



Bridging the Trust Gap: A Multidimensional Approach to Gen Z's Literacy in Islamic Finance

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ABSTRACT

Purpose: This study investigates how a multivariable approach, specifically sharia financial literacy education and digital media socialization affects Generation Z's understanding and trust in sharia financial products.

Methodology: In this study, a quantitative approach was used along with surveys. Data were collected thru questionnaires distributed to all universities in the City of Bekasi. A total of 203 Generation Z students filled out the questionnaire. The data were analyzed using SEM-PLS to evaluate the relationships between variables and test the proposed hypotheses.

Findings: Educational initiatives and digital socialization significantly enhance sharia financial knowledge, which subsequently bolsters consumer trust. Furthermore, sharia financial literacy partially mediates the relationship between education, digital socialization, and trust.

Implication: Since digital education and socialization significantly boost Gen Z's understanding and trust, institutions must implement sustainable digital learning programs. Additionally, enhancing transparency, service quality, and accessibility is crucial to advancing sharia financial literacy and inclusion strategies in Indonesia.

Originality: This study uniquely applies a multivariable framework combining education and digital socialization to explore Gen Z's trust in sharia finance. It specifically highlights the mediating role of financial literacy among digitally savvy students in Bekasi, a demographic with immense potential for Islamic finance growth.

Keywords: Product Trust, Sharia Financial Digitalization, Sharia Financial Literacy.

ARTICLE INFO

JEL Classification:
G21, G23, I22

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Received: 27-03-2026

Revised: 29-05-2026

Accepted: 15-06-2026

Published: 28-06-2026



1. Introduction

The rapid development of the sharia economy in Indonesia has positioned the sharia economic sector as a crucial pillar of the national economy, rather than just an alternative one. This significant progress is highlighted in the *State of the Global Islamic Economy Report 2020–2021*, published by Dinar Standard (2020), which ranks Indonesia fourth globally in its development. Furthermore, this immense potential is strongly supported by the country's demographics, according to Statistics Indonesia (Badan Pusat Statistik, 2024), approximately 237 million of Indonesia's 278 million citizens are Muslim. This condition serves as a primary capital in driving the growth of the sharia financial sector, such as banking, insurance, and sharia capital

markets. Nur Alrisqi et al. (2025) state that the large Muslim population is a strategic factor in the development of a sharia economy. Furthermore, the Financial Services Authority (2022) emphasizes that this demographic potential presents a significant opportunity to enhance inclusion and growth in the Islamic finance industry in Indonesia, in line with the statement from Bank Indonesia (2021). Nevertheless, compared to Malaysia, which has a market share of over 20% in Islamic banking, Islamic banking in Indonesia is still very small. Looking at the period from 2020 to 2025, Indonesia's market share only increased from around 6.5% to around 7.4%, and it remains below 10% (Financial Services Authority, 2022; Bank Negara Malaysia, 2022).



Figure 1. Percentage of Sharia Banking Market Share in Indonesia
Source: Indonesia Islamic Financial Development Report, processed data (2026)

This condition is caused by the society's lack of understanding of sharia finance (Sadiah & Puspa, 2024). Data from the National Survey on Financial Literacy and Inclusion published by the Financial Services Authority in 2024 shows that the level of sharia financial literacy is only at 39.11%. On the other hand, the level of sharia financial inclusion is even lower, at 12.88%. Meanwhile, data from the Central Statistics Agency (2024) shows that around 86.7% of Indonesia's population is Muslim. This indicates that the majority of Muslims still lack understanding of sharia finance. Based on Fajri et al., (2025), this low level of literacy impacts the limited use of sharia financial products and services, which can hinder the progress and growth of the sharia financial system in Indonesia.

