



Sharia Pay Later Innovation in the Eyes of Generation Z: Does Brand Awareness Mediate the Effect of Sharia Religiosity and Financial Literacy on Trust?

Tri Wahyu Oktavendi ^a , Fahmi Dwi Mawardi ^{a 1}, Azfahanee Zakaria ^b

^a Accounting Department, Faculty of Economics and Business, University of Muhammadiyah Malang, Malang, Indonesia

^b Universiti Teknologi MARA Kedah, Kedah, Malaysia

APA Citation:

Oktavendi, T.W., Mawardi, F.D., & Zakaria, A. (2025). Sharia Pay Later Innovation in the Eyes of Generation Z: Does Brand Awareness Mediate the Effect of Sharia Religiosity and Financial Literacy on Trust? *TIJAB (The International Journal of Applied Business)*, 9(2), 244-258.

Submission Date: 23/09/2023

Revision Date: 09/07/2024

Acceptance Date: 10/06/2025

Published Date: 10/11/2024

Abstract

Background: Sharia Pay Later innovation is a special attraction in the development of the Sharia Fintech world. Generation Z, with unique characteristics and becoming the majority of the population in the future, will certainly respond differently to the Sharia Pay Later Innovation.

Objective: This study aims to prove the Z Generation trust model on sharia pay later innovation associated with religiosity, sharia financial literacy, and the mediation role of brand awareness.

Method: This study was designed using a quantitative-explanatory approach. A Structural Equation Model (SEM) analysis was used to test the model defined in this study.

Results: In the research results, when researchers provide mediating factors using brand awareness, they have not found significant results on the influence of religiosity and trust. This is caused by Generation Z's religiosity factor, which is still not strong enough to influence individual trust. When using the Islamic financial literacy factor on Generation Z Trust through Brand Awareness, it is proven to be able to influence positively and significantly.

Conclusion: Generation Z's religiosity cannot build trust in Sharia Pay Later Innovations. Generation Z tends to see the Brand from the Sharia Pay Later to be able to trust their new product. In essence, individual Islamic financial literacy increases brand awareness and creates a sense of trust or not to using the Sharia Pay Later Innovation by Generation Z.

Keywords: Generation Z; Trust; Innovation; Sharia Pay Later; Islamic Financial Technology.

This is an open access article under the [CC BY-NC-SA](https://creativecommons.org/licenses/by-nc-sa/4.0/) license.



¹ Corresponding author.

E-mail address: fahmidwi@umm.ac.id

1. Introduction

It would be fascinating to research the phenomena of the rise of innovative Islamic financial institutions that use financial technology. The Islamic finance sector, encompassing Islamic banking, Islamic market for capital, and takaful, is currently experiencing major developments within its business, particularly in financial technology (FinTech). Presently, a considerable number of enterprises have ventured into the domain of Islamic fintech. This includes companies that specialise in peer-to-peer lending and are dedicated to cultivating Islamic fintech ecosystems with the involvement of investors. Additionally, there are crowdfunding platforms based in the United Arab Emirates that operate on the principles of zakat (Mubarik, 2021), as well as non-profit crowdfunding platforms in Qatar that facilitate the establishment of waqf for aspiring entrepreneurs (Mohsin & Muneeza, 2019). The utilisation of Bitcoin in crowdfunding initiatives to bolster microfinance in Indonesia has been chosen as the focus of this study (Sidlo, 2017). Furthermore, Salaam Bank is developing an "Islamic finance platform" to offer individuals from various locations, such as the United States, Jakarta, Dubai, and London, access to technologically advanced Islamic finance alternatives. The ultimate goal of this initiative is to establish a transnational bank that transcends geographical boundaries (Tang & Chandra, 2022).

However, several sources state that FinTech (especially Islamic Financial Technology) is still having difficulty expanding to regions in Indonesia. Fintech presents itself as a solution that aims to promote financial inclusivity for many individuals. Islamic Financial Technology (I-Fintech) distinguishes itself from conventional fintech by its transparency, mutual benefit, and adherence to Sharia principles. 23% of players (FinTech) have difficulty expanding outside Java. Furthermore, 19% of players find it difficult to target areas in rural areas, and the remaining 13% find it difficult to expand outside DKI Jakarta (Thomas, 2022). Apart from expansion difficulties, weak I-Fintech literacy and infrastructure are obstacles to developing I-Fintech in Indonesia. I-Fintech uses various ways to continue to be sustainable in the future. One way is to continue to innovate its products. There is I-FinTech, which innovates products like Sharia Pay Later. The success of the Pay Later system in conventional FinTech triggered this. Pay Later Syariah comes with the hope that it will become an alternative way for users who avoid usury. As with conventional Pay Later, buyers in this case can make installments during the purchase process. However, there is no interest in Islamic Pay Later except for using services in the Sharia Pay Later application as an Ijarah contract. Several costs arise due to the ijarah contract, namely subscription fees and transaction fees that will be paid according to the Pay Later limit that will be obtained. However, a big question arises: Is this Sharia product able to attract attention? This question is the main focus of this research.

The primary focus of this study centres on the viewpoint of individuals belonging to Generation Z. The Generational Gap Theory posits that individuals belonging to Generation Z possess a greater level of familiarity with technology due to being born into a technologically advanced era. Generation Z, or Gen Z, encompasses those born between 1995 and now. This cohort is characterised by their adeptness in engaging in many tasks simultaneously, such as browsing online on personal computers, utilising social media applications on smartphones, and concurrently enjoying music (Putra, 2017). Bencsik & Machova's (2016) study indicated notable disparities between Generation Z and preceding generations. A key distinguishing element identified is the proficiency in information and technology. Generation Z is characterised by their inherent integration of information and technology into their daily lives. This is mostly due to their upbringing in an era wherein having access to information, particularly through the internet, has become a pervasive global phenomenon. Consequently, this widespread access to information has significantly influenced the values, perspectives, and aspirations of individuals belonging to this generation (Putra, 2017). The integration of technology and information, as perceived by individuals, has the potential to establish habitual convenience in transactions.

