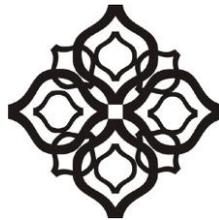


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Indonesian Consumers' Intention of Adopting Islamic Financial Technology Services

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Abstract

With the rise of Halal Lifestyle in the digital era, Islamic Financial Technology (henceforth FinTech) has increasingly become impactful to economic growth. Islamic FinTech companies are in a dire need to figure out factors that influence the adoption and acceptance of the technology to promote their business. Addressing the issue, this study examines consumers' intention of using Islamic Fintech services. An online survey was employed to elicit the required data from 75 Indonesian consumers of Islamic FinTech services. The results of data analysis by means of SEM-PLS depicted that perceived usefulness and interpersonal influence were two key factors driving the consumers to use Islamic FinTech services. The results further revealed that compatibility positively influenced perceived usefulness and perceived ease of use, which in turn, affected the consumers' attitude. Moreover, it was also noted that attitude and internet self-efficacy as perceived behavioral control in decomposition of theory of planned behavior had no significant impact on consumers' intention. The results of this study theoretically provide a basic model of consumers' intention in the context of Islamic FinTech. At the same time, FinTech industry users can use the results of the present study as references to come up with appropriate strategy to deal with the market needs.

Keywords: Consumers' Intention; Islamic FinTech; Theory of Planned Behavior

Introduction

Islamic FinTech has an important role and contribution on the development of Islamic finance. Nowadays, FinTech in Indonesia continues to experience a sharp increase. Based on data from the Financial Services Authority, there are 161 registered and licensed FinTech per April 30, 2020 (Otoritas Jasa Keuangan, 2020). Based on the Telkom's study, Indonesia is a potential market share for Islamic FinTech with 88.8% Muslim population and 64% include in the unbanked category (Setyaningsih, 2018). Opportunities for Islamic FinTech are also driven by the escalation of smartphone and internet users. According to digital report of We are social & Hootsuite (2020), data on January 2020 shows that 175.4 million people (64% of the population) are active internet users, and it increases by 17% since 2019. Among those users, 66% are classified as productive age in between 16 to 64 years old. FinTech becomes a rising and independent field in financial industry due to its transparency, costless transaction, and accessible financial information (Zavolokina, et al., 2016).

In the recent decade, Islamic FinTech has become an independent research area and successfully attracted scholars' attention. Firmansyah and Ramdani (2018) investigated the role of Islamic start-up, i.e. "Angsur" in encouraging Islamic financial inclusion and overcoming social problems for students (unbanked) by providing loans to repay online purchases. Several studies such as Rabbani et al. (2020), Hasan et al. (2020), and Firmansyah and Anwar (2018) have focused on describing challenges and prospects faced by Islamic FinTech in Indonesia. Hudaefi (2020) studied the role of Islamic FinTech lending in promoting the SDGs. Another qualitative study was conducted by Piliyanti (2019) that explored the development of FinTech crowdfunding and the potential of sharia crowdfunding.

Optimizing the role of Islamic FinTech will strengthen Indonesia's economic growth. The success of Islamic FinTech depends on consumers' participation. Therefore, it is crucial to investigate consumers' intention to use Islamic FinTech services. To deal with the issue, TAM (Technology Acceptance Model) and TPB (Theory of Planned Behavior) have been widely used in predicting consumer intentions to adopt and use certain products, especially in the area of FinTech. Previous studies have employed TAM to predict consumers' intention of using FinTech in the context of digital banking in Islamic banks (Riza, 2019; Riza & Hafizi, 2019) and Islamic investment product (Nurul & Ningrat, 2019). In a similar direction, Amalia (2018) utilized TAM and TPB to investigate the intention of consumers in adopting Islamic FinTech payment, i.e., Paytren. The integration of TAM and TPB has been also used by Niswah et al. (2019) to examine Muslim millennial's intention of donating in social crowdfunding. Thus, TAM is the most influential model in encouraging consumer intentions to use Islamic Fintech (P2P Lending, payments, and crowdfunding) compared to TPB and UTAUT (Darmansyah et al., 2020).

