles they hold.⁶

In addition, technological developments have also made it possible for sharia investment platforms that are increasingly in demand by the Muslim community. With this platform, investors can invest in financial instruments that are in accordance with sharia principles, such as shares of companies that are not involved in the haram industry, sharia bonds, and sharia mutual funds. This provides an opportunity for investors to continue investing by following sharia principles, without having to worry about the halalness of their investments. Thus, technology has opened up new opportunities for Muslim communities to be able to manage their finances more effectively and in accordance with their religious beliefs.⁷

THEORETICAL FOUNDATION

The rapid development of financial technology (*FinTech*), mobile banking services, and digital wallets have brought major changes in the world's financial system. These innovations encourage the creation of various financial services that are fast-paced, easy, and efficient. This transformation is not only happening in the conventional financial sector, but also starting to penetrate into a financial system based on Islamic values that is now trying to adapt to the needs of a modern society that is all digital.⁸ In Indonesia, Islamic financial institutions are adapting to this progress through the development of digital platforms based on sharia principles. This initiative aims to combine the convenience of technology with Islamic values, so that people can access halal, safe, and practical financial services without having to visit branch offices directly. Thus, digitalization is an important bridge in expanding Islamic financial inclusion in the modern era.⁹

The use of *sharia mobile banking applications*, *sharia fintech*, and halal digital payments showed a significant increase. For example, *the research on Sharia Fintech and Gen Z: The Role of Perceived Usefulness Mediation* shows that sharia fintech is beginning to be taken seriously by Generation Z, especially on the island of Java, with *perceived usefulness* as a mediator of the influence of subjective norms on behavioral intentions.¹⁰ However, this growth has not been even and there are barriers to adoption, especially in terms of trust, technology perception, and the relevance of religiosity in services. However, when brought to the context of digital Islamic financial services, adoption by Generation Z is not optimal. Several studies show that although interest in sharia products is high, practical obstacles such as low sharia financial literacy, trust in technological security, regulatory concerns, and lack of *brand awareness* of digital sharia institutions are still obstacles. For example, the *Study of Sharia Financial Literacy*

⁶ "The Development Of Islamic Banking In Indonesia | Sensitive," accessed October 4, 2025, <https://journal.uir.ac.id/index.php/Peka/article/view/15010>.

⁷ Muhammad Syam'ani and Yusuf Mahmud, "The Role of Investment Digital Platforms in Changing Transaction Mechanisms in the Indonesian Sharia Capital Market," *Muttaqien; Indonesian Journal of Multidisciplinary Islamic Studies* 5, no. 1 (January 2024): 63–74, <https://doi.org/10.52593/mtq.05.1.05>.

⁸ Nabila Azura Qothrunnada et al., "Digital Transformation of Islamic Financial Institutions: Opportunities and Implementation in the Industrial Era 4.0," *Indonesian Journal of Humanities and Social Sciences* 4, no. 3 (December 2023): 741–56, <https://doi.org/10.33367/ijhass.v4i3.4585>.

⁹ Qothrunnada et al., "Digital Transformation of Islamic Financial Institutions."

¹⁰ "Sharia Fintech and Gen Z: The Mediating Role of Perceived Usefulness | Share: Jurnal Ekonomi Dan Keuangan Islam," accessed October 4, 2025, <https://jurnal.ar-raniry.ac.id/index.php/Share/article/view/22990>.

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of *Generation Z and Their Interest in Sharia Banking* found that Islamic financial literacy has a positive influence on Generation Z's interest in using Islamic banking services.¹¹

On the other hand, research from *Factors Influencing Gen Z's Intention In Adopting Islamic Fintech* said that variables such as social influence and habit had a significant effect on the intention of using *Islamic fintech*, while *performance expectancy* and *effort expectancy* did not show an influence in addition to the aspect of religiosity.¹² In the case of BSI Mobile Banking services, a study in Yogyakarta applied the UTAUT2 framework to examine adoption among Gen Z and millennials.¹³ This condition shows that despite the great potential, consistent and significant adoption has not yet been comprehensively formed.