Research on the use of Pay Later payment systems has been carried out by researchers such as Putri & Iriani (2020), who state that purchasing decisions using Pay Later are influenced by trust and convenience. Pratika (2021) also takes Pay Later objects using the UTAUT model. Furthermore, the research results of Maurizka et al. (2021) show that there is a role for Perceived Usefulness, Perceived Convenience, Social Influence, Lifestyle Compatibility, Trust, Risk, and Attitudes in Debt in influencing the intention to adopt Pay Later. Various studies on Pay Later have been carried out with various models, but for Sharia Pay Later, no research uncovers the factors that trigger user trust. The model for

adopting conventional Pay Later with Sharia will certainly be different, because the Sharia basis, which considers various aspects, such as religiosity (for example), is unique. This study focuses on internal factors, namely Religiosity, Awareness, and Literacy. So, that was the motivation of this study. According to the research motivation, the novelty of this research lies in adopting the Religiosity, Islamic Financial Literacy, Gen Z perception, and Sharia Pay Later system. This research contributes to giving insight into the Islamic Financial Technology decision maker and strengthening the sustainability aspect of Islamic Financial Technology Institutions.

2. Literature Review

2.1. Technology Acceptance Model Theory

The Theory of Technology Acceptance Model (TAM) is a modified version of the Theory of Reasoned Action (TRA) initially developed by Ajzen & Fishbein (1975). The Theory of Reasoned Action (TRA) offers a systematic framework that delineates the ordered procedures and causal connections across variables that influence human behaviour. This theoretical framework posits that human behaviour is motivated by intentions, attitudes, and trust, which are in turn shaped by subjective norms, leading individuals to engage in conscious actions (Masunga et al., 2021; Oktavendi & Arisanti, 2021; Febriyanto & Faisol, 2023; Ningdiyah et al., 2024). The Technology Acceptance Model (TRA) has emerged as a fundamental framework for understanding and analysing human behaviour, particularly in the context of Information Systems (IS) research. Per the perspectives put forward by Triandis (1979), Davis et al. (1989) subsequently expanded upon the TRA model by refining the belief construct into two distinct constructs: perceived usefulness and perceived ease of use. Subsequent researchers further refined TAM by incorporating the perceived enjoyment construct into the original TAM model (Igbaria et al., 1997). Additionally, these researchers conducted a comparative analysis of SI's utilitarian and pleasant elements (Chesney, 2006; van der Heijden, 2004).

Several empirical investigations have repeatedly demonstrated that the Technology Acceptance Model (TAM) effectively accounts for a significant portion (about 40%) of individuals' intention and usage behaviour variability. Furthermore, TAM has been compared to rival models such as the Theory of Reasoned Action (TRA) and the Theory of Planned Behaviour (TPB). The Technology Acceptance Model (TAM) posits that an individual's inclination to utilise a system is influenced by two key factors: perceived utility and perceived ease of use. Perceived usefulness refers to the individual's belief in the system's ability to enhance performance. Furthermore, perceived ease of use refers to an individual's perception of the level of effort required to utilise a certain system. The Technology Acceptance Model (TAM) posits that the influence of external factors, such as system characteristics, process of development, and training, on the intention to use a technology is mediated by the individual's perception of its usefulness and ease of use. According to the Technology Acceptance Model (TAM), the perception of usefulness is influenced by the perception of ease of use. This is because when a system is easier to use, it is viewed as more beneficial (Venkatesh & Davis, 2000).

2.2. Generational Gap Theory

According to Lancaster & Stillman (2003), human characteristics can be categorised into three generational groups: Baby Boomers, Generation X, and Generation Y, which is usually referred to as Millennials. Lancaster & Stillman (2003) discovered notable disparities in the attitudes exhibited by distinct generations. Baby Boomers exhibit a disposition characterised by optimism, but Generation Xers tend to adopt a more sceptical stance. In contrast, the Millennial Generation exhibits a propensity for realism. Strauss & Howe (1991) provide a more comprehensive analysis elucidating that the Baby Boomer generation is strongly inclined towards temporal considerations, having come into existence during an era characterised by limited technological familiarity, in contrast to the Generation X, who were born during a period marked by the emergence of personal computers (PCs), cable television, and the advent of the internet. According to Jurkiewicz (2000), Generation X individuals possess a notable capacity to adjust to technology advancements and readily embrace change effectively.

Conversely, the emergence of instantaneous internet technology, called the Internet Booming, gave rise to Generation Y or Millennials. One notable example of such technological advancements is the presence of communication tools like email, SMS, and popular social media platforms like Facebook and Twitter. According to Putra (2017), the characteristics exhibited by individuals belonging to Generation Y are influenced by the social and economic standing of their families. The current generation is more inclined towards open-mindedness than preceding generations, while also displaying a notable affinity for social media engagement. Following Generation Y, a subsequent generational cohort, Generation Z, arose, encompassing those born between 1995 and 2010 (refer to Table 1). Generation Z shares similar features with Generation Y, although it distinguishes itself by exhibiting a higher propensity for multitasking. For instance, Putra (2017) highlights that Generation Z individuals can simultaneously engage in several activities, such as utilising mobile phones to access social media platforms, browsing on computers, and listening to music via headsets. This demonstrates that individuals belonging to Generation Z have acquired a high level of proficiency in the field of Information Technology. This can be attributed to their early exposure and engagement with Information Technology during their formative years. The personalities of Generation Z appear intriguing when examined in relation to product innovation.

Table 1. Generation Gap

Year of Birth	Generation
1925 – 1946	Veteran
1946 – 1960	Baby boomer
1960 – 1980	Xers Generation
1980 – 1995	Y Generation
1995 – 2010	Z Generation
>2010	Alfa Generation

2.3. *Hypotheses Development*

This research focuses on the internal factors of Generation Z that influence trust in Sharia Pay Later. Awareness is one of the factors considered in this study. Brand Awareness is the ability to quickly remember what individuals do for various products and services, even though they are not dealing directly with the products and services themselves. Brand awareness is a consumer's first awareness of a product or service. Awareness in a person towards a particular brand will impact trust in something new.

