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INTENTION OF MUSLIM MILLENNIALS TO INVEST IN ISLAMIC PEER-TO-PEER LENDING IN INDONESIA

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ABSTRACT

Fintech Peer-to-peer (P2P) lending sharia is an evolution of sharia financial institutions through the use of technology in its operational processes. The millennial generation who grew up with technology has a greater talent in utilizing technology and has deeper insights compared to the previous generation. The purpose of this study is to analyze the determinants that influence Muslim millennials to invest in the Islamic P2P lending sector and determine strategies to improve its effectiveness. Latent variables Attitude Towards Behavior (AT), Subjective Norm (SN), Perceived Behavioral Control (PBC), Financial Literacy (FL), and Behavioral Intention (BI) are selected and analyzed using Structural Equation Modeling (SEM) using SmartPLS. This study used an accidental sampling method which was carried out for 30 days of data collection, where 200 respondents were collected. The respondents were specifically the millennial Muslim generation who had invested in financial institutions at least once. The results showed that all latent variables had a significant influence and PBC had the largest contribution. There are three latent variables that have a significant positive effect on BI, namely AT, PBC, and FL. Meanwhile, only SN has a significant negative effect on BI. Therefore, it is necessary to increase literacy in the Indonesian community. Regulators and implementers must collaborate and synergize in improving Islamic financial literacy in Indonesia. For further research development, other variables or samples from different groups can be used to further enrich literacy in Islamic P2P lending.

Keywords: *Millennial, Investment, Islamic Peer-to-Peer Lending, Theory of Planned Behavior*
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Introduction

Investment is one way to maintain the value of money in the future so that it is not eroded by inflation (Lokken, 1986). To maintain the value of money in the future, it can be determined by measuring or predicting the amount of interest or profit that can be obtained from investment activities, such as in the property sector or the financial sector (Muda & Hasibuan, 2018).

Most of the Indonesian population still lacks financial literacy, especially in terms of investment (Nugraha et al., 2022). It should be noted that knowing financial products does not mean having financial literacy. One indicator of financial literacy is a person's understanding of the risks that will be faced in using financial products. Meanwhile, the assumption that investors still need large capital makes many people tend to avoid the risk of losing their money through investment. Incorrect investment news in society also affects people's intentions to invest (Ma, 2017).

The most common form of investment is gold, but in the form of jewelry (Coulson, 2005). Rural women who mostly work as farmers or rely on the agricultural sector and housewife, often invest their money in the form of jewelry because it can be sold immediately when needed and has aesthetic value. This is different from gold in the form of jewelry in the form of gold bars that can only be stored in storage and cannot be showed to others. This is contrary to the motive of saving money in the form of jewelry. In fact, with gold jewelry, the owner loses because the value depreciates and the price is adjusted to the initial purchase price, not the gold price that applies at that time (Nawaz & Sudindra, 2013).

In addition to goods, such as gold and property, investments, such as deposits, can also be made in the financial sector (Carlin & Mayer, 2003). However, literacy related to investment in financial institutions still needs to be improved and needs to be explored further. The assumption that a large nominal amount is needed to invest makes people reluctant to invest in financial institutions, especially in banking, although in conventional and sharia microfinance institutions (MFIs), the amount of money needed to invest is smaller than investment in banks (Wulandari et al., 2016). Deposits in LKM range from one million to hundreds of millions (Tenaw & Islam, 2009).

The rapid development of technology can bring convenience to its users. One application of technology in the financial sector is the fintech peer-to-peer (P2P) lending product. Fintech P2P lending is a new form of financial institution as an intermediary institution (Lenz, 2016). Initially, financial operations were completely offline, then developed into online. Many facilities can be done such as opening an account, qualifying for financing, and paying installments. From a financial perspective, fintech is more efficient than commercial banks (Hughes et al., 2019).