In this situation, the younger generation, particularly Generation Z, is an important target for research. Sharia-based financial literacy, which includes understanding, insights, and skills in managing finances according to Islamic teachings, is very important to encourage interest and trust in society, especially among Generation Z (Nuri et al., 2025; Sugiarti, 2025; Tulwaidah et al., 2023). This generation is a productive age group that inherits and dominates the population, making their role in the development of the sharia banking industry very strategic (Sugiarti, 2023). According to a study conducted by Sugiarti, (2023) understanding sharia finance has a positive and significant impact on the interest in using sharia banking products. Where, if literacy increases by 100%, this can boost interest by up to 94.9% in the current generation.

However, basic knowledge of sharia finance is not enough to motivate the trust of the younger generation in the sharia finance system (Nursjanti & Amaliawiati, 2025) To enhance the literacy and trust of Generation Z in the sharia financial system, a multivariable approach involving various factors, such as education, digital socialization, psychology, culture, and economics, must be implemented (Fauzia, 2020; Widityani et al., 2020). Maximal and continuous socialization is key so that the younger generation not only understands theoretically but also trusts and actively uses Sharia financial products.

Various studies show that understanding sharia finance positively impacts the interest in saving and utilizing sharia banking products among young people. Good knowledge and effective education have proven capable of increasing that interest, although there is still a gap between the level of interest and understanding. Therefore, continuous literacy efforts are needed to shape attitudes and interest in sharia banking products (Dwi et al., 2025; Fauzia, 2020; Kholmi, 2023; Puspita, 2022; Widaningsih et al., 2026). However, not all studies yield significant findings. According to Ismanto (2018), the interest of sharia bank customers is not always influenced by their knowledge of sharia finance. This indicates that there are additional variables influencing

this, including trust and perception, as well as the ease of accessing Sharia financial services. The results show that merely increasing literacy is not enough. Therefore, a broader approach is needed that combines various relevant variables.

This phenomenon encourages research to utilize the Theory of Planned Behavior (Ajzen, 1991) as a way to explain that individual actions are influenced by intentions formed from three main components, namely attitudes, subjective norms, and perceptions of behavioral control. Agustin & Khasanah, (2023) In sharia Finance, literacy affects a person's attitude toward sharia financial products, while trust and perception influence their norms and beliefs in making decisions. Control over behavior includes how a person perceives their ability to easily access financial services, which can influence or decrease their desire to utilize those products. Therefore, to address the inconsistencies in previous research findings, a more comprehensive approach is needed thru a multivariable approach that integrates various factors such as education, social, psychological, trust, and service accessibility.

This study focuses on university students in Bekasi because the city possesses demographic and socioeconomic characteristics that are highly relevant to the objectives of this research. According to Statistics Indonesia (BPS), Bekasi had approximately 2.53 million residents in 2024, of which 66.83% belonged to the productive-age population (15–59 years). This demographic structure indicates a substantial concentration of young people and potential users of financial services, including sharia financial products. Bekasi is part of the Greater Jakarta metropolitan area (Jabodetabek), which is characterized by rapid urbanization, high digital connectivity, and intensive exposure to financial technology developments.

The selection of Bekasi is also motivated by the gap between the potential and actual utilization of sharia financial services in Indonesia. The 2024 National Survey of Financial Literacy and Inclusion (SNLIK) reported that Sharia financial literacy reached only 39.11%, while sharia financial inclusion remained considerably lower at 12.88%. These findings suggest that many individuals may already be familiar with sharia financial concepts but have not yet adopted sharia financial products and services. As university students represent a significant segment of Generation Z, understanding the factors that influence their literacy and trust in the sharia financial system is essential.

Compared with many previous studies that were conducted in regions with strong Islamic educational environments or established sharia financial cultures, Bekasi offers a different and strategically important context. As a modern urban area with diverse educational, social, and economic backgrounds, Bekasi provides an opportunity to examine whether educational, social, psychological, trust-related, and accessibility factors simultaneously influence sharia financial literacy and trust among Generation Z. Therefore, Bekasi serves not only as a research location but also as a representative urban setting for understanding the challenges and opportunities of sharia financial development among young people in contemporary Indonesia.