Various studies on technology acceptance consistently utilize theoretical frameworks such as *Technology Acceptance Model (TAM)*, *Theory of Planned Behavior (TPB)*, and *Unified Theory of Acceptance and Use of Technology (UTAUT/UTAUT2)*. These three models are the main foundation in explaining technology adoption behavior because it is able to describe the relationship between user perception and intention to use a digital system. The TAM model, for example, emphasizes the extent to which users assess the convenience and usefulness of technology as factors that form a positive attitude towards its use. Meanwhile, TPB adds elements of social norms and perceptions of behavior control to understand individual intentions in behavior, so that it is more comprehensive in the social context. The UTAUT model and its development, UTAUT2, expands the framework by including the dimensions of performance expectations, business expectations, social influences, and supporting conditions that influence adoption behavior. UTAUT2 also added elements of hedonistic motivation and demographic variables as moderation factors that enriched understanding of the acceptance of digital technology.

Although these three models have proven relevant in many studies in the field of digital finance, their application in the context of Islamic financial services and Generation Z's behavior still shows a number of limitations. These models are basically generic and developed in the context of conventional technological systems, so they do not fully reflect the religious values and sharia principles that underlie the behavior of Muslim consumers. In addition, the unique characteristics of Generation Z as a group of users who are very familiar with technology, but have different spiritual orientations and social preferences, demand a modification of the model to be more contextual. Thus, conceptual efforts are needed to expand these classic models through the integration of variables that reflect the value of religiosity, sharia belief, and halal perception, so that the results of the analysis can be more accurate in describing technology adoption behavior among Generation Z users of digital Islamic financial services.

1. Lack of integration of sharia values or religiosity

The classical model does not explicitly include the variables of religiosity, adherence to sharia principles, or beliefs based on the Islamic dimension. In the context of digital Islamic financial services, users not only consider the ease of technology but also halal,

¹¹ Dian Sugiarti, *Sharia Financial Literacy of Generation Z and Their Interest in Sharia Banking (Case Study on Vocational School Students in Jakarta)*, n.d.

¹² Fitri Syakinah, "Factors Influencing Gen Z's Intention In Adopting Islamic Fintech Payment Digital Services," *JPS (Sharia Banking Journal)* 5, no. 1 (April 2024): 70–89, <https://doi.org/10.46367/jps.v5i1.1780>.

¹³ Yasminah Nur Fitriah and Anom Garbo, "Factors Influencing the Decision to Use BSI Mobile Banking among Gen Z and Millennials in Yogyakarta, Indonesia," *Journal of Islamic Economics Lariba* 10, no. 2 (December 2024): 1143–68, <https://doi.org/10.20885/jielariba.vol10.iss2.art26>.

honesty, transparency of sharia accounting, sharia audits, and the certainty of halal contracts.

2. Universal assumptions that may not fully apply to Gen Z in the context of sharia

Some variables in TAM/TPB/UTAUT may be less relevant or have different influence weights among Generation Z sharia users. For example, *performance expectancy* may be important in *general fintech*, but in sharia services, *trust* in halal and sharia reputation can be more dominant. In the *Factors Influencing Gen Z's Intention In Adopting Islamic Fintech research*, aspects such as social influence and habits turned out to be more dominant than technical aspects such as effort expectancy.¹⁴

3. Lack of exploration of sharia-specific constructs

The values of religiosity, religious-based beliefs, halal perception, and adherence to the principle of muamalah are often ignored or made minor control variables in general studies. For example, the study *on the Influence of Digital Technology, Religiosity, and Social Media on Islamic stock investment interest* shows that digitization plus religiosity and social media influence halal investment decisions.¹⁵

Therefore, it is necessary to conduct a theoretical gap analysis to identify where existing models fail to explain, and from there develop a new conceptual model that is more specific to Generation Z and digital Islamic financial services.