The number of fintech P2P lending in Indonesia shows a consistent increase every year. Based on data from the Indonesian Financial Services Authority, there was a significant increase of 46% in licensed conventional fintech lending in 2020. This growth continues to increase in 2021, with the addition of 61 new licensed fintech lending platforms. When compared to sharia fintech lending, the number is very different. However, both types of fintech lending have experienced an increase in number from 2019 to 2022. Until the end of 2021, there was an increase in the number of licensed sharia fintech lending (Indonesia Financial Services Authority, 2022).

In Indonesia, there are still limited regulations in regulating illegal P2P loans. There are no strict sanctions for lending companies, P2P, who behave unethically towards their borrowers, such as terrorizing and insulting borrowers or people around them (Firmansyah & Anwar, 2019; Hidajat, 2020; Yuniarti & Rasyid, 2020). On the other hand, many illegal P2P companies are increasingly emerging and promoting their products massively in media that are often used and easily accessible by the public, which makes people more interested in using illegal P2Ps than those that are licensed.

Not a few illegal P2Ps offer convenience in applying for loans, but also charge much higher interest rates than those set by Bank Indonesia and present a narrative that using their services will make their users' finances easier, trying to attract new users. As a result, many borrowers who are unable to repay their loans face intimidation and abusive collection practices, including harassment of borrowers by calling the numbers on their cell phones. If this is allowed to continue, it will disrupt economic stability and social welfare (Elsaid, 2021; Panos & Wilson, 2020). This has a social impact on society, such as increasing media coverage of suicides or crimes caused by illegal P2P loans (Suryono et al., 2017). This is a threat to P2P lending companies because it creates a negative image of online loans or even the term “fintech” itself.

Although there are many issues surrounding fintech, there are many factors that influence someone to use it. Planned behavior, acceptance models, and use of technology significantly influence someone to use sharia fintech (Darmansyah et al., 2020). The number of conventional and sharia fintech lending in Indonesia still needs to be improved in helping MSMEs in Indonesia because they still cannot minimize business risks (Eprianti et al., 2020).

This is the main reason for bad debt or default in P2P lending (Klein et al., 2023). In addition, there is an attitude of investors who always try to protect themselves from possible investment risks, while companies will always try to provide loans to borrowers who are relatively riskier because they are pursuing higher profits (Klafft, 2008).

Fintech does not only focus on banking services and it can also be used by other institutions as well. One of the examples is a Waqf institution related to agriculture (Khan et al., 2021) and, the management of zakat which are both practical uses of fintech in non-banking sectors (Hudaefi & Beik, 2020).

This study differs from earlier research, such as the study conducted by (Ichwan & Kasri, 2019) which investigated the factors influencing Muslim youth engagement in P2P lending. What distinguishes this study is that it focuses on a sample of Muslim millennials who have previously invested in Islamic financial institutions. In contrast, another study (Pierrakis, 2019) delves into investor profiles, criteria, and motivations in P2P lending. The main difference between this study and the previous ones lies in the selection of participants and the variables examined.

There are a number of studies examining the intention to invest in the financial sector. However, research on the intention of Muslim millennials to invest in Islamic fintech P2P lending is still very limited. There is a study that examines the factors of Indonesian youth to invest in P2P lending in Indonesia using the technology acceptance model (TAM) by adding other factors such as gender, marital status, religion, education, occupation, and income that come from different religions and only in Jakarta (Ichwan & Kasri, 2019). There is also a study that uses trust and perceived risk to determine the intention to invest in P2P lending using a sample of millennials who have never invested in P2P lending (Poeteri et al., 2021).

In this study, TAM was not used because TAM does not include social and control factors that influence behavior. In addition, other studies use different variables and research samples of Muslim youth in Indonesia who have never invested in P2P lending (Poeteri et al., 2021). Meanwhile, this study used Muslim millennials who had previously invested in financial institutions with the Theory of Planned Behavior (TPB) with the addition of the literacy factor to determine the intention to invest in P2P lending. According to TPB, the intention to invest is influenced by attitude, perceived behavioral control, and subjective norms. However, the literacy factor is also considered to influence the intention to invest (Ichwan & Kasri, 2019).