The objective of this study is to determine the impact of the multivariable method on the improvement of understanding of sharia financial literacy and the increase in individual trust in the sharia-based financial system. With a deeper understanding, it is hoped that students will be more interested and committed to utilizing and recommending Islamic banking. This will support the development of the sharia economy at the national level. Based on that explanation, although Indonesia has great potential in developing the sharia economy, the level of knowledge and public trust in the sharia financial system still needs to be improved. The inconsistency in research results indicates that literacy alone is not sufficient, thus a broader and more comprehensive approach is needed. Thus, this research is very important to examine the factors influencing the knowledge and trust of the younger generation, especially students in the city of Bekasi, as part of efforts to support the better development of sharia finance.

1.1. Literature Review and Hypotheses

Sharia Financial Literacy and the Role of Education

Financial literacy refers to a combination of knowledge, skills, confidence, attitudes, and behaviors that enable individuals to make effective financial decisions and achieve financial well-being (Lusardi & Mitchell, 2014; OECD, 2020). In the Islamic context, sharia financial literacy is defined as an individual's ability to understand and apply financial knowledge, skills, and attitudes in managing financial resources according to Islamic principles and values (Antara et al., 2016;

Zulfayani et al., 2023). A comprehensive understanding of Islamic financial concepts and banking products can influence individuals' perspectives and encourage economic decision-making that aligns with sharia principles (Albaity & Rahman, 2021; Widityani et al., 2020). To develop such literacy, education plays a fundamental role as an effective mechanism for improving financial knowledge and strengthening individuals' ability to understand financial concepts and make sound financial decisions (Lusardi, 2019). Therefore, it is expected that sharia financial education can enhance individuals' understanding of sharia financial literacy and strengthen their comprehension of sharia financial concepts. Based on this argument, the following hypotheses are proposed:

H1: Sharia-based financial education is suspected to have a positive influence on the level of understanding of sharia financial literacy.

H3: The sharia financial education program has a positive impact on individuals' ability to understand sharia financial concepts.

Digital Socialization of Sharia Financial Technology

The advent of the Fourth Industrial Revolution has brought significant changes to the financial landscape, primarily by utilizing digital platforms to widen public access to financial information and services (Fauzia, 2020; Puteri et al., 2024). Within the Islamic finance sector, this technological shift not only streamlines the provision of services that align with sharia principles but also plays a crucial role in broadening financial inclusivity (Maulana & Suyono, 2023; Widityani et al., 2020). Digital channels allow for a more efficient distribution of knowledge concerning Islamic banking, which in turn helps people deepen their comprehension of sharia-based economic concepts and instruments (Fauzia, 2020; Tulwaidah et al., n.d.) Moreover, when institutions communicate clearly and share information transparently online, they successfully minimize consumer doubts and boost institutional credibility, thereby fostering greater public reliance on sharia financial entities ((Gefen et al., 2003; Morgan & Hunt, 1994)). Consequently, engaging the community through digital socialization serves as a promising strategy to simultaneously elevate sharia financial literacy and build stronger trust in Islamic financial products.

H2: Digital socialization related to sharia finance is expected to enhance the community's sharia financial literacy.

H5: Digital socialization regarding sharia financial services is suspected to have a positive influence on the level of trust in sharia financial products.

The Formation of Customer Trust in the Sharia Ecosystem

In trading activities and the banking world, customer trust is a reflection of attitude or character (Suwandari et al., 2024). This trust can be measured by the level of expectation fulfillment, perceived service benefits, and the consistency of the institution's commitment to delivering appropriate results (Suwandari et al., 2024). When customers have placed high trust, they can maintain their relationship with the institution and create a strong emotional bond (Suwandari et al., 2024). Good cognitive understanding or literacy is believed to be the main driver for the growth of this trust, where strengthening a person's understanding will stimulate the emergence of trust in an instrument or system (Hair et al., 2021). Thus, the proposed hypothesis is:

H4: A higher level of sharia financial literacy is predicted to increase trust in sharia-based financial products.