Based on the background that has been described, there is an increasingly urgent need to conduct theoretical gap mapping (gap analysis) in the study of the adoption behavior of digital Islamic financial services. This step is important because various theories of technology adoption that have been used previously still show limitations in explaining the phenomenon that occurs in the context of sharia, especially among Generation Z. Through this mapping, researchers can trace the main theories that have been widely applied, such as TAM, TPB, and UTAUT and identify the variables that are most often used in research related to digital finance and *fintech*. This approach not only maps out existing conceptual patterns, but also allows researchers to find empty spaces in theories that have not been able to answer the complexity of Muslim consumer behavior in the digital age.

In addition, this theoretical gap analysis is expected to produce a new conceptual model that is more relevant to the social and spiritual context of Generation Z. The model in question can be built by integrating the technological dimension of classical theories with typical values of Islamic economics, such as religiosity, belief in sharia principles, the reputation of Islamic financial institutions, and moderation factors that are contextual in Islamic financial literacy. With this approach, the resulting model is expected to be able to make a significant theoretical contribution to the development of Islamic economics while providing practical guidance for financial institutions in understanding the behavior patterns of young Muslim consumers in the digital era.¹⁶

In summary, this research is expected to make a contribution to the realm of theory and practice. From the theoretical side, this research will enrich the study of the adoption of

¹⁴ Syakinah, "Factors Influencing Gen Z's Intention In Adopting Islamic Fintech Payment Digital Services," April 2024.

¹⁵ Muhammad Rais, Himmatul Khairi, and Faisal Hidayat, "The Influence of Digital Technology, Religiosity, and Social Media on Generation Z's Decision to Invest in Sharia Stocks," *Maro: Journal of Sharia Economics and Business* 6, no. 2 (November 2023): 342–55, <https://doi.org/10.31949/maro.v6i2.7178>.

¹⁶ "(PDF) Sharia Fintech and Gen Z: The Mediating Role of Perceived Usefulness," accessed October 4, 2025,

https://www.researchgate.net/publication/383986236_SHARIA_FINTECH_AND_GEN_Z_THE_MEDIATING_ROLE_OF_PERCEIVED_USEFULNESS?utm.

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Islamic fintech through a broader and integrated conceptual model, so that it is suitable for the context of Generation Z. Meanwhile, practically, the results of this research can be used as a basis for strategies by digital Islamic financial institutions to be able to create products, services, and communications that answer the specific needs of Generation Z, especially aspects such as halal, trust, and the reputation of the institution. As a further step, after the design of this conceptual model is proposed, empirical research with methods such as surveys, SEM (*Structural Equation Modeling*) analysis, or PLS (*Partial Least Squares*) can be carried out. Trials can be carried out on various types of digital Islamic financial platforms ranging from Islamic banks, *Islamic fintechs*, to halal e-wallets to verify the validity and reliability of models in various environmental constellations.

Various technology acceptance models such as the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Unified Theory of Acceptance and Use of Technology (UTAUT/UTAUT2) have become the main foundation for analyzing user behavior in the digital environment. The TAM model highlights the importance of perceived usefulness and perceived ease of use as factors that shape an individual's intention to use a technological system. Meanwhile, the SDGs expand the framework by adding elements of social norms and perceived control of behavior, which play a role in determining a person's tendency to behave. The UTAUT model and its development, UTAUT2, then enriched the concept through the integration of social influence aspects, supporting conditions, and moderation factors such as age, gender, and user experience.

However, the use of these models in the context of digital Islamic financial services still shows limitations. The variables in the conventional model have not fully accommodated the core values in Islamic principles such as the halalness of transactions, compliance with sharia law, and the level of religiosity of users. In the study, it was stated that the application of the TAM and UTAUT models to Islamic finance needs to be further developed to be able to reflect the dimension of Islamic spirituality and ethics which is the main basis of Muslim consumer behavior in deciding the use of digital-based financial services.

1. Islamic Consumer Behavior Framework

In addition to the conventional model, the framework of sharia consumer behavior emerged with a focus on constructs such as religiosity, maqashid al-sharia, adherence to the faith, and Islamic norms in muamalah. Religiosity is an internal indicator that influences attitudes towards sharia products, while maqashid (sharia goals) pays attention to aspects of benefit, justice, and benefits in financial transactions. This framework tries to combine spiritual and moral motives with economic motives that are usually emphasized in TAM/UTAUT. However, the literature that combines these two types of frameworks simultaneously (TAM/UTAUT and sharia values) in the context of Generation Z is still limited.