TAM has been tested with many studies and the results mainly concluded that TAM was a robust model, and perceived usefulness was the critical factor in determining technology acceptance. However, there are limited studies going into the exploration of what actually makes a system useful (Benbasat & Barki, 2007). This is important to be taken into an investigation in the context of Islamic FinTech, which has different characteristics compared to the conventional ones. Munajim & Anwar (2016) argued that emotional and rational aspects are important factors considered by consumers in the decision of Islamic bank usage. Emotional aspect is based on one's beliefs and emotions that are subjective in choosing Islamic FinTech products, i.e., based on religious beliefs. However, the way emotional aspects in influencing consumers' intention of using

Islamic FinTech still remains unexplored. To address the issues, this study used compatibility as attitude decomposition, which will affect the perceived usefulness. Compatibility in this study reflects perception that Islamic Fintech products are consistent and in accordance with their religious beliefs (sharia compliance). Therefore, this study aims to fill the gaps by embedding individual beliefs to investigate consumers' intention of using the proposed model based on Decomposed Theory of Planned Behavior (Taylor & Todd, 1995). As for theoretical implication, this study contributes in providing literature and basic models in the context of Islamic FinTech. The results of this research also present empirical evidence for the development of further investigations of the acceptance of Islamic FinTech by potential consumers in a comprehensive way by integrating the behavioral beliefs, normative beliefs, and control beliefs. The practical contribution of the current research is offering insights for Islamic FinTech companies about factors that drive and accelerate the acceptance and intention of consumers to use Islamic FinTech. Thus, the appropriate strategy can be formulated to attract potential consumers.

Review of Literature

The present study adopted Taylor and Todd's (1995) model of Decomposed Theory of Planned Behavior (henceforth DTPB) by replacing peer influence and internet self-efficacy as a decomposition of the subjective norm and technological controls. According to DTPB, the actual behavior (use of Islamic Fintech services) is determined by the intention to use, which in turn, is also affected by the attitude toward behavior (decomposed into perceived usefulness, perceived ease of use, and compatibility), subjective norms (interpersonal influence), and perceived behavioral control (internet self-efficacy). Each construct would be

investigated for its effect on the intention to use Islamic FinTech. The research model can be seen in Figure 1.