This study aims to ascertain whether people who have invested in Islamic financial institutions are also inclined to invest in Islamic P2P lending. Based on the brief explanation above, this study examines the influence of subjective norms, perceived behavioral control, and financial literacy factors on the investment decisions of Muslim millennials who have invested in sharia financial institutions.

Literature Review

Fintech

Fintech Literature Review Financial technology (fintech) is an innovation in the financial services industry that utilizes technology to run certain financial transaction mechanisms (Puschmann, 2017). Fintech also helps financial inclusion in Indonesia by developing new technologies and new business models by utilizing social media as one of the tools used to evaluate borrower profiles (Firmansyah & Anwar, 2019). However, several problems related to this innovation have emerged. The most frequently discussed problems related to fintech in Indonesia are understanding fintech P2P financing, data leaks, personal data protection, illegal fintech, and product marketing ethics (Suryono et al., 2020).

Fintech is designed to make it easier for users of financial institutions. For MSMEs, fintech offers two main benefits, namely ease of obtaining loans and efficiency of business transactions. The most commonly used fintech facilities include money transfers, payments, and loans. The fintech revolution began in 1960 with the launch of credit cards and was further transformed by the emergence of blockchain technology (Ferreira & Perry, 2019). Therefore, fintech is a meeting between technological and financial innovation, which can elevate the financial services industry to a higher level (Zavolokina et al., 2016).

The main obstacles that hinder the progress of Islamic fintech in Indonesia are the lack of policy instruments to regulate the operational processes of fintech and the lack of skilled human resources in the fintech sector. An effective strategy involves the capacity to effectively manage and evaluate large amounts of data in the context of big data, as well as utilizing human resources for digital marketing purposes. The government, regulators, universities, and the financial industry play an important role as stakeholders in the development of Islamic fintech (Aulia et al., 2020; Laldin & Furqani, 2019; Muryanto et al., 2022).

In Indonesia, there are two types of fintech that are developing, namely Islamic fintech and conventional fintech. Islamic fintech is fintech developed by Islamic financial institutions, while conventional financial institutions develop conventional fintech. Financial institutions establish both types of fintech in the form of banks. Therefore, financial institutions in the form of cooperatives also need fintech that can support their financial activities.

Islamic fintech faces several challenges. First, there is a need for more rigorous and reliable research on the Islamic fintech sector. Second, there is a lack of human resources capable of developing Islamic fintech and formulating clearer government regulations. The third challenge is the need to encourage scientists in educational institutions, such as universities, to conduct research related to fintech, given the limited findings and research related to Islamic fintech. The fourth challenge is the need to synchronize Islamic fintech with the traditional financial sector. Fifth, ensuring the stability of Islamic fintech while protecting investors, institutions, and users from fraud is essential. In addition, Islamic fintech is still in its early stages, with investors continuing to explore the most effective level of investment (Hasan et al., 2020; Hidajat, 2020; Laldin & Furqani, 2019).

Islamic Peer-to-Peer Lending

Technology continues to develop, adapt to the environment, and is always present in almost all human activities so that it can make activities more effective and efficient, including in the financial sector. compared to a few decades ago, now, individuals have the ability to transfer funds without having to come directly to the bank. In addition, anyone can borrow money without having to meet face to face with financial institution employees and use the internet through fintech peer-to-peer (P2P) lending (Pişkin & Kuş, 2019; Sangwan et al., 2020).

The P2P lending platform provides facilities for lenders to provide loans with high yields, while lenders can apply for loans with easier requirements compared to conventional financial institutions. There are several stages in using fintech P2P lending (Al-Hashfi &

Zusryn, 2020; Milne & Parboteeah, 2016). First, Membership registration is carried out first. Users, both lenders and borrowers, can register directly using a computer or smartphone. Furthermore, applicants can submit a loan application to the fintech p2p platform. Next, analysis and assessment of potential borrowers are carried out to identify those who meet the loan application criteria, which includes an evaluation of the level of risk associated with each loan. Fourth, the P2P lending platform provides detailed information on the risks and characteristics of selected borrowers. Fifth, investors can use this assessment to select borrowers to be given financing according to the investor's wishes. Sixth, through the platform, investors channel funds to selected borrowers. Seventh, lenders repay loans to the P2P lending platform according to the loan repayment schedule and previously agreed terms. And finally, through the platform, P2P lending investors receive loan returns from lenders.

