

AUGMENTING ISLAMIC DIGITAL PAYMENT EFFECT ON MUSLIM CUSTOMER PURCHASE DECISION ON MICRO, SMALL AND MEDIUM ENTERPRISES' (MSMEs) PRODUCTS

Hendra Riofita

State Islamic University Sultan Syarif Kasim, Indonesia, hendrariofita@yahoo.com

ABSTRACT

To support the role of digital transaction in improving the growth of economy, the effect of Islamic digital payments on Muslim customer purchase decision on Micro, Small and Medium Enterprises' (MSMEs) products should be augmented. This study employs a modified Technology acceptance Model (TAM) to examine whether perceived values mediate or augment the effect of Islamic digital payments on purchase decisions of MSMEs' products. Using data gathered from 477 respondents, we find that the perceived values do augment Islamic digital payment effect on Muslim customer purchase decision on MSMEs products. However, their augmentation for the case of cash payments is absent. In other words, Islamic digital payments and perceived values are together the predictors of Muslim customer purchase decision while cash payments are not. We also note that the Islamic digital payments are the predictor of perceived values.

Keywords: Islam, Digital payment, Cash payment, Purchase decision, MSMEs.

JEL classification: E42; L26; L32; M31.

Article history:

Received : December 14, 2023

Revised : March 20, 2024

Accepted : November 30, 2024

Available online : December 24, 2024

<https://doi.org/10.21098/jimf.v10i4.1991>

I. INTRODUCTION

Digital transactions are expanding along with technological advances (Abdillah et al., 2021). As a country with the largest Muslim population in the world, Indonesia has the opportunity to be a potential market for Islamic digital transactions, since more than 185 million or 68% of internet users in the country are Muslims (Müller, 2020; Irianto, 2019). Supported by the use of Islamic digital payments, facts show that the digital transactions are profitable for MSMEs (Micro, Small and Medium Enterprises) (Qoyum & Fauziyyah, 2019; Pambudianti et al., 2020). The Islamic digital payments are easy, practical, fast, convenient and efficient to use, therefore are effective in improving MSMEs business performance (Al Hashfi et al., 2020; Yahya, 2020; Mukhlisin, 2019; Prestama et al., 2019). The effectiveness is also supported by the fact that the Islamic digital payments can be operated via a smartphone (Darmansyah et al., 2020; Arsyianti & Adelia, 2019).

Islamic digital payments are different from the conventional ones as they must be operated based on Islamic law. The Islamic digital payments must manage the features related to the ease of use, usefulness and security as recommended by Islamic teaching (Al-Qardawi, 1994; Haider et al., 2020). The Islamic digital payments must guarantee the halalness of the transactions conducted by Muslim customers (Riofita & Iqbal, 2022; Hiyanti et al., 2020; Okfalisa et al., 2022). The use of the Islamic digital payments by MSMEs can attract more Muslim customers to purchase therefore can play important role in driving the growth of MSMEs (Saripudin et al., 2021). The capability to improve MSMEs business performance shows that the Islamic digital payments can influence Muslim customer purchase decision on MSMEs products. This is in line with the finding of Runnemmark et al. (2015) revealing that digital payments are the predictors of customer purchase decision. Therefore, the use of the Islamic digital payments must be employed to improve MSMEs business performance in particular and for increasing of Indonesian economy in general, considering only 8% of all of the digital payments operating in Indonesia are based on sharia or Islamic law (OJK, 2021).

However, Islamic digital payments should not only be employed, but should also augment their influences on Muslim customer purchase decision on MSMEs products. Presently, Muslim customer purchase decision is still dominated by cash payment (Yucha et al., 2020). According to Lisa (2019), digital payments are not the antecedent of customer purchase decision since more than half of the world population, especially in developing countries, use cash payments. Moreover, most Muslims in the developing countries, including in Indonesia, still cannot accept the halalness of the digital payments (Riofita & Iqbal, 2022; Hiyanti et al., 2020; Okfalisa et al., 2022). The reason is their lack of understanding about Quran and Hadith legality guaranteeing the halalness and hence they assume that the use of the digital payments is not in accordance with Islamic principles. This has left the Islamic digital payments far behind (Todorof, 2018).

Islam supports the electronic transformation including in the form of digital payments, as long as the transformation provides benefits for humans and there are no injustice or violations of laws (Al-Qardawi, 1994; Haider et al., 2020). Therefore, to attract the Muslim customers, the use of the Islamic digital payments must be consistent with their Islamic religiosity covering their behaviors, beliefs and habits as Muslims (Gursoy et al., 2017; David & Lawal, 2018). Since their Islamic

religiosity is their Islamic values, the use of the Islamic digital payments must be a part of their religious duties to be closer to Allah SWT (Yahya, 2020). Therefore, the Islamic values that Islamic digital payments provide must be perceived by Muslim customers (Okfalisa et al., 2022). The perceived values are: (1) functional values, namely the values providing benefits for Muslim customers since the sharia digital payments can be used conveniently, efficiently, easily, credibly, quickly and accurately (2) social values, namely the values enhancing Muslim customer social relationship since the sharia digital payments can be the manifestation of Muslim brotherhood enhancement; (3) epistemic values, namely the values improving experiences in purchasing MSMEs products; and (4) emotional values, namely the values developing positive emotion among Muslims (Riofita, 2023; Azam et al., 2022). Through these perceived values, the use of the Islamic digital payments can be the manifestation of Muslim muamalah in modern era (Wira, 2017). While these perceived values augment the effect of Islamic digital payments on Muslim customer purchase decision on MSMEs products, to the best of author's knowledge, no previous research has measured the capability of the perceived values to do so. Whereas, the perceived values can also augment the capability of the Islamic digital payments to eliminate the domination of cash payments for purchase transaction (Yucha et al., 2020; Todorof, 2018). For these reasons, the perceived values must be employed to augment the effect of Islamic digital payments on Muslim customer purchase decision on MSMEs products as well as to address the research gap on the relation of the digital payments and customer purchase decision (Azam et al., 2022; Wira, 2017; Yucha et al., 2020; Todorof, 2018).

In light of these, this study examines the augmenting effect of perceived values on the relation between Islamic digital payments and Muslim customer purchase decision on MSMEs products. The findings can be an important evidence from Indonesia for developing countries since the use of digital payment including the Islamic digital payments in the countries have yet superseded the use of cash payments (Lisa, 2019).

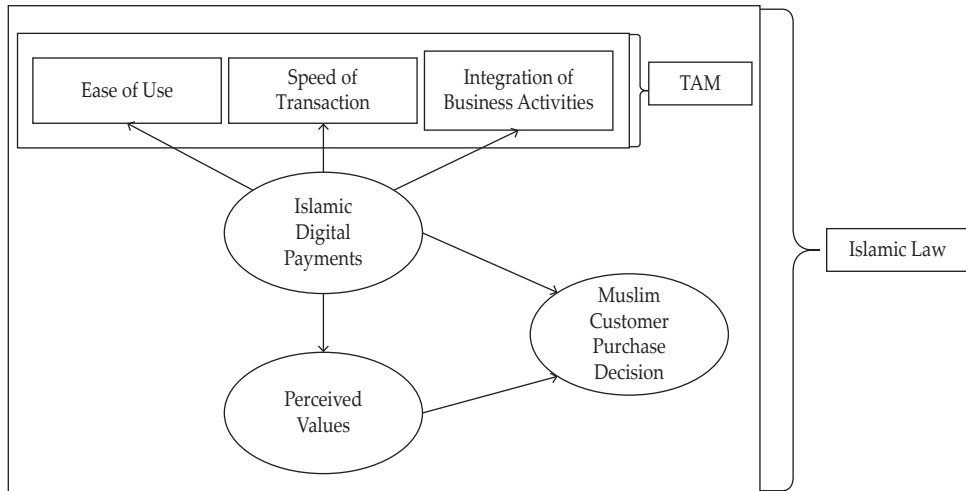
The article is structured as follows: (1) Introduction: highlighting the background as well as research gaps and the objective of this study; (2) Literature review: discussing related literature, hypotheses, and conceptual framework; (3) Methodology: elaborating data, proposed model and method; (4) Results and analysis: presenting respondents' profiles, measurement model results, structural model results, pathway analysis, robustness test and analysis and discussions; and (5) Conclusions: providing a summarize, implications and recommendations.