When mentioning a product, consumers will quickly remember a certain brand. Marketers in a company must be able to build and make consumers quickly aware of the presence of a particular brand. Fatikasari (2018) shows that buyers' trust in online shops lies in the popularity of online shopping. The more popular, the more confident and confident buyers are in the reliability of the online shop. Similar results were also proven by research by Oktiani & Khadafi (2018), Bernarto, Berlianto, Meilani, Masman, & Suryawan (2020), Sekarsari et al. (2022).

H1: Awareness influences Generation Z's Trust in Sharia Pay Later Innovation

Religion is crucial in shaping cultural elements that form personal values and influence individuals' attitudes and behaviours. In other words, when people believe in this, their behavior will follow what their religion teaches, including consumption behavior. Based on the results of previous studies, religious awareness has a positive effect on brand awareness. Raharja (2021) proves that the higher the awareness of consumer religiosity, the higher the possibility of brand awareness of Islamic Sharia products. Religion is a critical cultural determinant that has built the value of life and influenced people's attitudes and behavior. Arifin et al. (2023) have research results that support this. Religiosity is a complex integration of religious knowledge, feelings, and religious actions in a person in all aspects of life. This can affect individual actions or behavior. In other words, religiosity will determine whether someone believes in a product. The research results of Iskanto & Yulihardi (2017) show that religiosity affects consumer confidence in Islamic banks. Based on the results of this presentation, the following hypotheses can be developed:

H2: Religiosity affects Generation Z brand awareness

H3: Religiosity influences Generation Z's Trust in Sharia Pay Later Innovation

H4: Religiosity influences Generation Z's Trust in Sharia Pay Later Innovation through brand awareness

Islamic financial literacy impacts individuals' choices of brands according to their knowledge. Someone will not choose a brand that contradicts their knowledge regarding Islamic financial literacy. Brand Awareness owned by individuals will influence their trust in new products, in this case, Sharia Pay Later. Djazuli et al. (2022) prove that Brand can act as a mediating variable on the effect of Islamic Financial Literacy on investment decisions. Setiawan (2023) states that a good literacy level can make them trust Islamic banks more. In a separate investigation, Rozikin & Sholekhah (2020) unveiled that the perception of a brand can impact an individual's inclination to engage in saving behaviours. In this study, individual confidence in innovations (Sharia Pay Later) will be driven by Islamic Financial Literacy and mediated by Brand Awareness.

H5: Islamic Financial Literacy on Generation Z Brand Awareness

H6: Islamic Financial Literacy Influences Generation Z's Trust in Sharia Pay Later Innovation

H7: Islamic Financial Literacy affects Generation Z Trust in Sharia Pay Later Innovation through Brand Awareness

Based on the explanation above, the framework of this research as follows the research framework is delineated as follows:

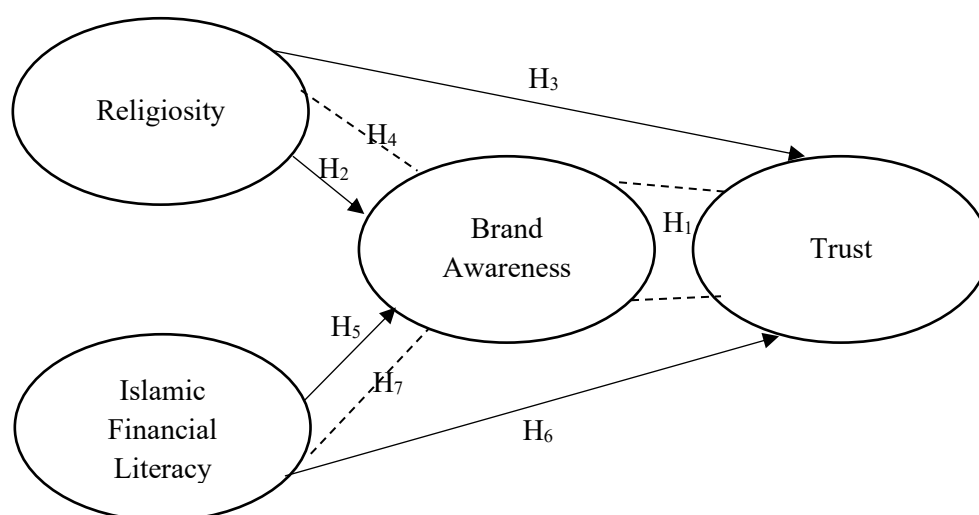


Figure 2. Research Framework

3. Method

This study was designed with a quantitative-explanatory approach to establish the mediating function of Brand Awareness in the impact of Religiosity and Islamic Financial Literacy on belief in innovations (Sharia Pay Later). Generation Z is the preferred respondent because their role is very important in the future and will become the majority of society. The sampling technique in this study was purposive sampling with the following criteria:

- a. Generation Z respondents who have knowledge related to Sharia Pay Later
- b. Respondents who filled out the questionnaire completely

The type of data used in this study is primary data. The primary data used in this study is the result of a questionnaire via Google Form. Indicators for each variable were adopted from previous research, because the pilot test was used in previous research. So, the questionnaire must be reliable and relevant to the research object and topic.