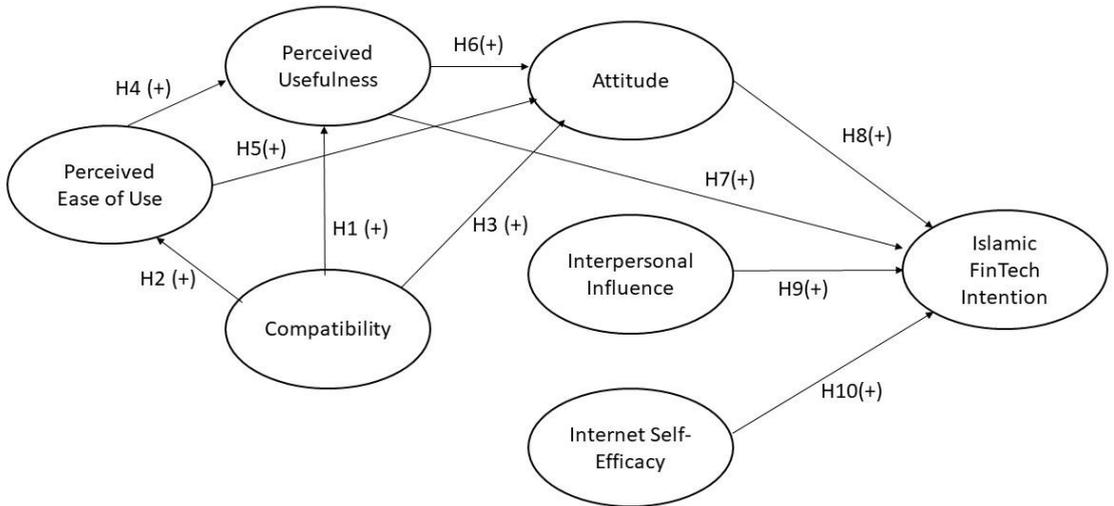


Figure 1. Research Model

Decomposition of Attitude

In this study, attitude is decomposed into perceived usefulness, perceived ease of use, and compatibility. Compatibility is defined as the degree to which an innovation matches the values, practices, and needs of potential adopters (Chong & Chan, 2012). Compatibility is the key factor that influences consumer's perceived benefit of innovation technology (Hsu & Lin, 2016). Compatibility in this study shows the level of perceived usefulness of Islamic FinTech by consumers. Compatibility reflects Islamic Fintech products that is perceived by consumers as consistent with religious beliefs and values, basically the principle of life according to Islamic law. According to DTPB, compatibility has an indirect effect on behavioral intentions through its impact on the perceived usefulness and perceived ease of use (Garay et al., 2019). Consumers

will be more familiar with the use of technology when it is considered as something compatible with their preferences. Likewise, consumers will consider technology as easy to use when its application does not require much learning.

H1: Compatibility has positive effect on perceived usefulness.

H2: Compatibility has positive effect on perceived ease of use.

Consumers in Islamic FinTech context tend to use its services according to preferences because whether it meets their needs, especially the implementation of the sharia principle in their financial transaction. Thus, they will accept and adopt technology that suits their needs, compatible, and does not contradict their values. Based on this logic, high quality Islamic FinTech products are perceived to be compatible with consumers' needs and religious beliefs, and it drives to a positive attitude toward Islamic FinTech services. Jiménez & San-Martín (2017) found that compatibility has a significant positive effect on attitude towards mobile technology. The consumer evaluations of the Islamic mobile financial technology is according to compatibility consumer's goal in meeting financial needs (Aziz & Afaq, 2018).

H3: Compatibility has positive effect on attitude.

The capacity and ability of individuals to use technology are different. The use of sophisticated technology might reduce the intention to use it. The perceived ease of use is needed to measure the degree of prospective user's perception that the new technology is easy to use (Davis et al., 1989). The ease of use will improve the ability of individuals to use applications and services in the internet domain. Thus it will increase the positive evaluation of usage. Garay et al. (2019) confirmed that when users feel that using technology is free of effort, perceptions of usefulness increase.

H4: Perceived ease of use has positive effect on perceived usefulness

H5: Perceived ease of use has positive effect on attitude

The perceived usefulness tries to gauge how the perception of people that by using specific technology, it will enhance job performance. Kim et al. (2016) reveal that if the consumer's view regarding how useful it is to use FinTech service is higher, then their general attitude toward the use of FinTech service increases. In this study, the more individuals feel the benefits of Islamic FinTech services to meet their needs, the stronger their intention to use it. Islamic FinTech products are complementary to existing banking products. Islamic FinTech emerges to meet the needs of people who need financial products easily and lawful. Each individual has autonomy in themselves to decide the use of Islamic FinTech products. It increases the possibility of voluntary use of Islamic FinTech technology. Therefore, the intention to use Islamic FinTech products is based on the consumers' usage benefit (Darmansyah et al., 2020) and attitude toward technology (Aziz & Afaq, 2018).

H6: Perceived usefulness has positive effect on attitude

H7: Perceived usefulness has positive effect on the intention to use Islamic FinTech.

H8: Attitude has positive effect on the intention to use Islamic FinTech.

Subjective Norms

The interpersonal influence shows consumers' perceptions of the relevant opinions of friends, family, and colleagues (Bhattacharjee, 2000). The influence of friends, family, and colleagues is closely related to subjective norms. The results of previous studies indicate that the interpersonal influence will affect individual's intention to use technology. Kanimozhi and Selvarani (2019) confirmed that subjective norm has a positive impact on the intention to adopt Islamic banking services. Chau and Hu (2002) reveal that individuals accept an opinion from people closest to them, and this opinion influences their lives. The relevant advice can

change the intention of consumer behavior, both consciously and unconsciously to use Islamic FinTech products.

H9: Interpersonal influence has positive effect on the intention to use Islamic FinTech.