The Mediating Role of Sharia Financial Literacy

In addition to its direct influence, sharia financial literacy is expected to function as a mediating mechanism that links educational and informational efforts to trust in sharia financial products. Financial education enhances individuals' knowledge and understanding of financial concepts, which subsequently improves their ability to evaluate and trust financial products and institutions (Lusardi, 2019; Kaiser & Menkhoff, 2020). Likewise, digital socialization facilitates access to information regarding sharia financial products and services, thereby improving public literacy and understanding of Islamic financial principles ((Fauzia, 2020; Jihan & Fatah, 2023)). Individuals with higher levels of sharia financial literacy tend to exhibit greater confidence and

trust in sharia financial institutions because they better understand the characteristics, benefits, and compliance of financial products with Islamic principles (Gefen et al., n.d.; Widityani et al., 2003). Therefore, sharia financial literacy is expected to serve as an intermediary variable that strengthens the relationship between sharia financial education, digital socialization, and trust in sharia financial products.

H6: Sharia financial literacy is expected to mediate the relationship between sharia financial education and trust in sharia financial products.

H7: Sharia financial literacy is suspected to play a mediating role in the relationship between digital socialization of sharia finance and trust in sharia financial products.

2. Methodology

This study employed a quantitative approach with an explanatory research design to examine the relationships among Sharia Financial Literacy Education (SFLE/PLKS), Digital Socialization (DS/SD), Syariah Financial Literacy (SFL/LKS), and Trust in Syariah Financial Products (TSFP/KPKS). Data were collected through an online survey using Google Forms distributed to Generation Z students from several universities in Bekasi, Indonesia. The selection of university students was based on their strategic role as potential users and promoters of sharia financial products. Prior to data collection, the researchers organized a two-stage sharia financial literacy talk show conducted via Zoom to provide participants with basic exposure to sharia finance concepts. The target population consisted of active university students who had access to digital media and had received information related to sharia finance.

The research instrument consisted of two sections respondent demographic information and measurement items assessed using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The questionnaire was developed by adapting measurement indicators from previous studies that had demonstrated satisfactory validity and reliability. Sharia Financial Literacy Education (SFLE/PLKS) was adapted from the works of Fauzia (2020) and Widityani et al., (2020), which assess the effectiveness of sharia financial education in enhancing participants' understanding of sharia finance. Digital Socialization (DS/SD) was adapted from Widityani et al., (2020) and Tulwaidah et al. (2023), focusing on the role of digital media in disseminating sharia financial information. Syariah Financial Literacy (SFL/LKS) was measured using indicators adapted from the sharia financial literacy framework developed by the Financial Services Authority (OJK, 2022) as well as studies by Nuri et al., (2025) and Sugiarti (2023) covering knowledge, understanding, and financial decision-making capabilities related to sharia finance. Trust in Syariah Financial Products (TSFP/KPKS) was adapted from Nursjanti and Amaliawati (2025), Fauzia (2020) and Kholmi (2023), which evaluate individuals' confidence in the principles, security, and benefits of sharia financial products. Following the SEM-PLS sampling guideline, the minimum sample size was determined based on 5–10 times the total number of indicators (Hair et al., 2021). Primary data obtained from respondents served as the main source of analysis in this study.

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) through SmartPLS software. The analysis began with the assessment of the measurement model to evaluate construct validity and reliability. Convergent validity was assessed using factor loadings (>0.70) and Average Variance Extracted (AVE >0.50), while discriminant validity was examined using cross-loadings and the Fornell–Larcker criterion. Reliability was evaluated through Cronbach's Alpha and Composite Reliability values exceeding 0.70. Furthermore, multicollinearity was assessed using the Variance Inflation Factor (VIF), with values below 5 indicating acceptable levels. Hypothesis testing was conducted using the bootstrapping procedure to estimate path coefficients, t-statistics, p-values, and confidence intervals, where a p-value below 0.05 indicated statistical significance. Finally, indirect effects were examined to assess the mediating role of Sharia Financial Literacy, and the magnitude of mediation effects was evaluated using the Upsilon (ν) effect size criterion, categorized as small (0.02), medium (0.15), and large (0.35) (Fornell & Larcker, 1981; Henseler et al., 2015; Hair et al., 2021; Sarstedt et al., 2019).