Table 2. Construct and Indicators

Construct	Indicators	Source
Religiosity	Religion is very important in my life Islam helps me to have a better life. I have been supported by the Dua' (supplication) I recognize the Prophet. Muhammad (peace be upon him) as the role model One of my main priorities is performing Hajj. I believe that Allah (God) helps me.	Abror, A., Wardi, Y., Trinanda, O., & Patrisia, D. (2019).
Trust	I trust the Paylater Syariah security system I believe that my personal data will be safe if I use Paylater Syariah. In my opinion, the terms of use (Sharia Compliance) of Paylater Syariah will be strictly adhered to In my opinion, using Paylater Syariah can be trusted.	Zarmpou, T., Saprikis, V., Markos, A., & Vlachopoulou, M. (2012)
Brand Awareness	This paylater syariah has more complete facilities than others. This paylater syariah is the best compared to other.	Bernarto, I., Berlianto, M. P., Meilani, Y. F. C. P., Masman, R. R., & Suryawan, I. N. (2020)
Islamic Financial Literacy	I know that I might or might not receive any return when the contract is concluded. I acknowledge that uncertainty on the sanctity of financial contracts is strictly prohibited in Islam. I always make sure that there is no element of interest in all financial transactions that I make. I understand that all Islamic financing must be backed by asset. I can only invest in permissible activities or services. I am aware of the availability of Islamic instruments in the market. In Islam, I only transact with people whom I trust.	Rahim, S. H. A., Rashid, R. A., & Hamed, A. B. (2016)

The researcher compiled the stages of data analysis as follows:

- 1. Tabulate the data on the results of the questionnaire.**
- 2. Perform Outer Model testing.** The process of conducting outer model testing involves the evaluation of reliability and validity using several tests. Cronbach's Alpha was employed as the measure of reliability in this investigation. A bare minimum of 0.7 is required for the Cronbach's Alpha coefficient. Ideally, the Cronbach's Alpha coefficient should fall within the range of 0.8 to 0.9. The reliability assessment can also be observed through the Average Variance Extracted, or AVE, metric. In order to be deemed reliable, the AVE findings should be above a threshold of 0.7, while a minimum value of 0.5 is required to establish convergent validity. In order to ascertain the discriminant validity of reflective indicators, it is important to examine cross-loading.
- 3. Perform Inner Model testing.** The Inner Model examination, or the structural model, is a term used to describe a particular assessment or analysis. In order to evaluate the Inner Model, the researchers examined the coefficient of determination (R²) using the specified criteria: a) A

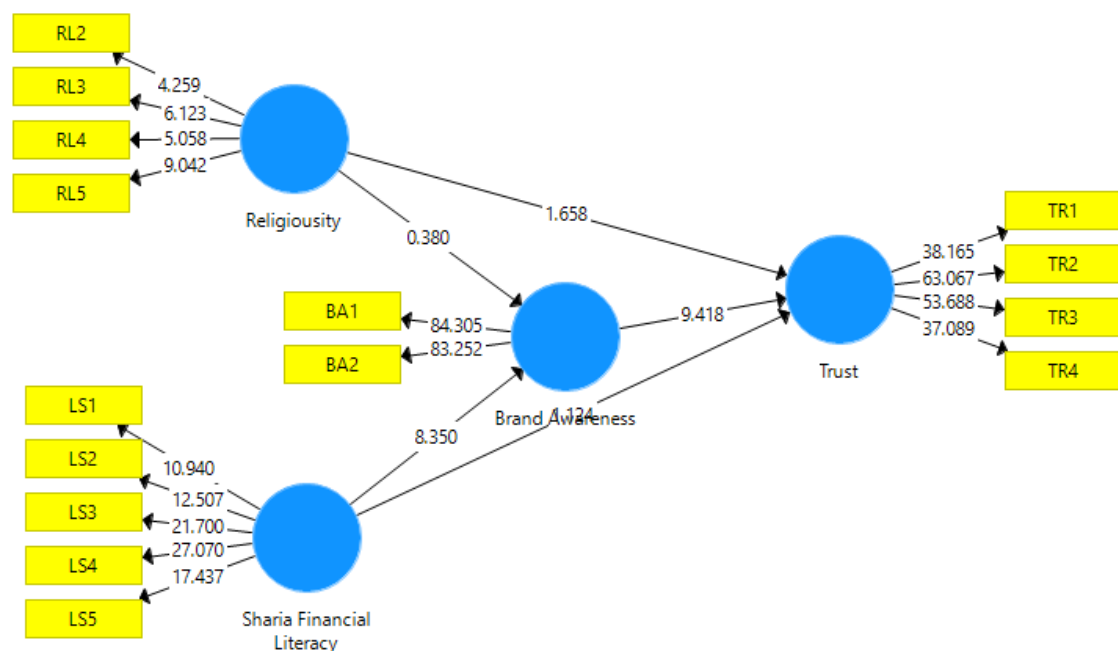
substantial categorization is assigned to an R2 value of 0.67. b) An R2 value of 0.33 is classified as moderate. c) A weak categorization is assigned to an R2 value of 0.19. d) An R2 value greater than 0.7 is classified as strong.

Doing Hypothesis Testing. The present study employs hypothesis testing by examining the t-value and p-value. The study's outcomes are considered influential when the t-value exceeds 1.96 and the p-value is less than 0.005.

4. Results

Table 3. Characteristics of Research Data

Characteristic N=103			
Variable	Description	Frequency	Percentage (%)
Gender	Man	35	34%
	Woman	68	66%
Year of Birth	1999	2	2%
	2000	10	10%
	2001	23	22%
	2002	31	30%
	2003	32	31%
	2004	5	5%
Place of Origin	DKI Jakarta	1	1%
	South Sulawesi	1	1%
	East Nusa Tenggara	2	2%
	West Java	2	2%
	Riau	1	1%
	Central Java	2	2%
	Southwest Papua	2	2%
	Bali	2	2%
	West Nusa Tenggara	10	10%
	North Maluku	1	1%
	East Java	79	77%



Source: Data processed (2023)

Figure 1. PLS calculation path model

Table 3 shows the characteristics of this research data. The explanatory data variables for this respondent consist of gender, year of birth, and area of origin, which are projected to be frequency and percentage. The male gender has a frequency of 35 and the female 68, with a percentage of 34% male and 66% female. Year of birth 1999 with a frequency of 2 and a percentage of 2%; 2000 births with a frequency of 10 with a percentage of 10%; birth year 2001 frequency 23 with a percentage of 22%; birth year 2002 frequency 31 with a percentage of 30%; In 2003 birth year the frequency was 32 with a frequency of 31% and in 2005 the frequency was 5 with a 5% percentage. In areas of origin spread across several provinces in Indonesia, DKI Jakarta Province frequency 1 with a percentage of 1%; South Sulawesi frequency 1 with a percentage of 1%; NTT frequency 2 with a percentage of 2%; West Java frequency 2 with a percentage of 2%; Riau Archipelago frequency 1 with a percentage of 1%; Central Java frequency 2 with a percentage of 2%; Southwest Papua frequency 2 with a percentage of 2%; Bali frequency 2 with a percentage of 2%; West Nusa Tenggara frequency 10 with a percentage of 10%; North Maluku frequency 1 with a percentage of 1% and finally East Java with a frequency of 79 with a percentage of 77%.