Perceived Behavioral Control

Taylor and Todd (1995) posits that perceived behavior control was decomposed into self-efficacy and facilitating conditions. The higher levels of self-efficacy will lead to higher levels of behavioral intention and IT usage. Internet self-efficacy is used to control the behavior since an individual with a certain skill to use technology is more confident in using the Islamic FinTech application. Prior studies revealed that perceived self-efficacy had a positive effect on the user's intention to adopt mobile apps (Balapour et al., 2019). Consumers are more likely to attempt and persist in behavior that feels capable of performing the technology (Hsu & Chiu, 2004). Consumers with a high level of internet self-efficacy will be more motivated to adopt Islamic FinTech products.

H10: Internet Self-Efficacy has positive effect on the intention to use Islamic FinTech

Research Method

Population and Sample

The present study aimed to shed some light on consumers' intention of using FinTech services. The population of this study was users of Islamic FinTech services in Indonesia, such as Paytren, Investree Syariah, Dana Syariah, Ammana, and other services. The sampling technique used was convenience sampling method. The respondents were given instruments in the form of closed-ended questionnaires to measure their perception of the Islamic FinTech

products they used. The current study also conducted an open question in its second step to confirm the statistical findings.

Table 1. Demographic Information of the Respondents

No.	Characteristics	Total	%	
1	Sex	Male	39	52%
		Female	36	48%
2	Age	16-20 years	4	5%
		21-30 years	51	68%
		31-40 years	17	23%
		41-50 years	3	4%
3	Education	Senior High School	16	21%
		Vocational Degree	2	3%
		Bachelor Degree	30	40%
		Master Degree	23	31%
		Doctoral Degree	4	5%
4	Occupation	Student	19	25%
		Entrepreneur	7	9%
		Private Employee	20	27%
		Teacher/Lecturer	23	31%
		Civil Servant/BUMN	6	8%
		Employee		
5	The duration of using Islamic FinTech services	< 6 month	40	53%
		6 months - 1 year	16	21%
		1 year - 2 years	11	15%
		>2 years	8	11%
6	Income/month	< Rp1.500.000	18	24%
		Rp1.500.000 - Rp3.000.000	17	23%
		Rp3.000.000 - Rp6.000.000	18	24%
		Rp6.000.000 - Rp10.000.000	13	17%
		Rp10.000.000 - Rp15.000.000	3	4%
		>Rp15.000.000	6	8%
7	The products used	PayTren	45	60%
		Investree Syariah	10	13%
		SharQ	2	3%
		Dana Syariah	11	15%
		Ammana	7	9%

Source: data analysis

The data collection effort resulted in 175 responses. However, after removing observations based on screening items, there were 75 respondents used in this study living in across cities and regencies throughout Indonesia. The respondents were consumers of Islamic FinTech services having some demographic information (see table 1). The number of samples was considered enough for a research method using PLS-SEM. There are indeed many suggestions on how many samples needed for the research to be good (Kock & Hadaya, 2018). Nevertheless, Hair et al. (2012) reported several studies that conducted PLS-SEM have less than 100 observations.

Data Collection Method

The data were collected by means of online surveys (web-based questionnaires) with Google forms that were answered directly by respondents (Cooper & Schindler, 2011). Before the respondents filled in the questionnaire, in the beginning, there were screening questions checking about (1) if they know Islamic FinTech products and (2) if they had ever made transactions using the Islamic FinTech; Paytren, Investree Syariah, Dana Syariah, Amanna and other platforms. If the respondents did not meet these requirements, then they were not necessary to continue filling out the questionnaire. The questionnaire consisted of two parts, the first was the demographic of the respondents, and the second part contained closed and open questions to measure the respondents' perceptions of Islamic FinTech usage.

Variable Measurement

The variable measurement items were adapted from previous studies with modification in adjusting to the Islamic FinTech context. Variables in the decomposition of attitude consisted of

compatibility, perceived usefulness, and perceived ease of use. Decomposition of subjective norms employed interpersonal influence and decomposition of perceived behavioral control (PBC) using internet self-efficacy. All variables were measured using a five-point Likert scale, from Strongly Disagree to Strongly Agree. The operational definition of research variables can be seen in Table 2.