II. LITERATURE REVIEW

2.1. Islamic Digital Payments and Technology Acceptance Model (TAM) in Sharia Context

To gain the trust of Muslim customers, Islamic digital payments must rely on the advance of technology and as well as comply with Islamic teachings in its operations and influences on the purchase decision of MSMEs products (Stern et al., 2008; Al-Qardawi, 1994; Haider et al., 2020). The Islamic digital payments must have the features related to the ease of use, the speed of transaction completion and the integration of business activities covered by Islamic law (Çelik & Yilmaz, 2011).

Therefore the Islamic digital payments must be referred to Technology Acceptance Model (TAM) (Davis, 1989) as well as sharia (Al-Qardawi, 1994; Haider et al., 2020). Consequently, the features of the Islamic digital payments can be perceived as the values that can augment the effect of sharia digital payment effects the purchase decision of MSMEs products, where the features contain functional values, social values, epistemic values, and emotional values in bringing Muslims closer to Allah (Yahya, 2020).



Source: Çelik & Yilmaz (2011), Davis (1989), Al-Qardawi (1994), Haider et al., (2020)

Figure 1.
TAM Covered by Islamic Law

2.2. Muslims' Purchase Decision

Muslims' purchase decision reflects the determination for the purchase (Kotler & Armstrong, 2014). Thus, this study defines Muslims' purchase decision as their determination to opt for MSMEs products based on their needs, desires, and their respective abilities (Hawkins & Mothersbaugh, 2010). This study employs Islamic digital payments and cash payments to trigger the determination and compare the capability of both in influencing the purchase decision by Muslims. Since the triggers can exist among alternative options, enabling evaluation and best choice in the end, the comparison in the capability of each is also intervened by the values perceived by them (Kotler & Keller, 2012). In other words, the perceived values can be also involved in the process of decision making to purchase the MSMEs products (Kotler & Armstrong, 2014). This study examines whether the effect of Islamic digital payments on Muslims' purchase decision of MSMEs products is stronger than that of cash payments after mediated by the perceived values.

2.3. Perceived Values

Customers evaluate the products offered to them and assess the benefits and costs incurred (Kotler & Armstrong, 2014). Good evaluation tends to encourage the customers to purchase the products (Yee & San, 2011). Perceived values are encapsulated in their assessment before making the decision to purchase the products (Hariguna et al., 2020). Therefore the perceived values are the determination of purchase decision (Mosavi & Ghaedi, 2012) or the antecedent of the purchase decision (Handi et al., 2018). According to Yee & San (2011), the perceived values affect customer purchase decision. For the interest of this study, the perceived values are defined as the assessment by Muslim customers toward the MSMEs products that will be purchased. The values should meet the Islamic principles as taught by Quran and Hadiht (Yahya, 2020) as noted by Al Hashfi, et al., (2020) for OIC countries that the use of digital payments must be guided by the Islamic principles. In this regard, our hypothesis is:

H1. The perceived values have a significant effect on the purchase decision on MSMEs products.

2.4. Islamic Digital Payments

Digital payment is growing rapidly in Indonesia and has a potential to serve as catalyst for economic growth (Hendratmi, Ryandono, & Sukmaningrum, 2020). Being the largest Muslim country, Indonesia has also witnessed the growth of Islamic digital payments. The Islamic digital payments do meet the need of the MSMEs (OJK, 2021), especially on e-payment in addition to peer to peer lending and crowdfunding (Agustina & Faizah, 2023). Still, the capability of the Islamic digital payments to affect Muslims' purchase decision of MSMEs products must be further enhanced given the prevailing dominance of cash payments in Indonesia (Yucha et al., 2020). This fact motivates the present study to see whether perceived values mediate the relations between digital payments and purchase decision. In this study, the Islamic digital payment defined as the digital payment service applied and based on the advance of online technology and on the sharia or Islamic law, employed to influence Muslims' purchase decision of MSMEs products (Ferguson et al., 2019; Gursoy et al., 2017; David & Lawal, 2018).

The use of Islamic digital payments by MSMEs is to facilitate Muslim customers by making their shopping experiences more convenient and easier, as well as by enhancing the efficiency, speed and accuracy in purchasing (Chayanon et al., 2020). While the Islamic digital payments are similar to conventional digital payments (Alshater et al., 2022), the Islamic digital payment services must comply with the rules of Quran and Hadiht (Mohamed & Ali, 2019). With the competitiveness and the attractiveness of the services that can affect Muslim customer purchase decision (Hasan et al, 2020; Jamil & Seman, 2019), the Islamic digital payments would serve as a predictor of Muslims' purchase decision (Runnemark et al., 2015). Torki et al (2020) view that the Islamic digital payments have potential to improve economic growth in selected Islamic countries such as Indonesia, Iran, Jordan, Kuwait, Malaysia, Egypt, Morocco, Saudi Arabia, Oman, Turkey, Senegal, and United Arab Emirates, since they can affect financial sector performance positively and significantly. In these OIC (Organization of Islamic Cooperation)

member countries, the adoption rate of the digital payments is increasing over the years (Al Hashfi et al., 2020). The proposed hypothesis is:

H2. Islamic digital payments have a positive effect on Muslims' purchase decision of MSMEs products.

Islamic digital payments are the innovative payment service complying with the rules of sharia or Islamic law (Mohamed & Ali, 2019), involving the advance of technology, and applied to attract Muslim customers to purchase MSMEs products (Hudaefi, 2020). The Islamic digital payments promote the values required by Muslim customers (Okfalisa et al., 2022). The values are perceived as their Muamalah in modern era. The condition will encourage the Islamic digital payments to affect the perceived values as indicated by Wira (2017). The perceived values are functional values, social values, epistemic values, and emotional values (Azam et al., 2022). The proposed hypothesis was:

H3. Islamic digital payments have a positive effect on Muslim customer perceived values.

2.5. Cash Payments

Cash payments refer to the use of cash by Muslim customers to purchase MSMEs products. The cash payments are the important means of transaction since as the means of exchange, the cash is easy to use. For the reason, the uses the cash payments for purchase transaction are still prevalent globally (Lisa, 2019). Indeed, they remain dominant in facilitating economic transactions, including the purchase transactions conducted by Muslim customers of MSMEs products. The dominance is supported by the fact that cash in hand always encourages customer in developing countries to make purchase decision easily (Lisa, 2019). Therefore the cash payments are the predictor of Muslims' purchase decision. The proposed hypothesis is:

H4. Cash payments have a positive effect on Muslim customer purchase decision on MSMEs products.

The dominance of the cash payments over Islamic digital payments is due to the unavailability of complete facilities and infrastructures to support the sharia digital payments (Yucha et al., 2020). Through the study conducted in Indonesia, Iran, Jordan, Kuwait, Malaysia, Egypt, Morocco, Saudi Arabia, Oman, Turkey, Senegal, and United Arab Emirates, Torki et al (2020) indicate that the difficulty prevents Muslim customers from using the Islamic digital payments. Pambudianti et al., (2020) notes that to improve the use of Islamic digital payments, the governments in the developing countries must build the infrastructures of the sharia digital payment technology, and even must develop human resource capability, establish effective regulations to support the implementation, and improve society financial literacy related to the Islamic digital payments. The present condition however makes the use of the Islamic digital payments to purchase MSMEs products difficult and consequently encourages customers to use cash payments and prefer direct face-to-face transactions to ensure the quality of the goods they purchase (Lisa, 2019). This is the habit of the Muslim customers that is not easy to change then (Rangkuti, 2006). Therefore the cash payments still retain a very high value in society (Lisa, 2019). The facts show that Muslim customers perceive the cash

payments to provide more values than the Islamic digital payments do (Yucha et al., 2020; Lisa 2019; and Rangkuti, 2006). The proposed hypothesis is:

H5. Cash payments have a positive effect on Muslim customer perceived values.

