

Article Arrival Date**11.10.2024****Article Published Date****20.12.2024****FACTOR AFFECTING THE ACCEPTANCE OF ISLAMIC FINTECH: A ROLE OF RELIGIOSITY****Zainab Khan**

Master of Business Administration In Islamic Banking and Finance From Iqra University,
Karachi, Pakistan

Abstract

This study is aimed to develop the research model that examines the impact of determinants of Technology Acceptance Model (TAM) on Acceptance of Islamic Fintech (AIF) with the help of mediating variable Attitude (ATT) and Behavioral Intention (BI) along with moderating effect of Religiosity (R). The study used the quantitative approach and data has been collected from 318 respondents of Islamic Bank Users' who use Islamic bank's internet banking. The data collection from respondents is based on contextual settings of Karachi by using non probability sampling technique specifically convenience sampling through a survey questionnaire which is based on likert scale. Nevertheless, the findings of the study reveals that the CI, SE, PU, SN significantly impact the ATT towards BI. However, PEU insignificantly impact the ATT also the moderating variable Religious (R) has insignificant impact on ATT and BI headed for AIF.

Keywords: *Islamic Fintech, TAM, Technology Acceptance Model, Acceptance of Islamic Fintech*

Introduction

In this era, financial institutions have an immense effect on the world. Financial Sector is playing the vital role for the economy of the country. It has great impact on the people's standard of living and involvement in people's daily life. The variations in the financial institutions have enormous consequences that impact economy of the world. The term fintech has been formed from two words named, financial and technology with the broad aspects. Fintech has been defined as "companies" by the World Economic Forum and those companies are supposed to facilitate or provide financial services by using technology. These developments in the financial industry reduce the intermediation between the end user and financial institution for providing direct services and products through internet and mobile

application. Fintech is the evolving digital technology that is the innovation in the financial industry.

Fintech is fundamentally changing the way of creating and providing banking products. The innovation in financial sector referred as Fintech, it aims to capable the individuals and businesses to make investments and borrowing effortlessly. Palmi'e, et al., (2020) stated that, the emergence of fintech like a disruptive development ecosystem that benefits investment banks' debt-end architecture and transitional businesses. Spontaneously, a study conducted by the

The swift expansion of network of technology and internet, enormous orthodox industries made innovations for the sake of effectiveness and efficiency that resultant booming in outcomes. Since 2014, the new term or vocabulary has been introduced to the public which is Fintech or financial technology. There are some studies that stated, the correlated fields included, data management, cloud computing, quantum computing, artificial intelligence (AI) and blockchain. Fintech is working as the advance type of the computer algorithms which implications are difficult. The fintech has been comprehended the financial sector by the technology enabled business model developments and digital innovations (Abraham, 2019).

The industrial structure has been disrupted by the current innovations that expedite strategic disintermediation and blur the confined industry boundaries. These innovations facilitate the industries new entrances for entrepreneurial and constitutional access to the financial services (Philippon, 2019). Fintech refers to sectors of finance where technology is frequently used, such as front customer products, rivalry between new entrants and current businesses, and even cutting-edge block chain technology and crypto currencies like bit coin (Dranev, et al, 2019).

This is the core concentration for a for a huge population and theses services includes Banking Services, Investment Service and to conclude, so even though Islamic banking products are profoundly different from conventional banking due to the Shari'ah principles, Islamic banks must monitor distinct risk exposures services as well. As per the IFSB (2018), the Islamic Financial Services Industry (IFSI) consisted on three prominent sectors named, Banking, Capital Market and Takaful (Islamic Insurance). These sectors has spotted the first time in 2017 surpass of USD 2 trillion. According to ICD Thomson Reuters, (2017), the expectation to extent it USD 3.8 trillion by the 2022. The development of the Islamic financial services Industry has been recorded in emerging Muslim countries with the largest population.

In addition to the fact, Islamic banking products can be divided into two main categories: sale-based products and partnership-based products. The sale based products based on the Islamic financial modes named, Murabaha contracts, Musawamah contracts, and Salam Contract and Istisna contracts. The partnership products based on Musharkah and its subsidiary type diminishing musharkah. To conclude, so even though Islamic banking products are profoundly different from conventional banking due to the Shari'ah principles, Islamic banks must monitor distinct risk exposures.