Table 2. Operational Definition of Variables

Construct	Question	Operational Definition	Reference
Compatibility	4 items	The level of conformity of Islamic FinTech to the needs, values, and religious belief of the consumers	(Chong & Chan, 2012)
Interpersonal Influence	4 items	Perceptions on the influence of friends, family members, colleagues, superiors and experienced individuals are known as potential	Bhattacharjee (2000)
Perceived usefulness	6 items	The perception of the level of trust that the use of Islamic FinTech is useful for resolving financial problems quickly and efficiently	Davis et al. (1989),
Perceived ease of use	5 items	Perception of the ease of use of Islamic FinTech	(Davis et al., 1989)
Attitude	3 items	Perception of a positive evaluation of interest in the use of Islamic FinTech	(Davis et al., 1989)
Internet Self-Efficacy	10 items	Individual evaluation regarding the ability to use www application (Islamic FinTech services) in the internet domain	(M. H. Hsu & Chiu, 2004)
Islamic FinTech Intention	3 items	Perception of individual intentions to use Islamic FinTech products	(Chau & Hu, 2002)

Data Analysis

The research model was tested using SEM-PLS (Partial Least Square) by means of SmartPLS 3.0 software. SEM-PLS can work effectively on small sample sizes with complex models (Abdillah & Hartono, 2015). Testing in PLS was carried out on the measurement model (outer model) and the structural model (inner model).

Measurement Model

Tests on the measurement model consisted of validity and reliability tests. The validity test comprised convergent validity and discriminant validity. Convergent validity was used to assess the correlation between two measures of the same concept. The loading factor value calculated the measurement of convergent validity in the reflective construct and Average Variance Extracted (AVE), which was the number of standardized factor squares was divided by the number of measurement items. The rule of thumb of the loading factor was above 0.7, and the AVE value must be higher than 0.5 (Hair, et al, 2014). Meanwhile, discriminant validity was measured by comparing the AVE values of the two constructs with the square of the correlation between the two constructs tested. Discriminant validity was an assessment of how different a construct was from another construct. Discriminant validity testing is the AVE square root value higher than the correlation between constructs and low cross-loadings value (Hair, et al. 2014).

The reliability test was used to determine the consistency of the results of measurements if measurements were made twice or more of the same symptoms with the same measuring instrument. Rule of thumb of reliability testing met the criteria of composite reliability, and the Cronbach's alpha was higher than 0.7, where 0.6 was still acceptable (Hair, et al., 2014).

Structural Model

The structural model in this research was conducted to predict causality relationships between latent variables. The parameter used for the model test was the R-Square (R²) value. A high R² value reflected better research models. The level of significance in hypothesis testing was indicated by the value of the path coefficient (inner model). The rule of thumb score coefficient shown by the t-statistic value must be higher than 1.64 for the one-tailed hypothesis in hypothesis testing using alpha 5% (Hair et al., 2012).

Results

Measurement Model Test

Based on the testing of convergent validity and reliability, all items have met the requirements. All items on the variable have a loading factor value above 0.7 and AVE values higher than 0.5. The reliability test showed the value of composite reliability and Cronbach's alpha > 0.7 in all constructs (Hair et al., 2014). Thus it could be stated that all variables in this study are valid and reliable. The results of the validity and reliability testing are presented in Table 3.

Table 3. Convergent Validity and Reliability

Variable	Construct Items	Standardized Loading	Cronbach's Alpha	AVE	Composite Reliability
Compatibility	COM1	0.793	0.894	0.760	0.927
	COM2	0.930			
	COM3	0.936			
	COM4	0.819			
Interpersonal Influence	IPI1	0.791	0.882	0.740	0.919
	IPI2	0.893			
	IPI3	0.870			
	IPI4	0.883			