2.6. Perceived Values as Mediator

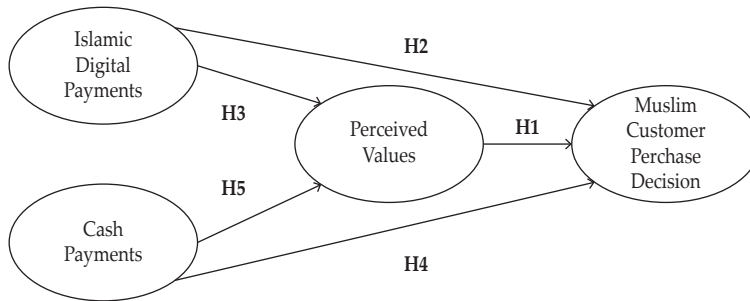
Although previous studies show that Islamic digital payments can encourage the growth of MSMEs (Saripudin et al., 2021), and generally digital payments can predict customer purchase decision (Runnemark et al., 2015), the effect of the sharia digital payments on Muslims' purchase decision in Indonesia must be augmented. The reasons are : (1) only 10 or 8% of the digital payments operating are based on sharia or Islamic law (Pambudianti et al., 2020); (2) the dominance of cash payments of digital payments (Yucha et al., 2020), (3) some findings reveal that digital payments together with Islamic digital payments are not the antecedent to purchase decision (Lisa, 2019), and (4) most Muslims still doubt the halalness of the use of the digital payments, especially Islamic digital payments (Riofita & Iqbal, 2022; Hiyanti et al., 2020; Okfalisa, et al, 2022). To augment the effect on customer purchase decision, the Islamic digital payments must provide the values that can be perceived by Muslim customers (Okfalisa et al., 2022). The perceived values are functional values, social values, epistemic values and emotional values (Azam et al., 2022). The perceived values must encourage Muslim customers closer to Allah (Yahya, 2020), therefore the use of the sharia digital payments can be the manifestation of their muamalah in modern era (Wira, 2017). Our proposed hypothesis is:

H6. Perceived values augment the effect of Islamic digital payments on Muslims' purchase decision of MSMEs products.

Since MSMEs products are still in traditional markets, the role of cash payments to predict Muslims' purchase decision is important (Cao et al., 2020). As a predictor, the cash payments are beneficial for the Muslim customers, enable direct face-to-face transactions and ensure Muslim customers the quality of the goods under transactions. These enable the cash payments to retain their use in society (Lisa, 2019). Therefore, the perceived values may augment the effect of the cash payments on Muslims' purchase decision of MSMEs products. The proposed hypothesis is:

H7. Perceived values augment the effect of cash payments on Muslims' purchase decision of MSMEs products.

Based on the literature review and the hypothesis developments above, this study develops a conceptual framework as below:



Source: Handi, et al (2018), Runnemark, et al (2015), Wira (2017), Lisa (2019), Yucha, et al (2020)

Figure 2.
Conceptual Framework

III. METHODOLOGY

This survey study is conducted on Muslim customers of MSMEs products. The data are collected using the questionnaire consisting of closed questions. The answers of the questions are in Likert scale in the range of 1 – 5. 1 represents strongly disagree and 5 represents strongly agree. Meanwhile, the middle point of 3 represents slightly agree (Amin, 2022).

3.1. Data

The respondents are Muslim customers having experience(s) using both Islamic digital payment(s) (Paytren, Hijrah, LinkAja Syariah, Haqq Wallet, BSI QRIS, BSya, M-Syariah, PermataMobile X, MQRIS, and or Jago Syariah) and cash payments to purchase MSMEs products (one or more of all kinds of the products sold by MSMEs operated in Indonesia, not limited to certain products). The respondents are selected using non-probability and snowball sampling techniques to save costs and time (Zikmund & Babin, 2010; Toerien et al., 2016). A questionnaire link has been sent in the form of a Google form to all what's app, Facebook and Instagram contacts the researcher has over one month and they are also requested to send the link of the questionnaire to others having the same criteria. The respondents are from what's app, Facebook and Instagram contacts given that the social media are the most widely and popularly used in Indonesia (Riofita & Dimasadra, 2022). In addition, more than 85 million or 68% of the users of the social media are Muslim (Müller, 2020; Irianto, 2019).

This study uses SEM with Amos to analyze the data, therefore the minimum respondents are 5 x the number of the indicators applied, namely 5 x 16 indicators or 80 respondents (Hair et al., 2017). The respondents participating to complete the questionnaire are 483 Muslim MSMEs customers. However 6 of the respondents are eliminated since they do not meet the criteria required by this study. Therefore this study has a total of 477 respondents, well above the minimum samples required by the SEM (Hair et al., 2017).

3.2. Proposed Model

This study proposes Islamic digital payments and cash payments respectively as the predictor of Muslims’ purchase decision of MSMEs products. Perceived values are also proposed to mediate the effects of Islamic digital payments and cash payments on the purchase decision. The variables, their indicators and descriptions are given in Table 1.

Table 1.
Operational Definitions of Variables

| Latent Variable 1. Islamic Digital Payments | | |
|--|---|------------------------------------|
| Description | Indicators | References |
| The use of Islamic digital payments by MSMEs is to please Muslim customers. The use functions to make their shopping experiences more convenient and easier, as well as to enhance the efficiency, speed and accuracy in purchasing (Chayanon et al., 2020). | Ease of use (IDP1) | Çelik & Yilmaz (2011) |
| | Speed of transaction completion (IDP2) | |
| | The integration of business activities (IDP3) | |
| Latent Variable 2. Cash Payments | | |
| Cash payments in this study are defined as the means used by Muslim customers to purchase MSMEs products (Lisa, 2019). | Ease of use (CP1) | Çelik & Yilmaz (2011) |
| | Speed of transaction completion (CP2) | |
| | The integration of business activities (CP3) | |
| Latent Variable 3. Perceived Values | | |
| Perceived values are customer assessment before making purchase decision on MSMEs products (Hariguna et al., 2020). | Functional values (PV1) | Riofita, 2023; Azam et al., (2022) |
| | Functional values (PV2) | |
| | Epistemic values (PV3) | |
| | Social values (PV4) | |
| Latent Variable 4. Muslim Customer Purchase Decision | | |
| This study defines Muslim customer purchase decision as the determination of Muslim customer choice toward MSMEs products based on their needs, desires, and their respective abilities (Hawkins & Mothersbaugh, 2010). | The purpose of purchasing a product (PD1) | Kotler & Armstrong (2014) |
| | Information processing to arrive at product selection (PD2) | |
| | MSMEs choice (PD3) | |
| | Purchase time (PD4) | |
| | Purchase amount (PD5) | |
| | Payment method (PD6) | |

Source: Primary Data Processed, 2023

Based on the indicators above, the statements in the questionnaire are presented in Table 2 below.

Table 2.
Questionnaire Statement Details

| Indicators | Statement |
|---|---|
| Ease of use (IDP1) | I use Islamic digital payments to purchase MSMEs products since the sharia digital payment service is easy to use |
| Speed of transaction completion (IDP2) | I use Islamic digital payments to purchase MSMEs products since the sharia digital payment service has speed of transaction completion. |
| The integration of business activity (IDP3) | I use Islamic digital payments to purchase MSMEs products since the sharia digital payment service can integrate MSMEs business activities. |
| Ease of use (CP1) | I use cash payments to purchase MSMEs products since the payment service is easy to use. |
| Speed of transaction completion (CP2) | I use cash payments to purchase MSMEs products since the payment service has speed of transaction completion. |
| The integration of business activity (CP3) | I use cash payments to purchase MSMEs products since the payment service can integrate MSMEs business activities. |
| Functional value (PV1) | To purchase MSMEs products, I prefer to use the payment media that can be used conveniently, efficiently, easily, credibly, quickly and accurately. |
| Functional value (PV2) | To purchase MSMEs products, I prefer to use the payment media that can enhance my social relationship as the manifestation of the muamalah strengthening brotherhood. |
| Epistemic value (PV3) | To purchase MSMEs products, I prefer to use the payment media that can improve my exciting experiences. |
| Social Value (PV4) | To purchase MSMEs products, I prefer to use the payment media that can develop my positive emotion. |
| The purpose of purchasing a product (PD1) | Through the payment media I use to purchase MSMEs products, I can gain my needs, desires, and own abilities. |
| Information processing to arrive at product selection (PD2) | I process the information about the payment media I use to purchase MSMEs products, before I arrive at product selection. |
| MSMEs choice (PD3) | Through the payment media I have to use, I determine which MSMEs I can purchase products from. |
| Purchase time (PD4) | Through the payment media I have to use, I determine when I can purchase MSMEs products. |
| Purchase amount (PD5) | Through the payment media I have to use, I determine the number of MSMEs products that I can purchase. |
| Payment method (PD6) | Through the payment media I have to use, I determine my payment method to purchase MSMEs products. |