2. Previous Studies: Focus on Trust Variables, Reputation, Risk, Religiosity, Perceived Usefulness

Several recent national studies have raised variables such as trust, reputation, perceived risk, religiosity, and perceived usefulness in the context of fintech or digital Islamic financial services. For example, the study "Analysis of Factors Affecting Interest in Transactions Using Sharia Fintech in Generation Z in Makassar City" shows that the perception of ease of use, service effectiveness, and risk has a significant effect on the interest in sharia fintech transactions. The research "Sharia Fintech and Gen Z: The Mediating Role of Perceived Usefulness" also confirms that perceived usefulness mediates the influence of social norms

and ease of use on the intention to behave among Generation Z. On the other hand, the study "The Use of Islamic Fintech and Online Investment in a Review of Trust and Risk Theory" found that trust was positively correlated with the use of Islamic fintech, while risk perception was a major barrier.

3. Gap Analysis: Conceptual Gap

In various studies that have raised conventional variables and some sharia variables, there is still a significant conceptual gap. Most of the models used (TAM, UTAUT) have not systematically included Islamic values such as religiosity, sharia compliance (prayer, zakat, halal contract), sharia maqashid, or creed as the main construct, not just the control variable. For example, the study in Makassar measured the effects of risk, effectiveness, and ease, but religiosity has not yet been a key variable in its conceptual model.

4. Gap Analysis: Contextual and Methodological Gap

The contextual gap arises due to the few studies that specifically focus on Generation Z as the main subject, with digital native characteristics and different social and religious values than previous generations. Most studies include Generation Z as part of the general population or compare between generations, rather than examining Generation Z's own experiential characteristics and motives. Methodological studies also use quantitative approaches and surveys, with minimal in-depth qualitative or conceptual studies to reveal the meaning of sharia values and religiosity in the context of the adoption of sharia digital fintech.

5. Gap Analysis: Gap Practicality and the Need for New Models

From the theoretical framework and the results of previous studies, there is a need for a new conceptual model that is not only academic, but also applicable to digital Islamic financial institutions. The practical gap includes a lack of strategic recommendations that touch on digital sharia branding, transparent compliance, sharia accountability, digital data security, and education that combines aspects of religiosity and moral values. Digital Islamic financial institutions need to use the findings from this gap to design products, communications, and services that are more in line with Generation Z's values and sharia principles. The proposed new model must combine technological variables (perceived ease, usefulness), trust/reputation, religiosity, and elements characteristic of Gen Z to bridge the theoretical gap.

METHOD

This research uses a conceptual qualitative approach through *library research*, which is to explore and examine in depth literature, regulations, and fatwa documents related to digital sharia fintech. This method was chosen because the purpose of the research is not to collect primary data, but to build a new theoretical foundation through the synthesis of existing knowledge and the identification of gaps in theory and practice. Thus, this study seeks to develop a conceptual model of Generation Z's behavior towards the adoption of digital Islamic financial services that is more in line with the Islamic context and the characteristics of young users.

In this study, data were collected from three types of sources:

1. Scientific articles

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Browse international journals and national journals published between 2015 and 2025. The articles cover the themes of *sharia fintech*, *financial technology adoption*, *sharia consumer behavior*, *trust variables*, *reputation*, *religiosity*, perceived usefulness, perceived risk, and characteristics of Generation Z. For example, the research on Financial Technology Based on Sharia Principles and the Model of the Use of Contracts in Sharia Fintech discusses relevant contracts and the implications of sharia principles in fintech.¹⁷ Also, the study *The Use of Sharia Fintech and Online Investment in a Review of Trust and Risk Theory* discusses the influence of trust and risk in the context of Islamic fintech.