In a research path model, the outer loadings indicate the contribution of indicators to the measured construct, with high values (typically 0.7 or above) signifying that the indicator is a good representation of the construct. Path coefficients denote the strength and direction of the relationship between two constructs, where larger values indicate stronger relationships and positive or negative signs indicate the direction of the relationship. The R^2 (R-squared) value within a construct shows the proportion of variance in the endogenous construct explained by the exogenous constructs, with higher values indicating that the model explains a larger portion of the variance in the endogenous construct. By utilizing these values, researchers can assess how well the proposed model fits the available data, how well the constructs relate, and how they contribute to a deeper understanding of the phenomena under investigation.

Internal Consistency, Reliability, and Convergent Validity

The reliability and validity of each construct must be checked to prove that the indicators and constructs are reliable and valid. Composite Reliability and Average Variance Extracted (AVE) values for each construct are presented below:

Table 4. Cronbach's Alpha, Composite Reliability, and Average Variance Extracted

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted	Variance
Brand Awareness	0.912	0.958	0.919	
Religiosity	0.677	0.803	0.508	
Sharia Financial Literacy	0.859	0.899	0.642	
Trust	0.946	0.961	0.861	

Source: Data processed (2023)

Table 4 above shows that all indicators of the financial performance model can produce a Composite Reliability score ≥ 0.7 , which indicates that the construct is reliable. So it was concluded that each construct in this study had internal consistency reliability. The Average Variance Extracted or AVE value of all constructs is ≥ 0.5 , which means that all constructs in this study can explain 50% or more of the variance of the construct's constituent indicators, and for Cronbach's Alpha, a minimum value of 0.7.

Table 5. Cross Loading

Indicator	Brand Awareness	Religiosity	Sharia Financial Literacy	Trust
BA1	0.957	0.240	0.595	0.748
BA2	0.960	0.239	0.620	0.768
LS1	0.497	0.226	0.711	0.386
LS2	0.448	0.285	0.776	0.493
LS3	0.506	0.401	0.848	0.509
LS4	0.592	0.339	0.837	0.516
LS5	0.488	0.431	0.826	0.499
RL2	0.201	0.681	0.278	0.245
RL3	0.172	0.667	0.259	0.215
RL4	0.103	0.633	0.344	0.202
RL5	0.215	0.851	0.341	0.338
TR1	0.684	0.360	0.577	0.914
TR2	0.770	0.326	0.539	0.941
TR3	0.728	0.357	0.587	0.939
TR4	0.748	0.295	0.534	0.917

Source: Data processed (2023)

Convergent Validity and Discriminant Validity Test Results

The initial phase of assessing the outer model involves conducting tests to evaluate convergent validity. This study aims to provide a comprehensive analysis of the correlation strength within every indicator and its corresponding construct. The discriminant validity test aims to determine the degree of correlation between a construct and indicators from other constructs, hence assessing the construct's level of distinctiveness. Table 4 presents the outcomes of the assessments to evaluate the convergent and discriminant validity.

Table 6. R Squared

	R Square	R Square Adjusted
Brand Awareness	0.402	0.390
Trust	0.659	0.649

Source: Data processed (2023)

After excluding indications that show a loading value below 0.5, the remaining indicators all exhibit loading factor values above 0.5. Hair et al. (2010) argue that a loading factor 0.5 remains acceptable within the context of developmental research. Cross-loading analysis demonstrates that the correlation between a certain indicator and its corresponding construct is greater than its correlation with other constructs within the same block. This finding indicates that the measure exhibits discriminant validity.

Table 6 shows the brand awareness variable's adjusted R-squared value of 39%. This shows that religiosity and Sharia literacy influence 39% of brand awareness variables. The Trust variable has an adjusted R-squared value of 64%, which indicates that 64% of the Trust variable is influenced by religiosity, Sharia literacy, and Brand awareness.

Hypotheses Testing

Table 7. Hypotheses Testing Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T (O/STDEV)	Statistics P Values
Brand Awareness -> Trust	0.688	0.680	0.073	9.418	0.000
Religiosity -> Brand Awareness	-0.023	-0.013	0.060	0.380	0.704
Religiosity -> Trust	0.144	0.144	0.087	1.658	0.098
Sharia Financial Literacy -> Brand Awareness	0.644	0.647	0.077	8.350	0.000
Sharia Financial Literacy -> Trust	0.105	0.110	0.093	1.124	0.262

Source: Data processed (2023)

Test Hypothesis 1 (X1-Y)

The path coefficient value between the X1 and Y constructs is 0.688, indicating a positive relationship between Brand Awareness and Trust. The T-Statistics value is 9.418, which signifies a significant influence of Brand Awareness on company Trust at a 95% confidence level (with a 5% margin of error). Since the T-Statistics value exceeds the critical value of 1.96, it is concluded that the first hypothesis (H1), which states that Brand Awareness affects company Trust, is accepted.

Test Hypothesis 2 (X1-Z)

The path coefficient values of the X1 and Z constructs are -0.023, indicating a negative relationship between Religiosity and Brand Awareness. Meanwhile, the T-Statistics value is 0.380, which indicates that religiosity does not affect company brand awareness, strengthened by a P value of 0.704, so it is concluded that the first hypothesis (H2), namely, religiosity affects company brand awareness, is rejected.