Source: Primary Data Processed, 2023

3.3. Method

The data are analyzed using SPSS and SEM with Amos program. Normality analysis is based on the values of multivariate normality and critical ratio for skewness and kurtosis. If the values are in the controlled range of $-2.548 \leq \text{normality value} \leq +2.548$, the data is considered normal. Model reliability is based on the values of Cronbach's Alpha above 0.5. Model validity is based on confirmatory factor analysis consisting of factor loadings, the values of Average Variance Extracted (AVE) that may not be less than 0.5, and the values of Composite Reliability (CR)

that may not be less than 0.7. Model fit is based on the critical values of Chi Square (CMIN/DF): 1 to 3; Probability: ≥ 0.05 ; RMSEA: ≤ 0.08 ; AGFI: ≥ 0.90 ; GFI: ≥ 0.90 ; CFI: ≥ 0.95 ; and TLI: 0.95; (Hair et al., 2017; Ascarya & Tekdogan, 2021). The results of hypothesis test are based on structural model analysis. The hypotheses will be supported if the value of C.R is more than the critical value of 1.96 and P value ≤ 0.05 , at the significant level of 0.05 (Hair et al., 2017). Meanwhile, pathway analysis is conducted to test the capability of perceived value (PV) to mediate the effect of Islamic digital payment (IDP) and cash payment (CP) respectively on Muslims' purchase decision (PD) by multiplying the value of standardized direct effect from Amos program on IDP \rightarrow PV and CP \rightarrow PV respectively with the value of standardized direct effect of PV \rightarrow PD. The results of the multiplications are compared with the value of standardized direct effect of IDP \rightarrow PD and CP \rightarrow PD respectively. If the results of the multiplications of the values of the standardized direct effects of IDP \rightarrow PV or CP \rightarrow PV with the value of standardized direct effect of PV \rightarrow PD is greater than the value of standardized direct effect of IDP \rightarrow PD and CP \rightarrow PD respectively, PV is said to mediate the effect of IDP or CP respectively on PD (Hair et al., 2017). To gain more robust results, this study conducts multi group analysis, namely a split sample test between male and female for both hypothesis analysis and pathway analysis (Berakon et al., 2022). This study also considers the polynomial model and adds a quadratic effect to test the robustness. If P-values of the pathways are well above 0.05, the interactions are insignificant. This means that the linear impacts of the pathways are robust (Sarstedt et al., 2020).

The relationships between latent variables and their indicators in Structural Equation Model (SEM) are demonstrated in Figure 3.

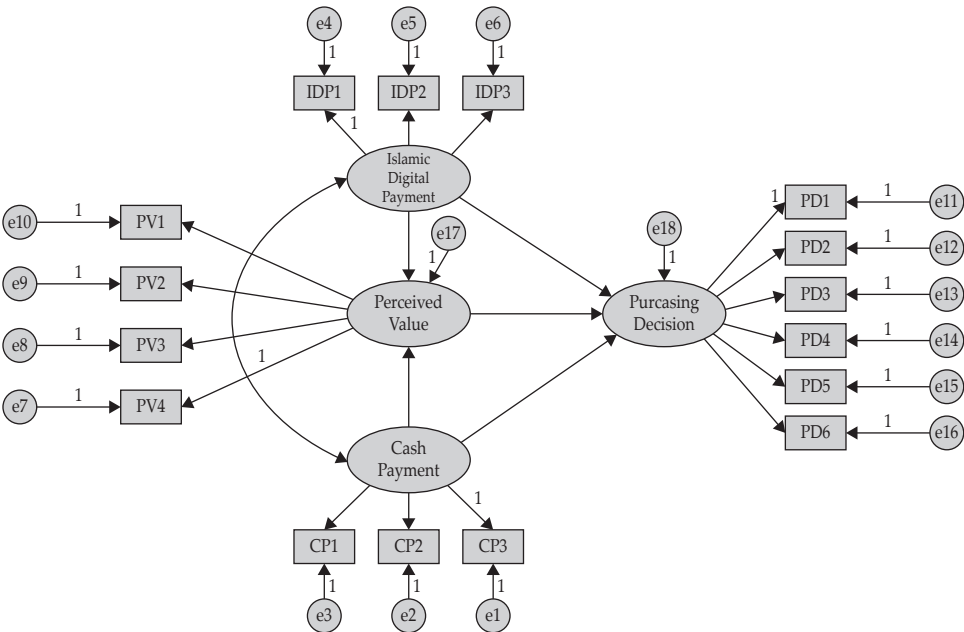


Figure 3.
Relationship between Latent Variables and their Indicators

IV. RESULTS AND ANALYSIS

4.1. Respondent Profiles

The respondents participating to complete questionnaire are 483 Muslim MSMEs customers. However 6 of the respondents are dropped since they do not meet the criteria required by this study. Therefore this study has a total of 477 respondents, well above the minimum samples required by the SEM (Hair et al., 2017). 256 or 53.67 % of them are male and the rests are female. Based on age, 131 or 27.46% of the respondents are under 30 years old, 217 or 45.50% are 30-40 years old and 129 or 27.04% are above 40 years old. 214 or 44.86% of the respondents are state civil servants, 126 or 26.42% are the employees of state/regional owned enterprises, 81 or 16.98% are private employees/entrepreneurs and 56 or 11.74% are others.

Table 3.
Respondent Profiles

| Variables | Categories | Frequency | Percentage |
|--------------------------|--|------------|-------------|
| Gender | Male | 256 | 53.67% |
| | Female | 221 | 46.53% |
| Age | Under 30 years old | 131 | 27.46% |
| | 30 to 40 years old | 217 | 45.50% |
| | Above 40 years old | 129 | 27.04% |
| Occupation | State Civil Servant | 214 | 44.86% |
| | State/Regional-owned enterprise employee | 81 | 16.98% |
| | Private employee/entrepreneur | 126 | 26.42% |
| | Others | 56 | 11.74% |
| | | | |
| Islamic Digital Payments | Paytren | 22 | 4.61% |
| | Hijrah | 32 | 6.72% |
| | LinkAja Syariah | 84 | 17.61% |
| | Haqq Wallet | 34 | 7.13% |
| | BSI QRIS | 107 | 22.43% |
| | BSya | 48 | 10.06% |
| | M-Sya | 33 | 6.92% |
| | PermataMobile X | 25 | 5.24% |
| | MQRIS | 46 | 9.64% |
| | Jago Syariah | 46 | 9.64% |
| | | | |
| Domicile | Sumatera | 183 | 38.36% |
| | Jawa & Bali | 135 | 28.31% |
| | Kalimantan | 49 | 10.27% |
| | Sulawesi | 62 | 13.00% |
| | Nusatenggara & Maluku | 30 | 6.29% |
| | Papua | 18 | 3.77% |
| Total | | 477 | 100% |

Source: Primary Data Processed, 2023

4.2. Measurement Model Results

Although the multivariate normality value is 61.986, the partial normality value based on the critical ratio for skewness and kurtosis is in the controlled range of $-2.548 \leq \text{normality value} \leq + 2.548$. Therefore the data of this study is normal (Hair et al., 2017). The values of Cronbach’s Alpha are in the range of 0.812 – 0.884 therefore the reliability of model is satisfied. Factor loadings are in the range of 0.668 – 0.941, the values of AVE are between 0.564 – 0.623, and the values of CR are around 0.880 - 0.853. Based on the confirmatory factor analysis, the validity of model is also satisfied. Therefore, the results are acceptable.