Variable	Construct Items	Standardized Loading	Cronbach's Alpha	AVE	Composite Reliability
Perceived usefulness	PU1	0.865	0.948	0.794	0.958
	PU2	0.900			
	PU3	0.903			
	PU4	0.902			
	PU5	0.880			
	PU6	0.895			
Perceived ease of use	PEoU1	0.839	0.927	0.774	0.945
	PEoU2	0.915			
	PEoU3	0.859			
	PEoU4	0.890			
	PEoU5	0.896			
Attitude	ATT1	0.874	0.810	0.638	0.875
	ATT2	0.909			
	ATT4	0.737			
Internet Self-Efficacy	ISE1	0.788	0.902	0.527	0.917
	ISE2	0.795			
	ISE3	0.726			
	ISE4	0.703			
	ISE5	0.789			
	ISE6	0.799			
	ISE7	0.881			
	ISE8	0.819			
	ISE9	0.830			
	ISE10	0.729			
Islamic FinTech Intention	SFI1	0.942	0.924	0.868	0.952
	SFI2	0.941			
	SFI3	0.922			

Source: data analysis

Moreover, based on the testing of discriminant validity, it shows that all constructs in this research model have fulfilled the requirements. For each construct tested, the AVE square root value

is higher than the correlation between constructs. It indicates that the discriminant validity is achieved. The results of discriminant validity testing can be seen in Table 4.

Table 4. Discriminant Validity

Variable	ATT	COM	IFI	IPI	ISE	PeoU	PU
Attitude	0.799						
Compatibility	0.772	0.872					
Islamic Fintech Intention	0.559	0.541	0.932				
Interpersonal Influence	0.501	0.579	0.571	0.860			
Internet Self Efficacy	0.696	0.645	0.539	0.511	0.726		
Perceived ease of use	0.639	0.563	0.508	0.328	0.556	0.880	
Perceived usefulness	0.739	0.751	0.666	0.529	0.667	0.751	0.891

Source: data analysis

Structural Model Test

The results of the structural model testing showed that the value of adjusted R² in the intention to use Islamic FinTech was 48.7%. It suggested that the research model was good. Based on the results of statistical tests performed by bootstrapping analysis, 8 out of 10 proposed hypotheses were confirmed. The construct directly influences the intention to use Islamic FinTech in the decomposition of subjective norms, i.e., interpersonal influence. Interpersonal influence (0.280) has a significant positive effect on the intention to use Islamic FinTech with a p-value <0.05 so that H9 is confirmed. Attitude and internet self-efficacy have no significant direct impact on Islamic FinTech intention, so H8 and H10 are not supported. Compatibility has a significant positive effect on attitude (0.499), perceived usefulness (0.480), and perceived ease of use (0.563). Therefore, it supported H1, H2, and H3. Perceived ease of use has a positive effect on perceived usefulness (0.481) and attitude (0.218). Thus, H4 and H5 are supported.

Moreover, perceived usefulness has a significant effect both on attitude and intention to use Islamic Fintech, and it shows that H6 and H7 are confirmed. Furthermore, this research found empirical evidence of the influence of compatibility on perceived usefulness, which in turn increases the intention to use Islamic FinTech. The results of hypotheses testing using bootstrapping can be seen in Table 5.

Table 5. Hypotheses Testing

Hypothesis	Path coefficient	t-stat	p-value	Information
H1: COM→ PU	0.480	3.322	0.000***	Supported
H2: COM→PEoU	0.563	7.556	0.000***	Supported
H3: COM→ ATT	0.499	4.690	0.000***	Supported
H4: PeoU→ PU	0.481	3.802	0.000***	Supported
H5: PeoU → ATT	0.195	1.877	0.031**	Supported
H6: PU→ ATT	0.218	1.604	0.055*	Supported
H7: PU→ IFI	0.435	2.945	0.002**	Supported
H8: ATT→ IFI	0.045	0.280	0.390	Not Supported
H9: IPI→ IFI	0.280	2.475	0.007**	Supported
H10: ISE→ IFI	0.075	0.551	0.291	Not Supported

Notes: COM= compatibility; IPI= interpersonal influence; PU= perceived usefulness; PeoU= perceived ease of use; ATT= attitude; ISE= internet self-efficacy; IFI= Islamic FinTech Intention. *Significant at level 10%, ** Significant at level 5%, ***Significant at level 1%

Analysis of Open-ended Questions

In addition to questionnaires with closed questions, the authors also administered open-ended questions to find out the respondents' reasons and perceptions in using Islamic FinTech. Respondents' answers that are similar and have the same core are

grouped into one factor. In detail, the analysis can be seen in Table 6.