3. Results and Discussion

3.1. Results

Data collection through questionnaires successfully gathered 203 active students from various universities in Bekasi City as respondents. If viewed based on gender, the composition of respondents is heavily dominated by women, totaling 156 people, while men number 47 people. In terms of age, the majority of respondents are in the 18 to 22-year range, reflecting the characteristics of Generation Z. This demographic profile indicates that the Generation Z group has significant prospects for expanding literacy and strengthening trust in the sharia financial sector, particularly with the stimulus from the education sector and the integration of digital technology. After the demographic data has been mapped, the process continues to the data analysis stage using the SEM-PLS method. This procedure begins with evaluating the measurement model (outer model) to ensure that the research instruments used meet the standards of validity and reliability. This demographic profile indicates that the Generation Z group has significant prospects for expanding literacy and strengthening trust in the sharia financial sector, particularly with the stimulus from the education sector and the integration of digital technology. The detailed demographic data of the respondents is presented in Table 1.

Table 1. Demographic Profile of Respondents

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No	Characteristics	Category	Total	Percentage (%)
1	Gender	Female	156	77%
		Male	47	23%
2	Age	18-20 years	146	72%
		21-23 years	6	3%
		>23 years	51	25%
3	Education Status	Working Class	21	10%
		Regular Class	182	90%
Total Respondent			203 People	100%

Source: Data Processed (2026)

Measurement Model Test (Outer Model)

The evaluation of the measurement model (outer model) is conducted to ensure the quality of the research instrument through testing the validity and reliability of constructs. This evaluation is based on the criteria of outer loadings (> 0.70), Average Variance Extracted (AVE > 0.50), the Fornell-Larcker criterion, Cronbach's Alpha (> 0.70), and Composite Reliability (> 0.70) (Fornell & Larcker, 1981; Hair, 2021). The analysis results show that all indicators are declared valid because they have outer loading values above 0.70, reinforced by the AVE values meeting the requirements for the SFLE/PLKS variable (0.751), DS/SD (0.751), SFL/LKS (0.849), and TSFP/KPKS (0.699). Additionally, the discriminant validity test using the Fornell-Larcker approach confirms that the square root of the AVE values for SFLE/PLKS (0.867), DS/SD (0.867), SFL/LKS (0.921), and TSFP/KPKS (0.836) are greater than their correlations with other constructs, meaning each variable has strong differentiation power. From the aspect of reliability, all constructs have proven to be reliable because the Cronbach's Alpha and Composite Reliability indices consistently exceed the threshold of 0.70, including SFLE/PLKS (0.911; 0.944), DS/SD (0.784; 0.874), SFL/LKS (0.917; 0.938), and TSFP/KPKS (0.890; 0.924). Overall, the fulfillment of all eligibility criteria in this outer model indicates that the research instrument is ready and suitable to proceed to the structural model testing stage (inner model). The detailed parameters of the validity and reliability tests are presented in Table 2.

Table 2. Validity and Reliability Test Results

Variable	Measurement Item	Indicator	Outer Loading	Cronbach alpha	Composite Reliability	AVE
SFLE/ PLKS	PLKS1	Access to formal/non-formal education	0.911	0.911	0.944	0.751
	PLKS 2	Clarity of learning materials	0.932			
	PLKS 3	Learning effectiveness	0.921			
DS/SD	SD1	Utilization of digital technology	0.770	0.784	0.874	0.751
	SD2	Effectiveness of learning media	0.897			
	SD3	Information accessibility	0.837			
SFL/ LKS	LKS1	Basic knowledge of conventional and Sharia finance	0.864	0.917	0.938	0.849
	LKS2	Understanding of Sharia financial products	0.871			
	LKS3	Understanding of Sharia principles	0.899			
	LKS4	Decision-making ability	0.847			
	LKS5	Level of understanding of Sharia financial literacy	0.851			
TSFP/ KPKS	KPKS1	Belief in Sharia compliance	0.857	0.89	0.924	0.699
	KPKS2	Trust in institutions	0.878			
	KPKS3	Institutional professionalism	0.848			
	KPKS4	Perception of fairness and security	0.885			