Table 4.
Measurement Model Results

| Variables and Indicators | CR Skewness | CR Kurtosis | Cronbach’s α | Factor Loadings | AVE | CR |
|-------------------------------------|-------------|-------------|--------------|-----------------|-------|-------|
| Islamic Digital Payments | | | 0.821 | | 0.620 | 0.829 |
| IDP1 | -1.258 | 1.275 | | 0.740 | | |
| IDP2 | -2.378 | 1.698 | | 0.805 | | |
| IDP3 | -2.006 | 1.562 | | 0.813 | | |
| Cash Payments | | | 0.812 | | 0.618 | 0.824 |
| CP1 | -2.101 | 2.145 | | 0.669 | | |
| CP2 | -2.174 | 1.985 | | 0.941 | | |
| CP3 | -2.145 | 1.289 | | 0.717 | | |
| Perceived Values | | | 0.867 | | 0.623 | 0.853 |
| PV1 | -0.911 | -0.133 | | 0.704 | | |
| PV2 | -0.901 | 0.616 | | 0.788 | | |
| PV3 | -1.149 | 1.382 | | 0.755 | | |
| PV4 | -1.109 | 1.200 | | 0.810 | | |
| Muslim Customer Purchasing Decision | | | 0.884 | | 0.564 | 0.880 |
| PD1 | -1.535 | 2.036 | | 0.785 | | |
| PD2 | -0.784 | 0.165 | | 0.755 | | |
| PD3 | -1.269 | 1.607 | | 0.772 | | |
| PD4 | -1.350 | 2.184 | | 0.713 | | |
| PD5 | -1.054 | 0.643 | | 0.668 | | |
| PD6 | -1.675 | 1.110 | | 0.755 | | |
| Multivariate normality | | 61.986 | | | | |

Source: Primary Data Processed, 2023

4.3. Structural Model Results

The model proposed by this study is fit since Chi-Square (CMIN/DF): 1.986; Probability: 0.000; RMSEA: 0.061; AGFI: 0.881; GFI: 0.922; CFI: 0.965; and TLI: 0.953 although Probability and AGFI are marginal (Hair et al., 2017; Ascarya & Tekdogan, 2021). Hypothesis 1 (H1) stating that the higher the extend of perceived

values, the better is the purchase decision on MSMEs products is supported since at standardized estimate of 0.085, C.R value is 7.152 or well above the critical value of 1.96, and P value is well below 0.05. Hypothesis 2 (H2) stating that Islamic digital payments have a positive effect on Muslims' purchase decision of MSMEs products is also supported since at standardized estimate 0.112, C.R value is 3.814 or well above the critical value of 1.96, and P value is well below 0.05. Hypothesis 3 (H3) supports that Islamic digital payments have a positive effect on perceived value since at standardized estimate of 0.117, C.R value is 6.850 or well above the critical value of 1.96, and P value is well below 0.05. Another result of structural model analysis shows that cash payments does not affect Muslims' purchase decision since C.R value is -1.732 or well below the critical value of 1.96 and P value is 0.083 is well above 0.05, at standardized estimate of 0.107. This means that hypothesis 4 (H4) is not supported. Meanwhile cash payment does not affect perceived values since C.R value is -0.478 or well below the critical value of 1.96 and P value is 0.633 or well above 0.05 at standardized estimate of 0.107. This means that hypothesis 5 (H5) is not supported (Hair et al., 2017).

Table 5.
Structural Model Results

| Relationship Between Variables | SE | CR | P | Results |
|---|-------|--------|-------|---------------------|
| Perceived Values and Muslim Customer Purchase Decision (H1) | 0.085 | 7.152 | *** | H1 is supported |
| Islamic Digital Payments and Muslim Customer Purchase Decision (H2) | 0.112 | 3.814 | *** | H2 is supported |
| Islamic Digital Payments and Perceived Values (H3) | 0.117 | 6.850 | *** | H3 is supported |
| Cash Payments and Muslim Customer Purchase Decision (H4) | 0.084 | -1.732 | 0.083 | H5 is not supported |
| Cash Payments and Perceived Values (H5) | 0.107 | -0.478 | 0.633 | H5 is not supported |

Source: Primary Data Processed, 2023

The structural model results discussed above are supported by the results found in multi group analysis as demonstrated in Table 6. Both male and female group have no significant difference and therefore the results are robust (Hair et al., 2017).

Table 6.
Structural Model Results in Multi Group Analysis

| Relationship Between Variables | Female | | | Male | | | Results |
|---|--------|-------|-----|-------|-------|-------|-----------------|
| | SE | CR | P | SE | CR | P | |
| Perceived Values and Muslim Customer Purchase Decision (H1) | 0.121 | 4.581 | *** | 0.200 | 2.896 | 0.004 | H1 is supported |

Table 6.
Structural Model Results in Multi Group Analysis (Continued)

| Relationship Between Variables | Female | | | Male | | | Results |
|---|--------|--------|-------|-------|--------|-------|---------------------|
| | SE | CR | P | SE | CR | P | |
| Islamic Digital Payments and Muslim Customer Purchase Decision (H2) | 0.162 | 2.440 | 0.015 | 0.376 | 2.552 | 0.011 | H2 is supported |
| Islamic Digital Payments and Perceived Values (H3) | 0.219 | 2.862 | 0.004 | 0.282 | 3.464 | *** | H3 is supported |
| Cash Payments and Muslim Customer Purchase Decision (H4) | 0.104 | -0.002 | 0.998 | 0.515 | -1.252 | 0.211 | H5 is not supported |
| Cash Payments and Perceived Values (H5) | 0.149 | 0.859 | 0.390 | 0.422 | -0.901 | 0.367 | H5 is not supported |

Source: Primary Data Processed, 2023

4.4. Pathway Analysis

The multiplication of the values of standardized direct effect of Islamic Digital Payments (IDP) → Perceived Values (PV) of 0.747 with the values of standardized direct effect of Perceived Values (PV) → Muslim Customer Purchase Decision (MCPD) of 0.624 is 0.466. Meanwhile the value of standardized direct effect of Islamic Digital Payments (IDP) → Muslim Customer Purchase Decision (MCPD) is 0.412. Therefore, Perceived values is the full mediator augmenting the effect of Islamic digital payments on Muslims’ purchase decision since the results of the multiplications of the values of standardized direct effects of IDP → PV with the value of standardized direct effect of PV → MCPD is greater than the value of standardized direct effect of IDP → MCPD. Therefore hypothesis 6 (H6) stating that perceived values augment the effect of Islamic digital payments on Muslim customer purchase decision is supported.

Meanwhile, multiplication of the values of standardized direct effect of Cash Payments (CP) → Perceived Values (PV) of -0.044 with the values of standardized direct effect of Perceived Values (PV) → Muslim Customer Purchase Decision (MCPD) of 0.624 is -0.275. Meanwhile, the value of standardized direct effect of Cash Payments (CP) → Muslim Customer Purchase Decision (MCPD) is -0.130. Therefore, perceived values are not the mediator augmenting the effect of cash payments on Muslims’ purchase decision since the results of the multiplications of the values of standardized direct effects of CP → PV with the value of standardized direct effect of PV → MCPD is smaller than the value of standardized direct effect of CP → MCPD. Therefore, the hypothesis 7 (H7) stating that perceived values augment the effect of cash payments on Muslim customer purchase decision is not supported.

Table 7.
Pathway Analysis Based on Standardized Direct Effect Value

| Pathways | Direct Effect Value | | Intermediation Effect Value | Conclusion |
|----------------------------|---------------------|-------|-----------------------------|---------------------|
| | 1 | 2 | | |
| IDP → MCPD (1) | 0.412 | | | |
| IDP → PV → MCPD (1) (2) | 0.747 | 0.624 | 0.466 | H6 is supported |
| CP → MCPD (1) | -0.130 | | | |
| CP → PV → MCPD (1) (2) | -0.044 | 0.624 | -0.275 | H7 is not Supported |

Source: Primary Data Processed, 2023

Pathway Analysis in Multi Group Analysis as demonstrated in Table 8 below also support the results illustrated above. Both male and female group have no significant difference and therefore the results are robust (Hair et al., 2017).