Test Hypothesis 3 (X1-Y)

The path coefficient values of the X1 and Y constructs are 0.144, while the T-Statistics value is 1.658 < 1.96, so the third hypothesis (H3) Religiosity affects company trust, is rejected.

Test Hypothesis 5 (X2-Z)

The path coefficient values of the X2 and Z constructs are 0.644, indicating a positive relationship between Sharia Financial Literacy and Brand Awareness. The T-Statistics value is 8,350, which indicates that the Sharia Financial Literacy construct significantly influences company Brand Awareness, with a confidence level of 95% (error 5%). The results of T-Statistics 8,350 have a value of > 1.96, so it is concluded that the first hypothesis (H1), namely Sharia Financial Literacy affects the company's Brand Awareness, is declared accepted.

Test Hypothesis 6 (X2-Y)

The path coefficient value of constructs X2 and Y is 0.105, while the T-Statistics value is 1.124 < 1.96, so the hypothesis (H5) of Sharia Financial Literacy affecting company trust is rejected.

Test Hypothesis 4 (X1*Z-Y)

The path coefficient value of the X1*Z-Y construct is -0.009, while the T-Statistics value is 0.384 < 1.96, so the fourth hypothesis (H4), Religiosity influences company trust through Brand Awareness, is rejected. (Table 5)

Test Hypothesis 7 (X2*Z-Y)

The path coefficient value of the X2*Z-Y construct is 0.443, indicating a positive relationship between Sharia Financial Literacy and Trust through Brand Awareness. Meanwhile, the T-Statistics value is 6,657 which indicates that the Brand Awareness construct significantly influences company Trust, with a confidence level of 95% (5% error), seen from the results of T-Statistics 6,657 has a value of > 1.96, so it is concluded that the first hypothesis (H7) i.e. Sharia Financial Literacy with Trust through Brand Awareness is declared accepted.

Table 8. Specific In Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Religiosity -> Brand Awareness -> Trust	-0.016	-0.009	0.041	0.384	0.701
Sharia Financial Literacy -> Brand Awareness -> Trust	0.443	0.440	0.067	6.567	0.000

Source: Data processed (2023)

5. Discussion

Brand Awareness and Trust in Sharia Pay Later Innovation

This study focuses on internal factors that can increase Generation Z's trust in Sharia Pay Later Innovations. The results show that Brand Awareness can influence trust in using Sharia Pay Later, so that hypothesis 1 is accepted. Brand Awareness is a systematic ability possessed by individual users in understanding products and services with an indirect, reasonable approach. What is meant by that is that the individual is not directly confronted with the product, but psychologically, the individual can already understand the product's characteristics. When Generation Z's brand awareness is strong, they will become more trusting of the product.

Brand awareness is a consumer's first awareness of a product or service. Awareness in a person towards a particular brand will impact trust in something new. Research conducted by Fatikasari (2018), Oktiani & Khadafi (2018), Bernarto et al. (2020), and Sekarsari et al. (2022) shows that buyers' trust in online shops lies in the popularity of online shopping. The more popular, the more confident and confident buyers are in the reliability of the online shop, this is because when mentioning a product, consumers will quickly remember certain brands. Marketers in a company must be able to build and make consumers quickly aware of the presence of a particular brand.

Religiosity, Brand Awareness, and Trust in Sharia Pay Later Innovation

We define religiosity in understanding the principles of Sharia and muamalah. Religiosity is a key determinant of cultural factors that construct life values and influence people's attitudes and behavior. In simple terms, individuals with strong convictions tend to align their conduct with the teachings of their religious faith, which encompasses adherence to Sharia principles and observance of muamalah transactions. When a person's ability to understand muamalah is strong, it can increase trust. However, the research results, Hypothesis 2, are rejected because not all Generation Z understand muamalah factors in their daily lives; many factors can be stronger in increasing this trust.

In the research results, when researchers provide mediating factors using brand awareness, they have not found significant results on the influence of religiosity and trust. This is caused by Generation Z's religiosity factor, which is still not strong enough to influence individual trust. Again, allowing other factors such as perceived usefulness, convenience, social influence, lifestyle compatibility, or brand strength to provide the greatest reinforcement in increasing trust. The results of this study are supported by Iskanto & Yulihardi (2017), who state that religiosity cannot affect trust in use, even though there are reinforcing factors or brand strength. This is because individuals already understand realistic cost and benefit gaps in understanding existing brands in the market, so what is most profitable for individuals in understanding products is the factor chosen to increase trust.

Sharia Financial Literacy, Brand Awareness, and Trust in Sharia Pay Later Innovation

The findings of this study suggest that there is a significant relationship between financial literacy and brand awareness. Islamic financial literacy impacts Generation Z in choosing brands according to their knowledge. Generation Z will not choose a brand that contradicts their knowledge regarding Islamic Financial Literacy. It is another matter when Brand Awareness from Generation Z cannot influence trust in Sharia Pay Later Innovation. This is due to the strength of understanding the brand or product characteristics that do not directly affect trust, so hypothesis 6 is rejected. However, there must

be a strong financial literacy ability factor. This finding is because the object used is a Sharia Pay Later, which has the specificity of understanding Sharia-based financial literacy.

When using the Islamic financial literacy factor on Generation Z Trust through Brand Awareness, it is proven to be able to influence positively and significantly, so that hypothesis 7 is accepted. Brand Awareness owned by Generation Z will affect their trust in new products, in this case, Sharia Pay Later. Research conducted by Djazuli et al. (2022) demonstrates that brands might mediate the relationship between Islamic Financial Literacy and investment decision-making. Setiawan (2023) states that a good literacy level can make them trust Islamic banks more. In a separate investigation, Rozikin & Sholekhah (2020) unveiled that the perception of a brand can impact an individual's inclination to engage in saving activities. In this study, individual confidence in innovations (Sharia Pay Later) will be driven by Islamic Financial Literacy and mediated by Brand Awareness.