The financial services sector is changing substantially. Information Technology is playing the vital role in the process of financial industry transformation. The new players who entered in this market are the technology-oriented actors in the industry and their main focused is on the FinTech. Therefore, information technology has the impact on the financial industry that is the most evident manifestation (Carbo-Valverde, 2021). The information technology has influenced the financial sector and its tendency is maintained for several years. This is the important expansion that impacts the propagation of the information technology in financial markets. It has been enhanced the link between markets and financial institutions by deepening financial markets and altering the business models of bank. The connections of financial market enable a growth of transaction-oriented banking (commercial and investment market) operations, presumably at the price of more conventional relationship banking (Chen and Chang, 2021).

According to Younus and Hassan (2019), the entire Financial System was turned into the Riba Free (Interest Free) system brusquely. However, the terrible outcomes that was failure of implementing and practicing of the accurate Islamic Banking. Reason behind this failure was incapacity and ineffectiveness of human resources. Later in 1999, higher judiciary has been declared the Islamic banking system is Shari'ah non-compliant. In the start of 21st of century, State Bank of Pakistan has been adopted the different approach that was dissimilar to the 80's approach. Therefore, State Bank of Pakistan has taken initiative to start banking operations in parallel direction of the conventional banking that has adopted and practiced in Muslim world (Islamic countries).

This study is looking forward to filling this gap with the collaboration of consumer innovativeness, self-efficacy, perceived ease of use, perceived usefulness, subjective norm, religiosity, attitude, behavioral intention, and acceptance of Islamic FinTech. This research aims to focus on the acceptance of Islamic FinTech by Islamic Banking Users. As many people yet not been abundantly persuaded Islamic Banking is possible and now the digitization in

Islamic banking and finance is categorically a challenge. Hence, this study investigates the users' acceptance of Islamic FinTech with the assistance of the Technology Acceptance Model (TAM).

Literature Review

Theoretical Background

Roger's (1983), has introduced the theory on technology acceptance model called Theory of Diffusion of Innovation (IDT). As per the theory adopting innovation cause the reduction of uncertainty. To minimize the uncertainty related to the technology, there is the need to accumulate and synthesize the knowledge about technology. The consequences of this process is based on the believes about using the technology. Individuals' believes and values persuade them to assent or refuse the technology. This theory was extensively used in Information Technology Acceptance (Agarwal, 2000). Karahanna, Straub, and Chervany (1999) tested this theory on operating system with respect to IT technological innovation.

The theory of planned behavior is the extension of the theory of reasoned action. This theory is based on the three factors of intention named, perceived behavioral control, attitude towards the behavior and subjective norm (Ajzen, 1991). The beliefs, attitude toward the behavior, and subjective norm are the same as those mentioned before for the theory of reasoned action. Perceived behavioral control represents a person's perception of how easy or hard it is to achieve a specific action. It is the result of control beliefs about a specific behavior and the participant's perception of the assistance of each control belief. Many researches used this theory to support its results mostly in the context of information technology acceptance. Mathieson (1991) has found that theory of planned behavior has explicated the intention to utilize the software in an appropriate way. The consequences indicated the intention was forecasted by perceived behavior control and attitude.

Consumer Innovativeness

The scholars of prior researches referred CI (consumer innovativeness) as "the tendency to purchase new and different product and services rather than endure with previous preferences and consumption array". In addition, those individuals or customers who tends to be innovative will like to gather concepts and thoughts and moreover evidence with respect to innovative products. Therefore, users who can be the former adopters of such products with innovation and development (Rogers, 2003).