Table 8.
Pathway Analysis in Multi Group Analysis

| Pathways | Female | | | Male | | | Conclusion |
|----------------------------|---------------------|-------|-----------------------------|---------------------|-------|-----------------------------|---------------------|
| | Direct Effect Value | | Intermediation Effect Value | Direct Effect Value | | Intermediation Effect Value | |
| | 1 | 2 | | 1 | 2 | | |
| IDP → MCPD (1) | 0.380 | | | 0.713 | | | |
| IDP → PV → MCPD (1) (2) | 0.573 | 0.689 | 0.394 | 0.941 | 0.846 | 0.796 | H6 is supported |
| CP → MCPD (1) | 0.113 | | | 0.189 | | | |
| CP → PV → MCPD (1) (2) | 0.155 | 0.689 | 0.107 | 0.222 | 0.846 | 0.187 | H7 is not Supported |

Source: Primary Data Processed, 2023

4.5. Robustness Test

Based on the results of quadratic effect, all P-values of pathways are well above 0.05 and therefore the interactions are insignificant. This means that the linear impacts of the pathways are robust (Sarstedt et al., 2020).

Table 9.
Results of Quadratic Effect

| Hypothesis | β | <i>p</i> -values | Conclusion |
|---|---------|------------------|------------|
| Perceived Values and Muslim Customer Purchase Decision (H1) | -0.024 | 0.079 | Robust |
| Islamic Digital Payments and Muslim Customer Purchase Decision (H2) | 0.004 | 0.887 | Robust |
| Islamic Digital Payments and Perceived Values (H3) | -0.014 | 0.515 | Robust |
| Cash Payments and Muslim Customer Purchase Decision (H4) | -0.081 | 0.535 | Robust |
| Cash Payments and Perceived Values (H5) | -0.038 | 0.128 | Robust |

Source: Primary Data Processed, 2023

4.6. Analysis and Discussions

The finding of this study confirms that Muslims’ purchase decision of MSMEs products depends significantly on the perceived values provided by Islamic digital payments since the values meet the Islamic principles taught by Quran and Hadiht (Yahya, 2020). The perceived values drive Muslims to make good evaluation and assessment on the sharia digital payments therefore influence their purchase decision of the MSMEs products (Hariguna et al., 2020; Kotler & Armstrong, 2014; Yee & San, 2011). The finding confirms that the perceived values are the determination of customer purchase decision as revealed by Mosavi & Ghaedi (2012), as well as the antecedent of the customer purchase decision as revealed by Handi et al., (2018).

Islamic digital payments can attract Muslims by making their shopping experiences more convenient, efficient, easier, credible, fast and accurate (Chayanon et al., 2020). The attractiveness function as the competitive advantage that can influence their purchase decision of MSMEs products (Hasan et al., 2020; Jamil & Seman, 2019). Therefore the use of the Islamic digital payments has potential to improve the growth of the Indonesian economy since Indonesia has the biggest Muslim population reaching around 87% of 273 million people (Bella & Effendi, 2021). Since 60% of Indonesian sharia digital payments focuses on MSMEs sectors, the finding is an important evidence from Indonesia for developing countries, especially Muslim developing countries (Abdillah et al., 2021; Lisa, 2019). The finding provides an insight for the countries that they require the sharia digital payments to improve the economy through the improvement of Muslims’ purchase decision of MSMEs products. They must know that businesses run by MSMEs have experienced a drastic shift toward sharia based electronic payments by customers (Abdillah et al., 2021).

The finding of this study confirms the indication revealed by Wira (2017) that Islamic digital payments are the predictor of perceived values. The finding also confirms that the Islamic digital payments can promote the values required by Muslim customers (Okfalisa et al., 2022). They perceive the values of the sharia digital

payments attractive (Hudaefi, 2020), since the values meet Islamic law (Mohamed & Ali, 2019). They perceive the values as muamalah in modern era encouraging them closer to Allah (Yahya, 2020). For the perceived values, the Islamic digital payments operated in Indonesia must: (1) provide promotion in the form of cash back that can be converted into donation through Islamic crowdfunding platform; (2) be educated to Muslim customers through social media; (3) be supported by Muslim public figures, merchants and service providers; and (4) guarantee the safety of private data (Bella & Effendi, 2021).

The finding of this study contradicts the finding by Lisa (2019). Our study shows that the cash payments are not the antecedent of Muslims' purchase decision while Lisa (2019) notes that the use cash for purchase transactions is prevalent globally, especially in developing countries like Indonesia. This study shows that the easiness to use the cash payments as the means of exchange (Lisa, 2019) can be replaced by Islamic digital payments, especially for purchase transactions of MSMEs products. The inability of the cash payments as the predictor of Muslims' purchase decision of MSMEs products perhaps stems from the fact that the MSMEs has shifted the focus to the use of Islamic digital payments for purchase transactions. This study confirms Bella & Effendi (2021) suggesting that that most Indonesians have used less cash-payments. Strengthening Islamic teaching about sharia digital payments to Indonesian Muslim has opened the windows of opportunity to improve the use of the Islamic digital payments for purchase transaction especially on MSMEs products. Moreover this study also confirms Yucha et al., (2020) suggesting that most of Indonesian Islamic digital payments serve Muslim MSMEs customers. For the reason, the MSMEs must be proactive to educate Muslim customers about the technology of the sharia digital payments. The Indonesian government has strongly supported digital payments by expanding internet connections and accelerating integrated population system for valid information (Yarli, 2018).

The finding of this study reveals that the values perceived by Muslim customers in using cash payments through direct face-to-face transactions to ensure the quality of the goods (Lisa, 2019) are less important. The values forming the habit even culture to use the cash payments can be replaced by the values provided by Islamic digital payments. The values provided by the sharia digital payments are: (1) functional values, namely the values that can provide benefit for Muslim customers since the sharia digital payments can be conducted conveniently, efficiently, easily, credibly, quickly, and accurately; (2) social values, namely the values that can enhance customer social relationship since the sharia digital payments can be the manifestation of muamalah strengthening Muslim brotherhood; (3) epistemic values, namely the values that can improve the experiences in purchasing MSMEs products; and (4) emotional values, namely the values that can develop positive emotion among Muslims (Riofita, 2023; Azam et al., 2022). In addition, the rapid development of e-commerce also plays an important role in encouraging Muslim customers to use the sharia digital payments in Indonesia (Mukherjee & Roy, 2017). Therefore it is reasonable that our finding is not in conformity with Lisa (2019) and Rangkuti (2006).

The finding of this study indicates that to enhance the effect of Islamic digital payments on Muslim customer purchase decision on MSMEs product, the MSMEs

must develop the perceived values required by the Muslim customers in using the Islamic digital payments. The perceived values must make the Muslim customers closer to Allah therefore the use of the sharia digital payments can be the manifestation of their muamalah in modern era (Wira, 2017). The perceived values are functional values, social values, epistemic values and emotional values (Riofita, 2023; Azam et al., 2022).

The finding of this study shows that the perceived values provided by the cash payments through direct face-to-face transactions to ensure the quality of MSMEs products are not important, given that the values perceived by Muslim customers in using Islamic digital payments to purchase MSMEs products are more beneficial. The Islamic digital payments can assist Muslim customers to make purchase decision on MSMEs products conveniently, efficiently, easily, credibly, quickly and accurately, can enhance customer social relationship since the sharia digital payment can be the manifestation of muamalah strengthening Muslim brotherhood, can improve the experiences in purchasing MSMEs products, and can develop positive emotion among Muslims (Azam et al., 2022).

V. CONCLUSIONS

This study examines the effect of Islamic digital payments on Muslims' purchase decision of MSMEs and assesses whether perceived values serve as mediators. As expected, we find that the perceived values do mediate the effect of Islamic digital payment. However, their mediating role for cash payments is absent. We also find that Islamic digital payments and perceived values respectively are the predictors of Muslims' purchase decision of MSMEs products while cash payments are not. The findings also show that TAM is applicable in demonstrating the role of Islamic digital payments in purchase decision via perceived values. The advance of technology can provide the ease of use, the speed of transaction completion, and the integration of business activities. More importantly, the Islamic digital payments must develop and be perceived to render values in the forms of the functional values, social values, epistemic values, and emotional values.