Table 6. Results of Open-ended Question Analysis

Item	Factor	Frequency	Percentage (%)
What is your reason for using Islamic FinTech products?	Completing services	17	22.67%
	Practical, fast, efficient	24	32.00%
	Recommended by family and friends	8	10.67%
	Making Islamic principle as the foundation of life	20	26.67%
	Avoiding <i>riba</i>	6	8.00%
Do you know the platforms of Islamic FinTech?	Yes	35	46.67%
	No	40	54.67%

Source: data analysis

Table 6 revealed that the most dominant consumers' reason to use Islamic FinTech are classified into five aspects. First, practical, fast, and efficient (32%), making Islamic principle as the basis of life (26.67%), complete services (22.67%), the influence of families and friends who have already used the products (10.67%), and avoiding *riba* (8%). Furthermore, the results of this analysis provide evidence that there are few consumers who know the types of platforms available in Islamic FinTech products (46.67 %). This finding indicates that the government and Islamic FinTech companies have to continue to build literacy and socialize to the people as potential consumers. According to the data that have been collected in this study, out of 175 people, only 137 knew about Islamic FinTech (78,2%), and 75 people (54,7%) have used the products. Most of those who have not used Islamic Fintech argued that they are not convinced about shariah compliance practice in the Islamic FinTech services.

Discussion

This study investigates the intention of consumers to use Islamic FinTech services by utilizing DTPB model, which is divided into three dimensions of human behavior, i.e., attitude, interpersonal influence, and internet self-efficacy. The research model integrated Technology Acceptance Model (PU, PEOU, and attitude) framework and the Decomposed Theory of Planned Behavior (interpersonal influence and internet self-efficacy). The results confirm the empirical findings of previous studies that perceived usefulness (PU) is the main factor driving the intention of consumer behavior in the use of Islamic Fintech services (Mutahar et al., 2017). Riza & Hafizi (2019) reveal that perceived usefulness also has a positive effect on attitude. It means that individuals will be more inclined to accept Islamic FinTech technology when technology provides the desired benefits to help facilitate settlement of their financial problems such as micro-payment, financing, and investment based on sharia compliance.

The results indicate that compatibility has an indirect effect on the intention to use Islamic FinTech through perceived ease of use, which creates perceived usefulness and increases the intention to use Islamic FinTech services. This study empirically proves that the main factor determining the usefulness of technological innovation (Islamic FinTech) is compatibility. Likewise, Garay et al. (2019) and Mutahar et al. (2017) reported a positive effect of compatibility on perceived ease of use and perceived usefulness. Factors that encourage consumers to consider that Islamic FinTech is useful and easy to use because the technology is in accordance with religious beliefs and sharia principles. Thus, Islamic FinTech must have compatible and easy to use technology, which further enables individuals to use application services through www domain and mobile apps.

Interpersonal influence has a positive effect on the adoption of Islamic FinTech. Indonesian people are classified as collectivism, who are more dependent on others, including purchasing decisions. Moreover, Indonesian banking consumers are dominated by the floating mass market. These consumers are classified into the characteristics of not understanding the Islamic principles as a whole, accordingly, suggestions and recommendations from family, colleagues, and friends highly considered in the purchasing decisions. Munajim & Anwar (2016) reported that consumers obtained information and received opinions about the existence of the company and the products it offers from their family or relatives.

This study found that there is no empirical evidence of the direct effect of attitude and internet self-efficacy toward the intention to use Islamic FinTech. The results of these insignificant influences explain that attitude is not enough to encourage individuals to accept and use Islamic FinTech. Most of the respondents in this study are early users, so other factors are needed to convince individuals to adopt and accept the technology, such as the satisfaction factor. Previous studies confirm that attitude has an indirect effect on the intention to use something through satisfaction (Hsu and Ciu, 2004).