Ultimately, web-based peer-to-peer (P2P) financial intermediation will surpass the traditional banking business model as a more profitable organizational structure. P2P lending is the most widely known form of crowdfunding, where platforms dare to collect modest contributions from a group of people to finance larger loans for individuals or companies. The platform does not bear the risk associated with its contractual arrangement, unlike traditional banks. Platforms manage risk by passing it on to their users, while banks accumulate risk with savings on their balance sheets. Islamic peer-to-peer lending operates in accordance with Sharia principles. Several Islamic P2P lending platforms that have received licenses from the Financial Services Authority and are actively operating in Indonesia, such as DANA Syariah, Ammana.id, PAPITUPA Syariah, ALAMI, and many others.

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) used to measure a person's intention to use something, including investment in islamic P2P lending (Ajzen, 1991), which is the result of the development of the Theory of Reasoned Action (TRA) (Fishbein, 1979). Similar to TRA, the main purpose of TPB is the individual's desire to engage in a particular behavior. In TPB, a person's intention (BI) is influenced by three factors, namely Perceived Behavioral Control (PBC), Subjective Norms (SN), and Attitude towards the Behavior (AT). PBC is used to analyze the extent to which a person is able to control or perform behavior, SN is used to analyze how people around them perceive certain actions. While AT is a positive or negative feeling of a particular behavior.

Through AT, it is considered to be able to have an impact on BI according to the existing model in TPB. In this case, the feeling that arises when seeing an investment product in islamic fintech P2P lending is considered to be able to influence the intention (BI) to participate.

Indicators that can be used for AT are as follows.

1. It is convenient to invest in Islamic P2P lending.
2. It is a good idea to invest in Islamic P2P lending.
3. It is a wise idea to invest in Islamic P2P lending.
4. I like the idea of investing in Islamic P2P lending.

H1: Attitude toward the Behavior (AT) and behavioral intention (BI) to participate in Islamic P2P lending are positively correlated.

SN refers to an individual's perception of the social expectations others have regarding how they should behave and it makes people differentiate between beliefs, which shape attitudes, and subjective norms. In TPB, subjective norms play a significant role in influencing behavior (Manning, 2009). The relationship between SN and intention must be shown to vary predictably with several other individual difference variables (Trafimow & Finlay, 1996).

There are two types of SN, namely Descriptive and Injunctive Norms. Injunctive Norms are environmental pressures that come from the social environment to engage in behavior based on perceptions of what other people want for one's actions. Meanwhile, Descriptive Norms are environmental pressures that come from the social environment based on behavior described by others.

Indicators that can be used for SN are as follows.

1. Influential people can influence a person's behavior.
2. Important people can influence a person's behavior.
3. Closest people can influence a person's behavior.
4. People who are closest to a person can influence their behavior.

H2: Behavioral intention to invest in Islamic P2P lending is directly correlated with Subjective Norms (SN).

The availability of resources and opportunities plays a role in determining the likelihood of successfully performing a behavior (Ajzen, 1991). Perceived Behavioral Control (PBC) can affect both a person's intentions and actions. According to the Theory of Planned Behavior (TPB), PBC and behavioral intention can be used, either directly or indirectly, to predict the likelihood of achieving a behavior. Therefore, PBC plays an important role in the TPB.

PCB can be measured using the following indicators.

1. Desire to invest in Islamic P2P lending
2. Doing things without coercion from others
3. Having the resources and the ability to invest in Islamic p2p lending
4. Having the risk knowledge to invest in Islamic P2P lending

H3: The behavioral intention to invest in Islamic P2P lending is directly correlated with Perceived Behavioral Control (PBC).