6. Conclusions

Sharia Pay Later, as an innovation in Sharia Fintech, certainly raises its own trust issue when compared to Conventional Pay Later, which has been "down to earth" among Generation Z. Generation Z's trust in innovations (especially Islamic Pay Later) is driven by the extent of Islamic Financial Literacy possessed by prospective users. Not only that, Brand is a mediating factor in the relationship between Islamic Financial Literacy and Generation Z's Trust in Sharia Pay Later. In this context, the religiosity of Generation Z cannot build trust in Sharia Pay Later Innovations. Generation Z tends to see the Brand from the Sharia Pay Later to be able to trust their new product. In essence, individual Islamic financial literacy increases brand awareness and creates a sense of trust or not to using the Sharia Pay Later Innovation by Generation Z.

This research has limitations, namely, the scope of the distribution of respondents is not evenly distributed across every province in Indonesia. Therefore, future researchers can use better data collection techniques to get an even distribution of respondents. However, this research has implications for developing Trust studies, especially New Sharia Innovations.

References

- Ajzen, I., & Fishbein, M. (1975). A Bayesian analysis of attribution processes. *Psychological Bulletin*, 82(2), 261–277. <https://doi.org/10.1037/h0076477>
- Arifin, M. R., Raharja, B. S., & Nugroho, A. (2023). Do young Muslims choose differently? Identifying consumer behavior in the Halal industry. *Journal of Islamic Marketing*, 14(4), 1032–1057. <https://doi.org/10.1108/JIMA-02-2021-0049>
- Bencsik, A., & Machova, R. (2016). Knowledge sharing problems from the viewpoint of intergenerational management. *ICMLG2016-4th International Conference on Management, Leadership and Governance: ICMLG2016*, 42.
- Bernarto, I., Berlianto, M. P., Meilani, Y. F. C. P., Masman, R. R., & Suryawan, I. N. (2020). The Influence of Brand Awareness, Brand Image, and Brand Trust on Brand Loyalty. *Jurnal Manajemen*, 24(3), 412. <https://doi.org/10.24912/jm.v24i3.676>
- Chesney, T. (2006). An acceptance model for useful and fun information systems. *Human Technology: An Interdisciplinary Journal on Humans in ICT Environments*.
- Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User Acceptance of Computer Technology: A Comparison of Two Theoretical Models. *Management Science*, 35(8), 982–1003. <https://doi.org/10.1287/mnsc.35.8.982>
- Djazuli, A., Ab Aziz, M. R., Candra, M., & Yanti, D. (2022). Determinants of Financial Decisions of Millennial Generation in Islamic Banking: Does Islamic Branding Matter? *Journal of Accounting and Investment*, 24(1), 220–236. <https://doi.org/10.18196/jai.v24i1.16451>

- Fatikasari, C. D. (2018). Pengaruh persepsi keamanan, persepsi privacy, dan brand awareness terhadap kepercayaan konsumen online dengan kepuasan sebagai variabel mediasi (studi pada pengguna media sosial instagram di yogyakarta). *Jurnal Manajemen Bisnis Indonesia (JMBI)*, 7(2), 136–147.
- Febriyanto, Moh, and Moh Faisol. "Exploration Of Village Government Taxpayer Compliance." *Journal of Multiperspectives on Accounting Literature* 1.1 (2023): 21-32.
- Firmansyah, E. A., & Anwar, M. (2019, January). Islamic financial technology (FINTECH): its challenges and prospects. In *Achieving and Sustaining SDGs 2018 Conference: Harnessing the Power of Frontier Technology to Achieve the Sustainable Development Goals (ASSDG 2018)* (pp. 52–58). Atlantis Press.
- Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective* (Vol. 7). Upper Saddle River, NJ: Pearson.
- Igbaria, M., Zinatelli, N., Cragg, P., & Cavaye, A. L. M. (1997). Personal Computing Acceptance Factors in Small Firms: A Structural Equation Model. *MIS Quarterly*, 21(3), 279. <https://doi.org/10.2307/249498>
- Iskamto, D., & Yulihardi, Y. (2017). Analisis peranan religiusitas terhadap kepercayaan kepada perbankan syariah. *Maqdis: Jurnal Kajian Ekonomi Islam*, 2(2), 205–214. <https://doi.org/https://doi.org/10.15548/MAQDIS.V2I2.129>
- Jurkiewicz, C. L. (2000). Generation X and the Public Employee. *Public Personnel Management*, 29(1), 55–74. <https://doi.org/10.1177/009102600002900105>
- Lancaster, L. C., & Stillman, D. (2003). *When generations collide: Who they are, why they clash, and how to solve the generational puzzle at work.* (No Title).
- Masunga, F. J., Mapesa, H. J., Mwakibete, A. N., Derefa, M. J., Myava, J. E., & Kiria, J. S. (2021). The Role of Mediating Effects of User Satisfaction and Behavioural Intention on the Influence of the e-Tax System on Tax Compliance Behaviour: An Application of Bootstrapping Technique. *International Journal of Applied Business*, 5(2), 137-154.
- Maurizka, S., Handayani, P. W., & Pinem, A. A. (2021). The Acceptance of Pay Later Payment Usage on Business-To-Consumer Online Marketplace in Indonesia. *2021 International Conference on Informatics, Multimedia, Cyber and Information System (ICIMCIS)*, 187–192.
- Mohsin, M. I. A., & Muneeza, A. (2019). Integrating waqf crowdfunding into the blockchain: a modern approach for creating a waqf market. In *Fintech in Islamic finance* (pp. 266–279). Routledge.
- Mubarik, F. (2021). Global Zakat Cooperation Chain to SDGs: How Shall Mechanisms and Master Plan Be?. *Islamic Wealth and the SDGs: Global Strategies for Socio-economic Impact*, 439–450.
- Ningdiyah, E. W., Yulianto, M. R., Biduri, S., Prasajo, B. H., & Pratiwi, R. (2024). Determination Of The Implementation Of Financial Reports Based On SAK EMKM. *Journal of Multiperspectives on Accounting Literature*, 2(1), 57–77.
- Oktiani, A., & Khadafi, R. (2018). Pengaruh Brand Awareness dan Brand Image serta Word Of Mouth terhadap Brand Trust dan Pembentukan Brand Loyalty pada Pelanggan Cbezt Friedchiken Kecamatan Genteng Banyuwangi. *Journal of Economic, Business and Accounting (COSTING)*, 1(2), 269–282. <https://doi.org/10.31539/costing.v1i2.259>
- Oktavendi, T. W., & Arisanti, I. (2021). How to Build Continuance Intention On Jenius App Users. *International Journal of Applied Business*, 5(2), 155–165.
- Pratika, Y. (2021). UTAUT Model: Identifying the Driving Factors of the Intention to Use Paylater. *Jurnal Bisnis Dan Manajemen*, 8(2), 345–352. <https://doi.org/10.26905/jbm.v8i2.6306>
- Putra, Y. S. (2017). Theoretical Review: Teori Perbedaan Generasi. *Among Makarti*, 9(2). <https://doi.org/10.52353/ama.v9i2.142>