Same as above mentioned, there is scarcity of literature existence of consumer innovativeness (CI) and adoption of Islamic FinTech. There are studies that showed significant results with respect to consumer innovativeness as main forecaster (Lassar et al., 2005; Yi et al., 2006; Lee et al., 2007). These research studies has found consumer innovativeness (CI) as a predictor for acceptance and adoption of specified system by customers. Lee et al. (2007) has given findings where customers' intention for travelling probably change the innovativeness level. Spontaneously this research study has tested the CI that moderated the attitude factor towards buying and search intentions. Yi et al. (2006) stated the discovery of the study that consumer innovativeness is the aspect of the features of innovation that are perceived usefulness (PU), perceived compatibility (PC) and perceived ease of usefulness (PEOU). Agarwal and Prasad (1988) has been introduced a parallel territory of information technology (IT) which has been drawn upon an extension lead model that is based on DOI theory. They also introduced a first-hand moderator, which is "Personal Innovations of IT". This new moderator symbolized the difference between the global innovation and domain-specific innovation. This novel moderator has moderately demonstrated and it has been drawn a significant impact on the relationship between the intention and compatibility headed for innovation and compatibility. This research study has drawn the outcomes that consumer innovativeness influences the intention of a customer headed for "World Wide Web".

On the basis of above discussed studies, it can be hypothesized as following:

H1: There is an impact of consumer innovativeness (CI) on attitude

Self-efficacy

Self-efficacy referred the individuals' self-beliefs and values of their own capacities to organize and establish course of actions that required to attain the particular types of performances. Therefore, self-efficacy is the individual's judgment about its own self and abilities to the direct behavior. As far as concerned of self-efficacy is not completely belong to the one's skills however, with the judgmental behavior that one could do with whatsoever skills and expertise an individual owes (Bandura, 1986). In the context of the existing study, it is high probability that customers with higher levels of self (i.e. self-belief) will accept Islamic FinTech. Numerous empirical research have documented the impact of self-efficacy. Shaikh et al. (2018) has investigated the consumers' intention to accept the Islamic mode of financing i.e. Diminishing Musharka (Partnership) for home finance. He discovered the self-efficacy has the significant impact on the intention. Taylor and Todd (1995), while exploring the students' intention for using computer resource center. They have found that both self-efficacy and conditions that are

facilitated by the resources. They are considerable factors of the behavioral control's predictors. Bhattacharjee's (2000), investigated that a substantial effect of one's self-confidence in skills to conduct the intended behavior was found in an empirical study of individuals' underlying motivation to accept electronic brokerage technology among ebrokerage users (i.e. self-efficacy).

The aforementioned prior studies, the hypothesis is developed is following:

H2: There is impact on self-efficacy (SI) on attitude.

Perceived ease of use

In the former section, stated about the concerns with Technology Acceptance Model (TAM). The attitude has become the consequential variable that is measured by Perceived Ease of Use (PEOU) which is considered as transmuted form of perceived complexity. According to the Davis (1989), PEOU referred as the degree to which an individual believes that while using a specified system that would be easy and convenient. There is the existence of the prior researches that empirically confirmed the relationship between perceived ease of use (PEOU) and intention. Kleijnen et al. (2004) investigated that the wireless finance in the contextual settings of Netherland and they explored the impact of perceived ease of use (PEOU) on intention. Therefore, the outcomes imply that the PEOU variable has an effect on individuals' eagerness to participate in wireless financing. In the same vein. The study of Alsharo et al. (2020) has suggested that there is a relationship of perceived ease of use with the attitude. The attitude is a main factor to persuade to improve health information system (HIS). Hence, the above discussed studies helped to develop the hypothesis that is, as follows:

H3: There is impact of PEOU on Attitude.

Perceived usefulness

Ting chi (2018), investigated the study that proposed and applied on an extended technology acceptance model. This study incorporated the factors named, brand equity and website quality as the characteristics of the perceived usefulness (PU). This study findings are positive for attitude and perceived usefulness that led to a better inclination for Chinese customers to use apparels through m-commerce. Perceived usefulness has explored the IT adoption as customer insights of the job performance augmentation capability. Those customers who the perception about information technology as proficient to increase their job performance without the negotiation of procedure complications are more likely tend to adopt technology advancement (Davis, 1989). The recent prior studies investigated and found the significant relationship