In addition to the three variables above that are part of the TPB, Financial Literacy (FL) is also considered to be able to influence a person's attitude towards the intention to invest. Several previous studies have shown different results from the financial literacy variable, such as no influence on investment interest (Fachrudin & Fachrudin, 2016; Nugraha et al., 2022) which often occurs in developing countries, such as Indonesia. However, other studies have shown different results, namely that there is an influence on investment interest in developing countries (Fornero et al., 2012; Janor et al., 2016). Therefore, it is necessary to test if the FL variable has an effect on investment intention in Islamic P2P lending.

In the financial sector with quite high risk, good insight and knowledge are needed to be able to organize and manage investments. Financial literacy includes the following.

1. Personal finance knowledge
2. Knowledge of saving and financing
3. Understanding of insurance
4. Understanding of investment

H4: **Financial literacy (FL) is directly correlated with the behavioral intention to invest in Islamic peer-to-peer lending.**

Data and Research Methods

In order to analyze the intention of Muslim millennials to invest in Islamic fintech P2P lending in Indonesia, this study used a quantitative approach that employed the TPB. Questionnaires were distributed to 200 Muslim millennials in Indonesia as primary data. The questionnaires employed a five-point Likert scale, with 1 mean a strong disagreement and 5 mean a strong agreement.

The validity and reliability of the queries employed in this investigation were assessed. The data was considered valid if it could accurately measure the intended outcome. Meanwhile, the reliability test was implemented to evaluate the instrument's consistency and stability.

This study used purposive sampling, which is considered the most appropriate sampling method, because only respondents who meet the criteria are given access to the survey. Purposive sampling is considered appropriate for various contexts and can be adjusted to accommodate the desired research design (Campbell et al., 2020). The survey was conducted using an online form and distributed to people born between 1981-1996 (Dimock, 2019) who had invested at least once in a bank. This is done to determine the tendency of people who have invested in banks to invest in online-based P2P lending and is a new investment that is riskier. SN is social pressure from the surrounding community to use or not use fintech or islamic P2P lending. PBC is used to measure the ease or difficulty of someone to invest in sharia P2P lending. AT is used to measure whether or not someone likes to invest in islamic P2P lending. Behavioral intention is an indicator of an individual's intention to use islamic P2P lending and reflects their level of effort. Financial Literacy is used to measure the level of financial literacy.

Findings and Discussion

This study involved 200 respondents from across Indonesia. They were classified as Muslims and belonging to the millennial generation (born between 1979 and 2000) who had invested in a financial institution at least once. They also came from various backgrounds and domiciles and had different occupations. Data collection was carried out in April 2023.

The majority of respondents were women. As many as 65.5% of the respondents were women, while 34.5% were men. The occupations varied from civil servants, entrepreneurs, students, to state-owned company employees.

Table 1: Characteristics of Respondents

Characteristic (N = 200)		
Domicile		
Java	136	68%
Outside Java	64	32%
Community		
Urban	145	72.5%
Rural	55	27.5%
Occupation		
State-owned company employees	3	1.5%
Private sector employee	111	55.5%
Civil servant	31	15.5%
Student	18	9%
Entrepreneur	37	18.5%
Gender		
Female	131	65.5%
Male	69	34.5%

In terms of demography, the majority of the respondents came from the island of Java (68%). In comparison, 32% were from outside Java. From the island of Java, the majority of the respondents came from East Java Province and the Special Region of Jakarta. Both provinces have metropolitan areas, namely Jakarta and Surabaya. These two regions have the greatest economic growth and business activity in Indonesia. Therefore, it is expected that the respondents would come from various domiciles in Indonesia.

This study also differentiated between respondents from urban and rural areas. This is done to determine whether Muslim millennials who lived in rural areas had the same views regarding Islamic P2P lending as those living in urban areas.