- Putri, F. A., & Iriani, S. S. (2020). Pengaruh Kepercayaan dan Kemudahan terhadap Keputusan Pembelian Menggunakan Pinjaman Online Shopee PayLater. *Jurnal Ilmu Manajemen*, 8(3), 818. <https://doi.org/10.26740/jim.v8n3.p818-828>
- Raharja, B. S. (2021). Content Quality, Religious Consciousness, And Brand Awareness: The Empirical Evidence On Islamic Sharia Product. *Jurnal Aplikasi Manajemen*, 19(3), 572–584. <https://doi.org/10.21776/ub.jam.2021.019.03.10>
- Rozikin, A. Z., & Sholekhah, I. (2020). Islamic Financial Literacy, Promotion, and Brand Image Towards Saving Intention in Sharia Bank. *IQTISHADIA*, 13(1), 95. <https://doi.org/10.21043/iqtishadia.v13i1.6489>
- Sekarsari, N. R., Welsa, H., & Lukitaningsih, A. (2022). Digital Marketing Dan Brand Awareness Terhadap Keputusan Pembelian Dengan Trust Sebagai Variabel Intervening. *Journal of Syntax Literate*, 7(3). <https://doi.org/https://doi.org/10.36418/syntax-literate.v7i3.6400>
- Setiawan, S. (2023). Keputusan Menjadi Nasabah Bank Syariah: Peran Literasi Keuangan Syariah, Kepercayaan, dan Citra Bank Syariah. *Journal of Applied Islamic Economics and Finance*, 3(2), 240–251. <https://doi.org/10.35313/jaief.v3i2.4858>
- Sidlo, K. (2017). Islamic finance 2017: State of the art and outlook for the future. https://assets.publishing.service.gov.uk/media/5bae2060ed915d25aec40cb1/164_Islamic_finance_2017_State_of_the_art_and_outlook.pdf
- Strauss, W., & Howe, N. (1991). *Generations: The history of America's future, 1584 to 2069*. (No Title).
- Tang, N., & Chandra, P. (2022). Community, Culture, and Capital: Exploring the Financial Practices of Older Hong Kong Immigrants. *CHI Conference on Human Factors in Computing Systems Extended Abstracts*, 1–6.
- Thomas, V. F. (2022). Most fintech start-ups struggle to reach remote Indonesia: Survey. *The Jakarta Post*. <https://www.thejakartapost.com/business/2022/03/24/most-fintech-start-ups-struggle-to-reach-remote-indonesia-survey.html>
- Triandis, H. C. (1979). Values, attitudes, and interpersonal behavior. *Nebraska Symposium on Motivation*.
- Van der Heijden. (2004). User Acceptance of Hedonic Information Systems. *MIS Quarterly*, 28(4), 695. <https://doi.org/10.2307/25148660>
- Venkatesh, V., & Davis, F. D. (2000). A Theoretical Extension of the Technology Acceptance Model: Four Longitudinal Field Studies. *Management Science*, 46(2), 186–204. <https://doi.org/10.1287/mnsc.46.2.186.11926>

Appendix

1. Questionnaire

Have you ever used the Sharia Paylater (FLIP/Amanna)? (Y/N)

Gender : Man/Woman

Year of Birth :

Place of Origin :

Job :

Question with 5 scales in which 1 is strongly disagree and 5 is strongly agree.

Variable	Indicator	Question
Religiosity	RE1	Religion is very important in my life
	RE2	Islam helps me to have a better life.
	RE3	I have been supported by the Dua' (supplication)
	RE4	I recognize the Prophet
	RE5	Muhammad (peace be upon him) as the role model
	RE6	One of my main priorities is performing Hajj.
	RE7	I believe that Allah (God) helps me
Trust	TR1	I trust the Paylater Syariah security system
	TR2	I believe that my personal data will be safe if I use Paylater Syariah.
	TR3	In my opinion, the terms of use (Sharia Compliance) of Paylater Syariah will be strictly adhered to
Brand Awareness	TR4	In my opinion, using Paylater Syariah can be trusted
	BA1	This paylater syariah has more complete facilities than other
Islamic Financial Literacy	BA2	This paylater syariah is the best compared to other
	IFL1	I know that I might or might not receive any return when the contract is concluded.
	IFL2	I acknowledge that uncertainty on the sanctity of financial contracts is strictly prohibited in Islam.
	IFL3	I always ensure that there is no element of interest in all financial transactions I make.
	IFL4	I understand that all Islamic financing must be backed by asset.
	IFL5	I can only invest in permissible activities or services.
	IFL6	I am aware of the availability of Islamic instruments in the market.
	IFL7	In Islam, I only transact with people whom I trust.