2. Government Regulations

Legal documents, regulations of the OJK and Bank Indonesia regarding *fintech* and digital financial services, as well as specific regulations on digital sharia. For example, the regulation of sharia fintech in Indonesia is still unclear on the separation between conventional and sharia fintech, even though there is a DSN-MUI Fatwa No. 117/DSN-MUI/II/2018 concerning information technology-based financing services.¹⁸ In addition, the research *Harmonisation Between DSN-MUI Fatwas and OJK Regulations* discusses the synchronization between sharia fatwas and state regulations in the sharia fintech ecosystem.¹⁹

3. Fatwas related to digital sharia fintech are the foundation of sharia that must be taken into account. Example of fatwa:

- a) DSN-MUI Fatwa No. 117/DSN-MUI/II/2018 concerning information technology-based financing services that follow sharia principles
- b) DSN-MUI Fatwa No. 116/DSN-MUI/IX/2017 concerning Islamic electronic money.²⁰
- c) Fatwa that discusses murabahah contracts, *wakalah bil ujah* in sharia fintech in Sharia funds.²¹
- d) Analysis of Qardh and Wakalah Bil Ujah Contracts in Digital Sharia Fintech Transactions, as discussed in the article *Qardh and Wakalah Bil Ujah in Financial Transactions...* in the *Al-Kharaj* journal.²²

By combining the above sources, the research has a comprehensive database of academic, regulatory, and sharia theoretical aspects.

This study uses a Systematic Literature Review (SLR) approach designed according to the PRISMA 2020 protocol. Here are the stages:

¹⁷ Heri Firmansyah et al., "Financial Technology Based on Shariah Principles and the Model of the Use of Contracts in Sharia Fintech: A Study of the DSN MUI Fatwa," *Tabayyanu : Journal Of Islamic Law* 1, no. 01 (March 2024): 58–74.

¹⁸ Muhammad Dzulfaqori Jatnika and Aneng Anisa Daliah Mutiara, *Implementation of Sharia Fintech Regulations in Indonesia*, n.d.

¹⁹ Suaidi Suaidi et al., "Harmonisation Between DSN-MUI Fatwas and OJK Regulations: Towards an Innovative and Inclusive Sharia-Compliant Fintech Ecosystem in Indonesia," *Mazahib* 24, no. 1 (June 2025): 182–97, <https://doi.org/10.21093/mj.v24i1.10032>.

²⁰ Dwi Fidhayanti et al., "Exploring The Legal Landscape of Islamic Fintech in Indonesia: A Comprehensive Analysis of Policies and Regulations," *F1000Research* 13 (June 2024): 21, <https://doi.org/10.12688/f1000research.143476.2>.

²¹ Iqlima Fahrunita and Basmah Nafisah, "Analysis of DSN MUI Fatwa on Murabahah and Wakalah Bil Ujah in Sharia Fund Fintech," *LABATIL.A : Journal of Islamic Economics* 7, no. 01 (June 2023): 27–40, <https://doi.org/10.33507/lab.v7i01.1195>.

²² Nurman Ferdiana, "Akad Qardh and Wakalah Bil Ujah in Financial Technology Transactions of Sharia Peer to Peer Lending: The Perspective of DSN-MUI Fatwa Number 117/DSN-MUI/II/2018," *Al-Kharaj: Journal of Sharia Economics, Finance & Business* 6, no. 1 (January 2024): 323–50, <https://doi.org/10.47467/alkharaj.v6i1.208>.

1. Literature Identification

The initial search was carried out through databases such as Google Scholar, Scopus, Web of Science, and national repositories (Sinta). The keywords used include combinations such as "sharia fintech", "Indonesian sharia digital finance", "sharia technology adoption", "sharia fintech trust", "sharia religiosity and fintech", "DSN-MUI fintech fatwa", and the like.

2. Screening (Title and Abstract)

From the identification results, articles are filtered by title and abstract to ensure relevance. Inclusion criteria include: articles in Indonesian or English, published between 2015–2025, containing the theme of *sharia* fintech or *fintech* in an Islamic context, as well as paying attention to consumer behavior constructs (trust, reputation, religiosity, *perceived risk*, *perceived usefulness*). Non-scientific articles, conference papers without peer review, or articles outside of the main topic will be excluded.