The respondents income was divided into six categories, namely less than one million rupiahs, one million to less than two million rupiahs, two million to less than three million rupiahs, three million rupiahs to less than four million rupiahs, four million to less than five million rupiahs, and more than five million rupiahs. Students, with income not more than one million rupiah, reported their source of income from allowance and freelance work. They had invested in microfinance institutions, such as *Baitul Maal Wa Tamwil* (BMT) or cooperatives at their educational institutions with a smaller nominal value than other categories, such as civil servants and entrepreneurs.

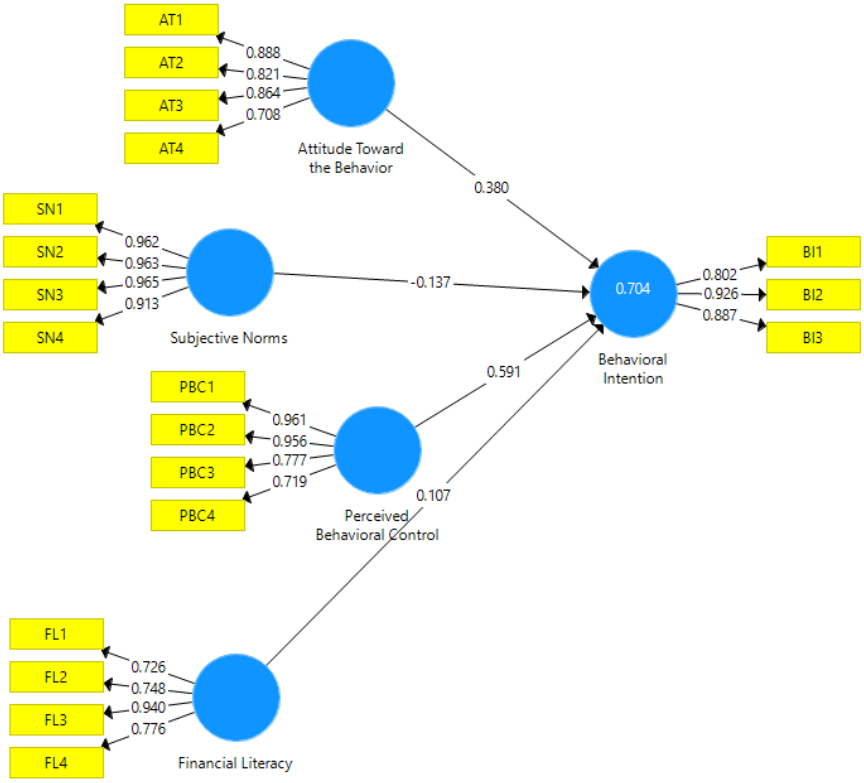

Figure 1: Measurement of variables by SMARTPLS

The outer loading and Cronbach's alpha values can be seen in the figure above (Figure 1), which can be used to determine whether the study has passed the validity and reliability test. A more detailed explanation will be given in Table 2. Furthermore, Table 3 provide an explanation of the R-squared value depicted in the previous figure. Table 4 then provide a more detailed explanation of the original sample values of each variable path along with the p-value.

Table 2: Results of Factor Analysis of All Measurement Items

Constructs	Items	Outer Loading	Cronbach's Alpha
AT	AT1	0.888	0.840
	AT2	0.821	
	AT3	0.864	
	AT4	0.708	

Constructs	Items	Outer Loading	Cronbach's Alpha
Subjective Norm	SN1	0.962	0.965
	SN2	0.963	
	SN3	0.965	
	SN4	0.913	
Perceived Behavior Control	PBC1	0.961	0.881
	PBC2	0.956	
	PBC3	0.777	
	PBC4	0.719	
FL	FL1	0.726	0.831
	FL2	0.748	
	FL3	0.940	
	FL4	0.776	
Behavior Intention	BI1	0.802	0.844
	BI2	0.926	
	BI3	0.887	

The validity and reliability tests were successfully completed by the questions, as evidenced by the Cronbach's alpha value exceeding 0.7 and the outer loading value. An indicator is reliable if the result of the Cronbach's alpha value is 0.7 or greater, and an indicator is considered valid if the outer value is 0.7 or greater. Based on the Table 2, The Cronbach's alpha values in this study were 0.840 (AT), 0.844 (BI), 0.831 (FL), 0.881 (PBC), and 0.965 (SN). The coefficient of determination in the endogenous construct is represented by the R-squared value. The R-square value category is classified into three categories, namely strong (0.67), moderate (0.33), and weak (0.19), according to Chin (1998). The R-square value for each endogenous variable in this study is presented in the table below.