Source: Data Processed (2026)

Multicollinearity Test (Inner Model)

Multicollinearity evaluation is applied to detect the presence of excessively strong linear correlations among independent variables by observing the Variance Inflation Factor/VIF values. Based on the obtained estimates, the VIF coefficients for the interaction of LKS with KPKS were recorded at 2.306, PLKS with KPKS at 2.886, PLKS with LKS at 2.514, SD with KPKS at 2.877, and SD with LKS at 2.514. Considering that the accumulated VIF values consistently remain below the threshold of 5 (even below the ideal value of 3.3), this model is confirmed to be free from disturbances or multicollinearity symptoms. Based on these results, all independent variables in this study are deemed eligible to be analyzed simultaneously at the structural model (inner model) stage. The detailed inner VIF values are presented in Table 3.

Table 3. Multicollinearity Test

	TSFP/KPKS	SFL/LKS	SFLE/PLKS	DS/SD
TSFP/KPKS				
SFL/LKS	2.306			
SFLE/PLKS	2.886	2.514		
DS/SD	2.877	2.514		

Source: Data Processed (2026)

Hypothesis Testing Analysis (Inner Model)

The hypothesis in this study was tested using the bootstrapping technique to evaluate the interaction between variables based on the path coefficient parameter, pvalue, and confidence interval. Based on the model estimation, Sharia Financial Literacy Education (SFLE/PLKS) has been proven to have a positive and significant impact on the Improvement of Sharia Financial Literacy (SFL/LKS) with a path coefficient value of 0.402 and a pvalue of 0.000 (< 0.05). These empirical findings confirm Lusardi (2019) argument that emphasizes the crucial role of financial education in boosting personal literacy capacity. In line with this, Digital Socialization (DS/SD) also shows a positive and significant contribution to SFL/LKS (coefficient = 0.397; p-value = 0.000), a result that reinforces Henseler et al., (2015) assertion that open access to digital-based information effectively broadens the financial literacy of the community.

On the other hand, the LKS variable itself was found to have a significant effect on the Trust in Sharia Financial Products (TSFP/KPKS) with a coefficient of 0.356 and a pvalue of 0.001. This pattern of relationship is in line with the theory of Hair, (2021), which states that strengthening a person's cognitive understanding will stimulate the emergence of trust in an instrument or system. For the direct influence on the dependent variable, both SFLE/PLKS (coefficient = 0.220; pvalue = 0.018) and SD (coefficient = 0.205; pvalue = 0.034) consistently have a significant impact on TSFP/KPKS. This indicates that the combination of structured education and the intensity of digital information exposure plays a real role in fostering public confidence in Sharia-compliant financial products.

Considering that all interaction paths between variables recorded pvalues below the 0.05 threshold and confidence intervals that do not include zero, all proposed hypotheses (H1 to H5) are officially accepted. Theoretically and practically, the accumulation of these test results further reinforces previous literature that educational instruments and the acceleration of digitalization play a strategic role in escalating literacy while also fostering public trust in the Sharia finance ecosystem.

Table 4. Hypothesis Testing

Hypothesis	Path Coefficient	P-Value	Confidence Interval		F Square
H1 : PLKS -> LKS	0.402	0.000	0.25	0.559	0.036
H2 : SD-> LKS	0.397	0.000	0.235	0.558	0.045
H3: LKS-> KPKS	0.356	0.001	0.131	0.556	0.171
H4: PLKS -> KPKS	0.22	0.018	0.037	0.406	0.28
H5: SD -> KPKS	0.205	0.034	0.009	0.399	0.359

Source: Data Processed (2026)