3. Eligibility (Full Text)

Articles that pass the screening stage are then checked in their full text to ensure that the variables and context are in line with the focus of the research. At this stage, literature that has no constructive relevance is ignored.

4. Inclusive Literature

Final literature that meets all criteria is used in the in-depth analysis. The amount of literature used can be included in the SLR flowchart (PRISMA diagram) for transparency.

After the literature was selected, data reduction and variable categorization were carried out. Reduction means filtering relevant texts avoiding information that is too general or unused focusing on citations, findings, theories, definitions related to trust, reputation, religiosity, perceived usefulness, perceived risk, and characteristics of Generation Z. Categorization then groups the literature based on these variables and marks the patterns of findings, definitions, and methods used in previous research. Next, a gap analysis (Gap Analysis) was carried out. At this stage, the literature that has been categorized is analyzed based on its dimensions: conceptual gap (general theory has not accommodated sharia values), star context (lack of special studies for Generation Z), methodological (dominance of quantitative surveys), and practical (limitations of strategic recommendations of digital sharia institutions).

Based on the gap analysis, this study develops a new conceptual model that integrates constructs from technology theory (e.g. *perceived usefulness*, *perceived ease of use*, *effort expectancy*), sharia constructs (religiosity, religious adherence, sharia accountability), and socio-psychological constructs (*trust*, *reputation*), as well as the characteristics of Generation Z as a reinforcing or moderator variable. This model is shown in a conceptual diagram and the relationships between the variables are described. In the preparation of the model, the research referred to the DSN-MUI fatwa as the sharia basis for the legality of sharia fintech operations, as well as OJK/BI regulations as the state's legal basis. For example, the impact of inconsistencies between state regulations and DSN fatwas can emerge as an obstacle in user trust. Study of *Implementation of the Fatwa of Indonesian Ulema...* stated that the DSN fatwa was used as the foundation of Islamic financial regulation, but the challenge of integration

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with national regulations was still felt.²³ It is also important to refer to the *Implementation of Sharia Fintech Regulations in Indonesia* which states that OJK/BI regulations are still unclear in separating conventional and sharia fintech.²⁴

With this approach and analysis technique, the research presents a new theoretical contribution in the form of model construction that is relevant to the context of digital Islamic finance in Indonesia, especially for Generation Z, and provides a conceptual framework that is ready to be empirically tested in future research.

RESULTS AND DISCUSSION

The results of the literature review show that the dominant theories of technology adoption used in the study of Islamic digital finance include the Technology Acceptance Model (TAM), the Theory of Planned Behavior (TPB), and the Unified Theory of Acceptance and Use of Technology (UTAUT). The TAM model emphasizes two main constructs, namely perceived usefulness and perceived ease of use, which determine a person's attitude and intention to use new technology. The greater the benefits and convenience, the higher the likelihood of individuals adopting the technology. In the context of digital finance, many studies have confirmed that the ease of use of applications and the perception of benefits are the main drivers of the adoption of digital financial services, including in Islamic institutions.

Meanwhile, TPB expands the TAM model by including social dimensions and behavioral control, namely attitude, subjective norms, and perceived behavioral control. This theory emphasizes that an individual's decision to behave in a particular way is influenced not only by personal attitudes, but also by social norms as well as an individual's belief in his or her ability to control that behavior. The UTAUT model, developed by Venkatesh et al., refines the previous theory with four main constructs: performance expectancy, effort expectancy, social influence, and facilitating conditions. In many recent researches, UTAUT has proven to be more comprehensive because it is able to explain the variation in intentions and behavior in using technology up to 70%, higher than TAM or TPB.

However, the mapping results show that all of these models are still general and have not accommodated the typical values of Islamic finance. In the context of Muslim society, the decision to use financial products is not only influenced by benefits and convenience, but also by religious beliefs and adherence to sharia principles.

Gap analysis of the literature shows three main findings.