Table 3: R-Squared Test Results

	R-Squared	R=Squared Adjusted
BI	0.704	0.698

According to Table 3, BI had an R-square value of 0.704, indicating that it was an endogenous variable that could be accounted for by its exogenous latent variables, which are AT, FL, PBC, and SN, at a rate of 70.4%. As The remaining 29.6% is accounted for by variables that are not included in the research model.

Table 4: Hypothesis Relationship Path Test Results

Hypothesis	Path	Original Sample (O)	T Statistics (|O/STDEV|)	p-Values	Result
H1	AT -> BI	0.380	4.580	0.000	Supported
H2	SN -> BI	-0.37	2.482	0.013	Supported
H3	PBC -> BI	0.591	8.888	0.000	Supported
H4	FL -> BI	0.107	2.188	0.029	Supported

Hypothesis 1: The use of AT had a statistically significant and positive effect on the intention to invest in Islamic P2P lending (p = 0.000). The first hypothesis is proven and this correlation suggests that there is a direct relationship between the level of AT and the level of BI when it comes to investing through fintech.

Hypothesis 2: The presence of social norms (SN) had a statistically significant negative effect on the inclination to invest in Islamic peer-to-peer (P2P) lending, with a p-value of 0.013.

The second hypothesis is proven and this inverse correlation suggests that when the level of perceived behavioral control (PBC) increases, the level of behavioral intention (BI) in fintech investment decreases.

Hypothesis 3: The presence of PBC (Perceived Behavioral Control) had a statistically significant and favorable impact on the intention to invest in Islamic P2P (Peer-to-Peer) lending, with a p-value of 0.000. The third hypothesis is proven. The correlation between PBC and BI in fintech investing is positive, meaning that as PBC increases, so does BI.

Hypothesis 4: The use of FL had a notable and beneficial impact on the intention to invest in Islamic P2P lending, with a statistically significant p-value of 0.029. The fourth hypothesis is proven. This correlation suggests that there is a direct relationship between the level of financial literacy (FL) and the level of confidence in investing (BI) utilizing financial technology (fintech).

P2P lending is becoming a promising financial innovation today. In the digital era, the accessibility of financial resources is expected to increase financial inclusion in society. Islamic P2P lending emerges as an alternative to conventional P2P lending. The public can choose to use Islamic P2P lending to avoid usury. Similar to conventional P2P lending (conventional based operational), Islamic P2P lending accepts investors as sources of third-party funding, including the Muslim millennial generation in Indonesia.

The results of this study indicated that a number of factors influence the intention to invest in Islamic P2P lending. Currently, P2P lending is a new thing and considered high risk because of the negative image that has emerged so far. Many negative perceptions exist that P2P lending is more predatory than other intermediary institutions that have existed before. The prevalence of illegal P2P lenders who frequently engage in promotional activities and falsely declare that they have been supervised by the Financial Service Authority makes people even more worried about the legitimacy of P2P lending. However, amidst the many negative issues regarding P2P lending, it is hoped that Islamic P2P lending will be able to dispel the negative stigma from the society.

The first hypothesis was related to the influence of attitude toward the behavioral intention to invest in Islamic P2P lending. The results showed a significant positive influence, suggesting that it is convenient to invest, it is a good idea to invest, it is a wise idea to invest, and the individual likes the idea to invest on P2P lending. People were more likely to intend to invest in Islamic P2P lending if they had a good opinion about the Islamic P2P lending, and vice versa. This indicates that Islamic P2P lending companies must cultivate a positive image so that potential investors are willing to invest in Islamic P2P lending with the consideration of diversifying the risks of the money invested.