The findings have important implications to especially Muslim developing countries that still adopt cash payments as a primary payment method. These implications are: (1) To improve the business performance of MSMEs in particular and economic growth in general, the government of the countries must educate customers especially Muslim customers of MSMEs to be familiar with financial technology especially with the use of Islamic digital payments complying with the rules of sharia or Islamic law; (2) The government of the countries must encourage the Islamic digital payment issuers to use social media proactively to disseminate the existence of the sharia digital payments. The facts shows that 90% of Indonesian Islamic digital payments have used Instagram and 80% have used facebook for the disseminations; (3) The government of the countries must encourage the use of smartphone to access the Islamic digital payments easily, practically, fast, conveniently and efficiently; (4) To support the Islamic digital payments in improving MSMEs performances, the government of the countries should build the infrastructures of Islamic digital payment technology, develop human resource capability for the advance of the Islamic digital payments,

establish effective regulations to support the implementation of the Islamic digital payments, and improve society financial literature related to the Islamic digital payments.

The study also recommends issuers of the Islamic digital payments pay attention to: (1) functional values, namely the values providing benefits for Muslim customers, since the sharia digital payments must be operated conveniently, efficiently, easily, credibly, quickly, and accurately; (2) social values, namely the values enhancing Muslim customers social relationship, since the sharia digital payments must be the manifestation of muamalah strengthening Muslim brotherhood; (3) epistemic values, namely the values improving exciting experiences in purchasing MSMEs products; and (4) emotional values, namely the values developing positive emotion among Muslims.

This study also recommends Bank Indonesia (Central Bank) to be the facilitator that guarantees the security and the order of Islamic digital payment traffic. Bank Indonesia must ensure that the use the Islamic digital payments is the safe and the payment system functions orderly. Therefore, Bank Indonesia must be proactive in monitoring and assesing the MSMEs business activities involving the Islamic digital payments.

Nowadays, Indonesian Islamic digital payments are at the 3rd ranking after Malaysia and United Arab Emirates (Antara, 2024). The use of the Islamic digital payments has increased 30% of Indonesian MSMEs business performance (Saripudin et al., 2021). The condition must be maintained and improved. For the purpose, this study recommends other researchers to investigate the role of perceived opportunity and perceived risk control of the Islamic digital payments as the predictor of Muslims' purchase decision of MSMEs products since the finding of Pasha (2017) suggesting that the sharia digital payments still face with problems related to advance of technology in the forms of financial system, and the suitability of the transaction based on Islamic law. Assessing the relationship between predictors and Muslims' purchase decision using TAM will be meaningful since the Islamic digital payments require technology innovation to improve digital functions for economic development as noted by Lee & Teo, (2015).

REFERENCES

- Abdillah, L., Mukti, Y., Puspita, D., & Suhartini, S. (2021). Indonesian sharia fintech services and social media usage. *Bulletin of Social Informatics Theory and Application*, 5(2), 97-106.
- Agustina, R., & Faizah, F. N. (2023). Sharia fintech: Opportunities and challenges in Indonesia. *Journal of Islamic Economics (JoIE)*, 3(1), 61-75.
- Al Hashfi, R. U., Zusryn, A. S., Khoirunnisa, N. L., & Listyowati, A. R. F. A. (2020). Online payment: Individual characteristics and digital financial inclusion in OIC countries. *Journal of Islamic Monetary Economics and Finance*, 6(4), 767-788.
- Al-Qardawi, Y. (1994). *The lawful and the prohibited in Islam*. Cairo: Al-Falah Foundation.
- Alshater, M. M., Saba, I., Supriani, I., & Rabbani, M. R. (2022). Fintech in Islamic finance literature: A review. *Heliyon*, 8(9), 1-24.

- Amin, H. (2022). An analysis of online sadaqah acceptance among university graduates in Malaysia. *International Journal of Islamic and Middle Eastern Finance and Management*, 15(6), 1019-1034.
- Antara (2024). AFSI: Fintech Syariah Indonesia Bertahan di Peringkat Ketiga Dunia [AFSI: Indonesian Sharia Fintech Remains in Third Place in the World]. <https://www.antaranews.com/berita/3983256/afsi-fintech-syariah-indonesia-bertahan-di-peringkat-ketiga-dunia>
- Arsyianti, L., & Adelia, A. (2019). Sharia-compliant credit card exposure and utilisation in the growing digital economy. *Journal of Islamic Monetary Economics and Finance*, 5(4), 891-918.
- Ascarya, A., & Tekdogan, F. O. (2021). Recommended methodology for research in Islamic economics and finance (Chapter 18). In Billah M.M. (Ed.). In Teaching and research methods for Islamic economics and finance. Routledge.
- Azam, N. N. R. A., Patwary, A. K., & Rashid, B. (2022). Measuring revisit intentions of green resorts in malaysia: The role of perceived value and environmental concern. *Geojournal of Tourism and Geosites*, 40(1), 157-166.
- Bella, F., I., & Efendi, N., F. (2021). Strengthening the Islamic digital payment system through sharia electronic wallet (e-wallet). *Eldinar: Jurnal Keuangan dan Perbankan Syariah*, 9(2), 94-107.
- Berakon, I., Mutmainah, L., Qoyum, A., & Aji, H., M. (2022). Muslim intention to participate in retail cwls: The test of mediation and moderation effects. *Journal of Islamic Monetary Economics and Finance*, 8, Special Issue, 17 - 52.
- Cao, K., Han, G., Xu, B., & Wang, J. (2020). Gift card payment or cash payment: Which payment is suitable for trade-in rebate?. *Transportation Research Part E: Logistics and Transportation Review*, 134, 101857.
- Çelik, H. E., & Yilmaz, V. (2011). Extending the technology acceptance model for adoption of e-shopping by consumers in Turkey. *Journal of Electronic Commerce Research*, 12(2), 152-164.
- Chayanon, S., Srisorn, W., & Punluekdej, T. (2020). The innovation of e-money via SSRU smart purse in purchasing products, food and beverages of students at suan sunandha rajabhat university. *International Journal for Quality Research*, 14(1), 5-20.
- Darmansyah, Fianto, B. A., Hendratni, A., & Aziz, P. F. (2020). Factors determining behavioral intentions to use Islamic financial technology: Three competing models. *Journal of Islamic Marketing*, 12(4), 794-812.
- David, J., & Lawal, M. C. (2018). Religiosity and entrepreneurial intentions in Nigeria. *Esensi: Jurnal Bisnis dan Manajemen*, 8(2), 211 - 222.
- Davis, F. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.
- Ferguson, K. K., Soutter, L., & Neubert, M. (2019). Digital payments in Africa – How demand, technology, and regulation disrupt digital payment systems. *International Journal of Teaching and Case Studies*, 10(4), 319-340.
- Gursoy, D., Altinay, L., & Kenebayeva, A. (2017). Religiosity and entrepreneurship behaviours. *International Journal of Hospitality Management*, 67, 87-94.
- Haider, M., Khan, S., Rabbani, M. R., & Thallasinos, Y. E. (2020). An artificial intelligence and NLP based Islamic FinTech model combining Zakat and Qardh-Al-Hasan for countering the adverse impact of COVID 19 on SMEs and