First, there is a conceptual gap, namely the absence of sharia-specific variables such as reliability and sharia compliance in the dominant technology adoption model. In fact, in the framework of Islamic finance, religiosity has a strong influence on economic behavior and consumption ethics. A Muslim consumer not only considers rational factors such as benefits or convenience, but also assesses the extent to which a product is in accordance with Islamic values. Second, structural gaps were found in the integration of trust and reputation. In the digital financial ecosystem, trust is a crucial variable because transactions are carried out without face-to-face. The lack of attention to this variable has led to previous behavioral models not being able to fully explain the phenomenon of sharia fintech adoption,

²³ Jatnika and Mutiara, *Implementation of Sharia Fintech Regulations in Indonesia*.

²⁴ Jatnika and Mutiara, *Implementation of Sharia Fintech Regulations in Indonesia*.

where the reputation of financial institutions and sharia transparency play a central role in building user trust.

Third, there is a contextual gap, namely the limited research that focuses on Generation Z, who are the dominant users of digital services. As digital natives, Generation Z has unique characteristics of being quick to adapt to technology, appreciate convenience and efficiency, but at the same time sensitive to moral and social values. The limitations of research that highlight the psychological and religious aspects of this generation make understanding of the adoption behavior of sharia fintech not yet comprehensive. In response to these findings, this study proposes a new conceptual model that is more contextual for Islamic finance users in Indonesia, especially Generation Z. This model integrates the main variables of classical theory (TAM, TPB, UTAUT) with a distinctive Islamic and social dimension.

Proposed variables include:

1. Trust is the basis for users' intentions to adopt digital sharia services. Trust is formed through the reputation of the institution, sharia transparency, and compliance with the DSN-MUI fatwa.
2. Reputation is showing the image of an Islamic financial institution in the eyes of the public. A good reputation reinforces the perception of reliability and sharia compliance.
3. Religiosity describes the level of spiritual commitment of users that encourages them to choose services according to Islamic values.
4. Perceived Usefulness is the perception of the benefits of technology for efficiency and ease of transactions.
5. Social Influence is the influence of the social environment, friends, or Muslim community in encouraging the intention to use digital Islamic financial services.

The expected outcome of this model is Generation Z's interest and adoption of digital Islamic financial services. This model not only explains user behavior from a rational (utilitarian) perspective, but also adds a layer of value-laden behavior based on religiosity and belief. Conceptually, trust and reputation act as mediating variables that connect the perception of technology (perceived usefulness) with user intentions. While religiosity serves as a moderation variable that strengthens the relationship between technological constructs and adoption behavior. Social influence plays a role as an external factor that encourages social validation of an individual's decision to use digital Islamic financial products. This conceptual model is expected to be a theoretical foothold for subsequent empirical research. Through this approach, the study of digital financial adoption behavior will be more holistic, because it combines psychological, technological, social, and spiritual factors in an integrated manner. Thus, the research not only contributes to the development of technology adoption theories, but also enriches the Islamic economic literature oriented towards the religious values and behavior of the younger generation.

Classical theoretical models such as TAM, TPB, and UTAUT have been shown to be effective in explaining technology adoption behavior in many contexts. For example, TAM explains that perceived usefulness and perceived ease of use directly affect user intentions. UTAUT expands this aspect by including performance expectancy, effort expectancy, and social influence. However, in the context of digital Islamic finance, these theories need to be expanded in order to capture aspects of Islamic values that influence user decisions. The integration of classical theory with sharia dimensions such as religiosity and sharia compliance is important because users of digital sharia financial services not only assess the functional aspects of the technology but also consider whether the service is

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"halal", according to the principle of muamalah, and free from the elements of riba or gharar. Several studies have integrated such as incorporating religiosity into TAM in the context of mobile payments in Indonesia.

The study The Exploration Role of Sharia Compliance in Technology Acceptance Model for E-Banking shows that sharia compliance can moderate the relationship between technology perception and sharia e-banking user satisfaction. The study The Exploration Role of Sharia Compliance in Technology Acceptance Model for E-Banking shows that sharia compliance can moderate the relationship between technology perception and satisfaction of sharia e-banking users. Generation Z is a generation that has been used to smartphones, social media, and digital services since childhood. For them, speed, seamless access, intuitive interface, and user experience are basic expectations. However, when choosing digital Islamic financial services, the technical aspect is not enough, they also demand moral integrity, ethical values, and religious conformity in the products used.