A study conducted by (Ichwan & Kasri, 2019) also suggested that attitude and a number of other variables, such as the ease of using technology, literacy, and trust, play an important role in influencing the intention to invest in P2P lending.

The second hypothesis suggested that subjective norms had a negative relationship with the intention to invest. This shows that people do not expect their social circles to invest in Islamic P2P lending. The fact that many people around them figure out that they have the intention to invest in Islamic P2P lending actually reduces the intention itself. This is an interesting phenomenon to study. Although having a background in investing in financial institutions does not guarantee that someone will be easily influenced by their social circles, research in Malaysia shows a negative influence, indicating that subjective norms do not influence someone's behavior in accepting Islamic fintech (Shaikh et al., 2020).

Then, the third hypothesis suggested that perceived behavior had a significant positive effect on behavioral intention to invest. The desire to use, no coercion from others, ownership of sources of funds, ability to use, and knowledge of investment risks have a positive impact on the decision-making process in investing in Islamic P2P lending.

The fourth hypothesis suggested that financial literacy had a significant positive effect on the intention to invest in Islamic P2P lending. It means that the importance of literacy for potential investors, enabling them to better manage their finances in the future. People who lack literacy regarding Islamic P2P lending were less likely to invest in this sector. This can be considered a normal phenomenon because people will be more cautious in managing their finances, particularly in unfamiliar contexts which are not used by many people. People who have experience investing in financial institutions and are equipped with good financial literacy will be more inclined to invest in Islamic P2P lending.

Several factors influence someone to invest in P2P lending. These factors are divided into two, namely from the perspective of TAM and from perspective of TPB. In TAM, two variables are considered, namely perceived usefulness and perceived ease of use. These two variables are used to assess how people perceive P2P lending in terms of everyday uses and the use of technology in P2P lending.

Meanwhile, in TPB, three variables are considered, namely perceived risk, perceived knowledge, and perceived trust. These three variables are used to evaluate people's behavior in assessing P2P lending as a financial institution that provide investment facilities.

Conclusion

The results of this study suggested that the intention to invest in Islamic P2P lending is significantly influenced by attitude toward behavior (4.580), subjective norms (2.482), perceived behavioral control (8.888), and financial literacy (2.180). Perceived behavioral control had the greatest influence and only subjective norms had a significant negative effect on the behavioral intention to invest in Islamic P2P lending. This indicates that the greater the expectations of people around them to invest, the lower the intention to invest in Islamic P2P lending. In comparison, attitude, behavioral control, and financial literacy had a significant positive impact on the intention to invest. Therefore, to increase the intention to invest in Islamic P2P lending, it is necessary to increase Islamic financial literacy in order to be able to control attitude and behavior.

This study contributes to the limited investment literature on Islamic P2P lending. In addition, it also provides an overview of the condition of potential investors, namely Muslim millennials in Indonesia.

Two key recommendations are proposed for future research in this field. Firstly, future research should include additional variables that are believed to influence the intention to invest. A more comprehensive examination of the factors influencing investment decisions is needed. It could enhance understanding of investor behavior within Islamic financial institutions, P2P lending platforms, and other types of fintech. Secondly, future research should consider diversifying the sample to include various demographic groups or segments in Indonesia or other Muslim-majority countries. This wider approach could offer valuable insights into how different populations perceive and interact with the investment opportunities available through Islamic financial institutions and P2P lending platforms.

Declaration

Conflict of Interest

There are no financial, personal, or other conflicts of interest that influence the results of this study.

Availability of Data and Materials

Data and materials of this study can made available through open data repositories (OSF, Zenodo, National Scientific Repository, Institutional Repository Data, etc.) or by request. Data sharing is not applicable to this article as no new data were created or analyzed in this study.

Authors' Contribution

SCUS and SRA conceptualized the study and developed the methodology; SCUS wrote, reviewed, and edited the manuscript; SCUS and SRA wrote the original draft and drew conclusions.

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