- individuals. *International Journal of Economics and Business Administration*, 8(2), 348-361.
- Hair, J. F., Hult, G. T. M., & Ringle, C. M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*, (2nd Ed). Los Angeles: Sage.
- Handi, H., Hendratono, T., Purwanto, E., & Ihalauw, J. J. (2018). The effect of e-WOM and perceived value on the purchase decision of foods by using the go-food application as mediated by trust. *Quality Innovation Prosperity*, 22(2), 112-127.
- Hariguna, T., Adiandari, A. M., & Ruangkanjanases, A. (2020). Assessing customer intention use of mobile money application and the antecedent of perceived value, economic trust and service trust. *International Journal of Web Information Systems*, 16(3), 331-345.
- Hasan, R., Hassan, M. K., & Aliyu, S. (2020). Fintech and Islamic finance: Literature review and research agenda. *International Journal of Islamic Economics and Finance (IJIEF)*, 3(1), 75-94.
- Hawkins, D. I., & Mothersbaugh, D. L. (2010). *Consumer behavior: Building marketing strategy*, (11th Ed). New York: McGraw-Hill/ Irwin.
- Hendratmi, A., Ryandono, M. N. H., & Sukmaningrum, P. S. (2020). Developing Islamic crowdfunding website platform for startup companies in Indonesia. *Journal of Islamic Marketing*, 11(5), 1041-1053.
- Hiyanti, H., Nugroho, L., Sukmadilaga, C., & Fitrijanti, T. (2020). Peluang dan tantangan fintech (financial technology) syariah di Indonesia. *Jurnal Ilmiah Ekonomi Islam*, 5(3), 326-333.
- Hudaefi, F. A. (2020). How does Islamic fintech promote the SDGs? Qualitative evidence from Indonesia. *Qualitative Research in Financial Markets*, 12(4), 353-366.
- Irianto, R. P. (2019). Fintech Syariah, Masa Depan Keuangan Islam [Sharia Fintech, The Future of Islamic Finance]. *mediaindonesia.com*, 2019. Available: <https://mediaindonesia.com/read/detail/216663-fintech-syariah-masadepan-keuangan-islam>
- Jamil, N. N., & Seman, J. A. (2019). The impact of fintech on the sustainability of Islamic accounting and finance education in Malaysia. *Journal of Islamic, Social, Economics and Development*, 4(17), 74-88.
- Kotler, P., & Armstrong, G. (2014). *Principle of marketing* (15th Ed). Upper Saddle River, NJ, US: Pearson Prentice Hall, Inc.
- Kotler, P., & Keller, K. L. (2012). *Marketing management* (14th Ed). New Jersey: Pearson Education, Inc., Prentice Hall.
- Lee, D. K. C., & Teo, E. G. S. (2015). Emergence of fintech and the LASIC principles. *Journal of Financial Perspectives*, 3(3), 2015, Available at SSRN: <https://ssrn.com/abstract=3084048>
- Lisa, S. (2019). Cash in hand and savings decisions. *Discussion Paper No. 180*, Ludwig-Maximilians-Universität München und Humboldt-Universität zu Berlin, Collaborative Research Center Transregio 190 - Rationality and Competition, München und Berlin. <http://hdl.handle.net/10419/208080>
- Mohamed, H., & Ali, H. (2019). *Blockchain, Fintech, and Islamic finance: Building the future in the new Islamic digital economy*. de Gruyter.

- Mosavi, S. A., & Ghaedi, M. (2012). An examination of the effects of perceived value and attitude on customers' behavioral intentions in e-shopping. *African Journal of Business Management*, 6(5), 1950-1959.
- Mukherjee, M., & Roy, S. (2017). E-commerce and online payment in the modern era. *International Journal of Advanced Research in Computer Science and Software Engineering*, 7(5), 1-5.
- Mukhlisin, M. (2019). Islamic fintech: Quo vadis. *Insight: Buletin Ekonomi Islam*, 5, 17-18.
- Müller, J. (2020). Number of Internet Users in Indonesia from 2015 to 2025 (in millions). Available: <https://www.statista.com/statistics/254456/number-of-internet-users-in-indonesia/>.
- OJK (2021). Perusahaan Fintech Lending Berizin dan Terdaftar di OJK Per 27 Juli 2021 [Fintech Lending Companies Licensed and Registered with OJK as of July 27, 2021]. Available: [https://www.ojk.go.id/id/kanal/iknb/financial-technology/Documents/Penyelenggara Fintech Lending Terdaftar dan Berizin di OJK per 27 Juli 2021.pdf](https://www.ojk.go.id/id/kanal/iknb/financial-technology/Documents/Penyelenggara_Fintech_Lending_Terdaftar_dan_Berizin_di_OJK_per_27_Juli_2021.pdf).
- Okfalisa, O., Mahyarni, M., Anggraini, W., Saeed, F., Moshood, T. D., & Saktioto, S. (2022). Quadruple helix engagement: Reviews on syariah fintech based SMEs digitalization readiness. *Indonesian Journal of Electrical Engineering and Informatics (IJEI)*, 10(1), 112-122.
- Pambudianti, F. F. R., Purwanto, B., & Maulana, T. N. A. (2020). The implementation of fintech: Efficiency of MSMEs loans distribution and users' financial inclusion index. *Jurnal Keuangan dan Perbankan*, 24(1), 68-82.
- Pasha, M. R. (2017). Potensi Besar Perkembangan Fintech Berbasis Syariah di Masa Depan [Great Potential for Sharia-Based Fintech Development in the Future]. Available: <https://blog.syarq.com/potensi-besar-perkembanganfintech-berbasis-syariah-di-masa-depan-407f696944a8>.
- Prestama, F. B., Iqbal, M., & Riyadi, S. (2019). Potensi finansial teknologi syariah dalam menjangkau pembiayaan non-bank. *Al-Masraf: Jurnal Lembaga Keuangan dan Perbankan*, 4(2), 147-158.
- Qoyum, A., & Fauziyyah, N. (2019). The halal aspect and Islamic financing among micro, small, and medium enterprises (MSMES) in Yogyakarta: Does berkah matter? *Journal of Islamic Monetary Economics and Finance*, 5(1), 215-236.
- Rangkuti, F. (2006). *Teknik mengukur dan strategi meningkatkan kepuasan pelanggan dan analisis kasus PLN – JP*. Jakarta: Gramedia Pustaka Utama.
- Riofita, H. (2023). Is MyPertamina a solution or problem maker? Developing customer trust to answer. *Journal of Science and Technology Policy Management*. Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JSTPM-09-2022-0161>
- Riofita, H., & Dimasadra, W. (2022). Strengthening social media capabilities to improve private Islamic higher education marketing performance. *Asian Journal of Islamic Management (AJIM)*, 4(2), 110-125.
- Riofita, H., & Iqbal, M. A. (2022). Enhancing Islamic higher education image as the halal industry driving Indonesian halal industries. *Journal of Digital Marketing and Halal Industry*, 4(1), 77-90.
- Runnemark, E., Hedman, J., & Xiao, X. (2015). Do consumers pay more using debit cards than cash?. *Electronic Commerce Research and Applications*, 14(5), 285-291.

- Saripudin, S., Nadya, P. S., & Iqbal, M. (2021). Upaya fintech syariah mendorong akselerasi pertumbuhan UMKM di Indonesia. *Jurnal Ilmiah Ekonomi Islam*, 7(1), 41-50.
- Sarstedt, M., Ringle, C. M., Cheah, J.-H., Ting, H., Moisescu, O. I., & Radomir, L. (2020). Structural model robustness checks in PLS-SEM. *Tourism Economics*, 26(4), 531-554.
- Stern, B. B., Roynce, M. B., Stafford, T. F., & Bienstock, C. C. (2008). Consumer acceptance of online auctions: An extension and revision of the TAM. *Psychology & Marketing*, 25(7), 619-636.
- Todorof, M. (2018). Shariah-compliant fintech in the banking industry. *Era Forum*, 19(2), 1-17.
- Toerien, L., Boshoff, C., & Bühner, S. (2016). The influence of different fear appeal approaches and gender on young generation Y consumers' protection motivation responses. *Management Dynamics*, 25(4), 19-33.
- Torki, L., Rezaei, A., & Razmi, S. F. (2020). The effects of electronic payment systems on the performance of the financial sector in selected Islamic Countries. *International Journal of New Political Economy*, 1(1), 113-121.
- Wira, A. (2017). Posisi Financial Technology di Mata Ekonomi Islam [Position of Financial Technology in Islamic Economics]. <http://fosei-ums.blogspot.com/2017/12/posisi-financial-technology-dimata.html>.]
- Yahya, A. (2020). Sharia Fintech Development in Indonesia. *Conference: Proceedings of the 1st International Conference on Economics Engineering and Social Science, InCEESS 2020, 17-18 July, Bekasi, Indonesia*.
- Yarli, D. (2018). Analisis akad tijarah pada transaksi fintech syariah dengan pendekatan maqhasid. *Yudisia, Jurnal Pemikiran Hukum dan Hukum Islam*, 9(2), 245-256.
- Yee, C. J., & San, N. C. (2011). Consumers' perceived quality, perceived value and perceived risk towards purchase decision on automobile. *American Journal of Economics and Business Administration*, 3(1), 47-57.
- Yucha, N., Setiawan, S., Muttaqin, N., Ekasari, R., & Mauladi, K. F. (2020). Digital payment system analysis of buying decision in Indonesia. *Journal of Asian Finance, Economics and Business*, 7(10), 323-328.
- Zikmund, W. G. & Babin, B. J. (2010). *Exploring marketing research* (10th Ed). Boston: South-Western Cengage Learning.