Furthermore, the analysis of open-ended questions shows empirical evidence that the main reason to use Islamic FinTech is to facilitate their financial transactions. The next reason is that Islamic products are practical, simple, and efficient in solving their business problems. Besides, other factors that encourage the use of Islamic FinTech are conformity with the values and principles adhered to (Islamic principles), ease of giving alms, and cheaper in charging administrative costs. The role of family and friends is also a reason for the use of Islamic FinTech. The results of this open-ended question analysis confirm that perceived usefulness and

interpersonal influence are essential factors in the adoption and acceptance of Islamic FinTech.

This research contributes both theoretically and practically. Theoretically, the results of this research provide a basic framework for researchers in the field of information systems in the context of Islamic FinTech. The results of this research become relevant literature to develop further research. Practically, this research provides crucial information for business people, especially company managers, about the factors influencing intention to use Islamic FinTech. Islamic FinTech enterprises must prepare a secure, fast, and easy system to complete transactions. The effect of interpersonal influence informs that consumers are likely to adopt and use technology when the people closest to them have used it previously. So business people can formulate appropriate strategies to increase the use of their products. As a result, success in the FinTech Islamic business can be achieved.

Implication

The rapid development of Islamic FinTech products creates new businesses, both local start-ups, and companies, on various FinTech platforms. Indonesia's 88.8% Muslim population makes it a potential market share that attracts many business people, for Islamic FinTech business players to achieve success and be able to compete in this global era. It is crucial to know the driving factors for the use of Islamic FinTech technology so that the potential market share becomes consumers who provide benefits for the company.

This study further portrays that respondents as potential consumers know about FinTech, but only a few people have used it. It indicates that Islamic FinTech consumers do not fully believe in business processes, especially sharia compliance practices in financial technology. Trust is an important factor considering that

the floating mass-market dominates Indonesian consumers. According to Karim Consulting Indonesia (2010), floating mass-market consumers find the factors of ease, comfort, and security for their financial transactions. To the current, there is no official regulation that regulates the practice of Islamic FinTech in Indonesia. Thus, Majelis Ulama Indonesia and platform managers have to supervise the implementation of sharia financial principles in the Islamic FinTech business process (Piliyanti, 2019).

Conclusion

In conclusion, this study attempted to investigate the factors driving the consumers' intention to adopt Islamic FinTech services. Statistical test results show that interpersonal influence (decomposition of the subjective norm) and perceived usefulness have a significant positive effect on the intention to use Islamic FinTech. The critical factor in encouraging the intention to use Islamic FinTech is perceived usefulness. These results indicate that the main determining factor in the use of Islamic FinTech products is consumer perception of the usefulness of the technology. The higher the perceived usefulness of Islamic FinTech products the higher the intention to use them. The individual goal of using a product is to fulfill their needs. In the Islamic FinTech context, meeting the needs of financial services following sharia principles is a major driving factor. This study reveals that compatibility is a key element in determining the perceived usefulness of Islamic fintech products. Islamic Fintech services providers and government can leverage the findings of this study. To do so, that the optimization of the use of Islamic FinTech in the Non-Bank Financial Industry (IKNB) can run well, which in turn will have an impact on increasing financial access to a prosperous society. Thus, the presence of Islamic FinTech can provide benefits to both business people and consumers.

The present research has several limitations. First, the sample size is relatively small which less than 100 respondents, and the majority of them is a beginner. Second, the most type of FinTech used by the respondents is payment services. With regards to these limitations, the generalization of research findings requires caution. This study recommends that future researchers should investigate the role of religiosity in Islamic FinTech adoption and explore its moderating effect (Bananuka, et al., 2019). It was found that most of the respondents known about Islamic FinTech but have never been using it to fulfill their business. Furthermore, this study suggests future studies to consider factors that stimulate consumer behavioral intention in Islamic FinTech, i.e., government support and regulation, sharia awareness, or shariah-compliant (Masnita et al., 2019).

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