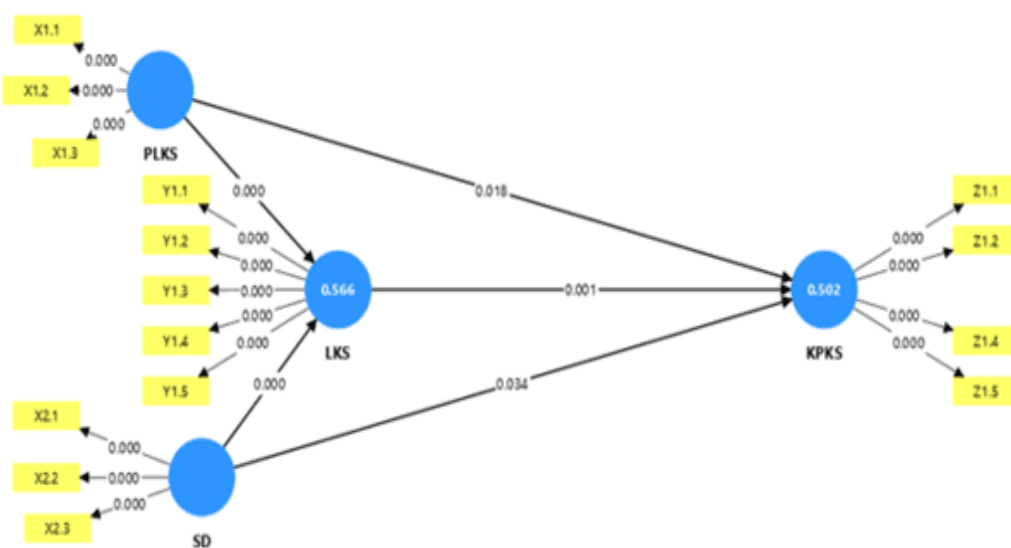


Figure 2. Hypothesis Testing Result (SEM-PLS)

Source: Data Processed (2026)

Analysis of Indirect Effect

Table 5. Moderation Test

Hypothesis	Path Coefficient	P-Value	Confidence Interval	Upsilon V
H6 : PLKS -> LKS -> KPKS	0.143	0.007	0.046 0.255	0.001
H7 : SD -> LKS -> KPKS	0.141	0.005	0.048 0.248	0.001

Source: Data Processed (2026)

Indirect effect testing was implemented to explore the capacity of Financial Sharia Literacy Improvement (SFL/LKS) in performing a mediating function to connect Sharia Financial Literacy Education (SFLE/PLKS) and Digital Socialization (DS/SD) to the Trust in Sharia Financial Products (TSFP/KPKS). Based on bootstrapping algorithm projections, the transmission of effects on the route from PLKS to KPKS thru LKS was proven significant with a path coefficient value of 0.143, a pvalue of 0.007 (< 0.05), and a confidence interval range of (0.046–0.255). This empirical evidence is directly affiliated with Lusardi (2019) postulate, which asserts that the accumulation of understanding thru education is directly proportional to the increase in consumer trust in financial instruments. On another analytical route, the mediating function of LKS between SD and KPKS also recorded statistical significance (coefficient 0.141; p-value 0.005; confidence interval 0.048–0.248), which reinforces the study by (Henseler et al., 2015) regarding the effectiveness of digital platforms in escalating both literacy and public confidence. Although both transmission paths were found to be significant, the calculation of the mediation effect size using the Upsilon (v) metric only yielded a score of 0.001. Considering that the figure is below the threshold of 0.02, the mediating power of the LKS variable is classified into the weak or marginal category. The absence of moderate (≥ 0.15) or substantial (≥ 0.35) effects in this model (van Zundert et al., 2020) leads to the final conclusion that although LKS statistically validly operates as a mediator, the magnitude or strength of its mediation is still classified as low (Hair, 2014)