These characteristics make Generation Z different from previous generations in terms of decision-making priorities. They tend to pay attention to the reputation of the institution, sharia transparency, clarity of the contract, and the testimonials of other users who share the faith. Therefore, if the technology adoption model focuses only on utilitarian aspects (benefits, convenience), then it risks ignoring the moral value component that is very relevant to early sharia users. While gap analysis reveals that previous research rarely places Generation Z as the main focus, it suggests that their unique characteristics have not been thoroughly researched. Therefore, the new model that is built needs to explicitly adjust the construct to be relevant for this generation, for example by strengthening the moderation variable of religious values or taking into account sensitivity to reputation and trust influenced by moral values.

The proposed new conceptual model combines the following variables: trust, reputation, religiosity, perceived usefulness, and social influence, with the outcome of interest in the adoption of digital Islamic financial services by Generation Z.

- a. Trust and reputation act as a bridge (mediation) between the perception of technology and the intention of adoption, users must believe that digital sharia institutions are truly practicing Islamic principles consistently.
- b. Religiosity acts as a moderation variable that reinforces the influence of technology perception and trust on a person's religious adoption, the greater the tendency that technological variables will have an impact on intention.
- c. Social influence remains important as the external element of the social environment influence (family, friends, Muslim community) validates the adoption decision.

This model is relevant to be tested empirically through quantitative methods such as SEM (Structural Equation Modeling) or PLS (Partial Least Squares). Survey data on Generation Z in big cities and regions can be used to test the validity, strength of influence, and moderation of religiosity. With empirical testing, it will be seen whether this model is able to explain the variability of interest and adoption better than the classical model without the sharia dimension. This conceptual model also provides practical direction for digital Islamic financial institutions:

1. Sharia Branding Strategy

Institutions must design brand identities (logos, slogans, promotional content) so that they immediately give the impression of "sharia, halal, trustworthy." Branding that

highlights moral commitment and Islamic values will increase the appeal for ethically sensitive Generation Z users.

2. Trust-Building

Trust can be fostered through operational transparency (e.g. public sharia audit reports, sharia contract declarations, complaint mechanisms), data security guarantees, and sharia certification or labels. Institutions need to show concrete evidence that they are truly adhering to Islamic principles.

3. Religious Education and Sharia Digital Literacy

Dual education (technical aspects and Islamic values) must be carried out. Educational content that explains how to use the application as well as conveys the values of muamalah (prohibition of riba, gharar). Islamic storytelling approaches, short videos, infographics, and cooperation of the Muslim community can enhance users' religious understanding and values.

4. Collaboration with Religious Stakeholders & Islamic Community

To strengthen reputation and social influence, digital sharia institutions can collaborate with mosques, Islamic boarding schools, da'wah organizations, and religious leaders. Validation from the religious side will increase credibility in the eyes of Generation Z.

5. Responsive to Feedback and Continuous Innovation

Because Generation Z values the user experience, institutions must be responsive to criticism, suggestions, and the need for new features. Continuous improvements in the aspects of sharia security and usability will maintain the relevance of the service.

CONCLUSION

This study finds that classical frameworks such as the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Unified Theory of Acceptance and Use of Technology (UTAUT) are insufficient to fully explain Generation Z's adoption of digital Islamic financial services. These models predominantly emphasize rational considerations, such as perceived usefulness and ease of use, while overlooking spirituality, religiosity, and Islamic values that strongly shape Muslim consumer behavior. The identified gaps span theory, context, and practice: existing models rarely incorporate religiosity as a core variable, empirical studies focusing on Generation Z remain limited, and Islamic financial institutions lack strategic frameworks to build trust and credibility in the digital environment.

In response, this study proposes a new conceptual model integrating five key constructs—trust, reputation, religiosity, perceived usefulness, and social influence—to explain Generation Z's intention and decision to use digital Islamic financial services. This framework extends the literature by embedding Islamic values into technology adoption behavior and offers practical insights for Islamic financial institutions, particularly in strengthening Islamic branding, enhancing trust through sharia transparency, and developing digital religious education.

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