3.2. Discussion

The Impact of Education and Digital Socialization on Sharia Financial Literacy

The demographic profile reveals that the respondents are predominantly Generation Z, a cohort characterized by high digital adaptability. The empirical findings validate that both Sharia Financial Literacy Education (SFLE/PLKS) and Digital Socialization (DS/SD) act as significant catalysts in enhancing Sharia Financial Literacy (SFL/LKS) (H1 and H2 accepted). The positive path coefficients demonstrate that structured educational programs, combined with the effective utilization of digital learning media, successfully elevate Gen Z's foundational knowledge of Sharia principles and financial products. These results strongly corroborate the assertion by Lusardi (2019) regarding the essential role of education in capacity building, as well as Henseler et al., (2015), who highlighted that open access to digital information is a highly effective tool for broadening financial inclusivity and literacy.

Trust in Sharia Financial Products

Trust in financial institutions, particularly in the Sharia sector, is heavily reliant on consumer perception of compliance, fairness, and security. The structural model analysis proves that Sharia Financial Literacy has a direct, positive, and significant impact on Trust in Sharia Financial Products (TSFP/KPKS) (H3 accepted). As theorized by Hair (2014) a stronger cognitive understanding inherently mitigates perceived risks, thereby stimulating trust. Furthermore, the findings indicate that both Education (H4 accepted) and Digital Socialization (H5 accepted) directly foster trust. This is a crucial practical implication when Generation Z receives clear educational materials and is exposed to transparent, accessible digital information regarding Sharia finance, their confidence in the professionalism and security of Sharia institutions increases directly.

Mediating Role of Sharia Financial Literacy

One of the most intriguing findings of this study lies in the indirect effect analysis. Statistically, Sharia Financial Literacy (SFL/LKS) successfully performs a mediating function, bridging the impact of both Education (H6 accepted) and Digital Socialization (H7 accepted) toward Trust in

Sharia Financial Products. However, the calculation of the mediation effect size using the Upsilon (ν) metric yielded a score of only 0.001. Falling far below the moderate threshold, this classifies the mediating power as weak or marginal (van Zundert et al., 2020; Hair, 2014). This marginal mediation effect provides a critical insight into Gen Z's behavioral pattern: while literacy is important, it is not the dominant "middleman" required to build trust. Generation Z can develop trust in Sharia financial products directly through engaging educational initiatives and seamless digital socialization experiences, without necessarily needing to achieve a comprehensive level of financial literacy first. Therefore, the direct clarity of information, digital user experience, and institutional transparency play a more immediate role in winning their trust than the mere accumulation of profound financial knowledge.

4. Conclusion

This study concludes that Sharia Financial Literacy Education (SFLE) and Digital Socialization (DS) have a positive and significant effect on improving Sharia Financial Literacy (SFL) among Generation Z university students in Bekasi. Furthermore, Sharia Financial Literacy significantly enhances Trust in Sharia Financial Products (TSFP). The findings also reveal that both Sharia Financial Literacy Education and Digital Socialization directly contribute to strengthening trust in Sharia financial products. Although Sharia Financial Literacy serves as a significant mediating variable in the relationship between education, digital socialization, and trust, its mediating effect remains relatively weak. Therefore, increasing literacy and trust in Sharia finance requires a comprehensive strategy that integrates structured educational programs, effective digital-based socialization, and broader support from stakeholders within the Sharia financial ecosystem. Such an integrated approach is essential to encourage greater adoption and trust in Sharia financial products among the younger generation.

Despite its contributions, this study has several limitations. First, the Sharia financial literacy intervention was conducted through only two online talk-show sessions with limited duration, which may not have been sufficient to generate a deeper and more sustainable understanding among participants. Second, the study focused solely on university students in Bekasi, limiting the generalizability of the findings to other regions and demographic groups in Indonesia. Third, the relatively small mediating effect of Sharia Financial Literacy suggests the presence of other influential factors that were not examined in this study. Therefore, future research is recommended to implement longer-term and more intensive educational programs, expand the research scope to different regions and populations, and incorporate additional variables such as religiosity, culture, risk perception, and service quality to provide a more comprehensive understanding of the factors influencing literacy and trust in Sharia financial products.

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