between perceived usefulness and customer attitude that led the use of m-commerce. The empirical studies of Zhang et al. (2012) and Nassuora (2013) have established the results that perceived usefulness (PU) exercised a substantial impact on development of customer attitude towards the usage of m-commerce. There the Meta analysis of the predictors about the adoption of information technology. Jeyaraj et al. (2006) has been reported that perceived usefulness (PU) was the most crucial forecaster of customer choices to accept the IT. There are some findings from literature, Lu et al. (2005), Wi et al. (2009) and Chong et al. (2010) found that PU is the main factor to determine the customer intentions to use mobile internet activities and m-commerce. On the same note, Suh and Han (2002), the findings suggested that the PU paradigm measures up to statistical significance with a positive impact on attitude toward utilizing technology, based on an assessment of the effect that trust may have on customers' willingness to accept internet banking. As per the research study of Amin et al. (2014), perceived usefulness (PU) has significant impact on participants' intention for using online waqf. The study of Alsharo et al. (2020) has proposed the study that suggested, there is a relationship of perceived usefulness with the attitude. The attitude is a core determinant to influence the improvement health information system (HIS). According to Yi Hong Li (2019) suggested that PU has a positive effect on attitude for using interactive whiteboard. Hence, the following hypothesis are proposed:

H4: there is impact of PU on attitude.

Subjective Norm

The subjective is defined as the individual's belief that the majority of influential individuals in his life believe that he should or should not engage in the activity in question. Kurdi et al. (2021) conducted a survey that the impact of social media application acceptance on educational purposes. This research study's finding suggested that the subjective norm is the significant measure to motivate the students to use social media networks for their academic purposes. Zheng et al. (2021) stated that the To build computerized investment banking services known as robo-advisors, artificial intelligence (AI) technology has been blended into investing operations. The purpose of this article is to extend the current Technology Acceptance Model (TAM) to look at the primary factors of intention to embrace robo-advisors and how they explain the robo-advisor innovation adoption among Malaysian retail investors. Therefore, the findings of the study is subjective norm supports the technology acceptance model (TAM). In addition, several researchers believe that this paradigm is significant. Amin et al, (2013) findings suggested that the subjective norm has direct relationship with the adoption of Islamic

housing products. Lada et al. (2009) reported that subjective norm (SN) has direct impact on attitude for utilization of halal product. Correspondingly, Taib et al. (2008) examined the impact of SN (subjective Norm) and intention while finding out the behavioral intention of postgraduate pupils' acceptance of Islamic investment activities specifically Islamic housing. Thus, the following hypothesis has developed with reference to the aforementioned researches.

H5: There is impact of SN on attitude.

Religiosity

Johan et al. (2020) referred the religiosity as the ability to act as per religious values that the individual obey that what are the guidelines according to that the individual practice its daily life. In the contemporary life routine, the religion provides the foundation and plays crucial role. The religious value shapes the individuals' life that is according to the celestial religion laws. Ajzen and Fishbein (1970) has found the results that suggested that attitude has a direct relationship with believes and values. According to Alam et al. (2012) an individuals believes and values have high certainty to effect its decisions and choices. Sun et al. (2012) studied the religiosity and behavioral intention and its results suggested that the on the grounds of obligations to religiosity that a pertinent and robust factor for the behavioral intention and motivation. Correspondingly, the study that found the religiosity is the most important driven factor in the intentions to invest in Islamic Financing products specifically Islamic Home finances (Alam et al. (2012). In the same vien, the research that has conducted by the Kasri and Chaerunnisa (2020) that findings interpreted the religiosity has the powerful impact on intentions to donate / Zakat the funds (Waqf) digitally in the contextual settings of Indonesia.

H6: There is impact of religiosity on attitude

Attitude

Ajzen (1991) has stated the definition of Attitude towards behavior and referred it as this the extent at which the individual has an assessment and valuation of its inclination and preferences. The prior literature provides the foundation as per their findings that to use FinTech as per shariah compliant laws that reflect the positive and substantial impacts on the behavioral intentions of the today's generation in Indonesia that prefer to donate digitally for Nobel cause. Correspondingly, Darmansyah et al. (2020) and Yuspita et al. (2019) founds the similar empirical results that Attitude towards behavior has positive impact while using Fintech services of Islamic financial institutions. Therefore, the aforementioned studies convince to develop the hypothesis as follows:

H7: there is impact of Attitude on Behavioral Intention.

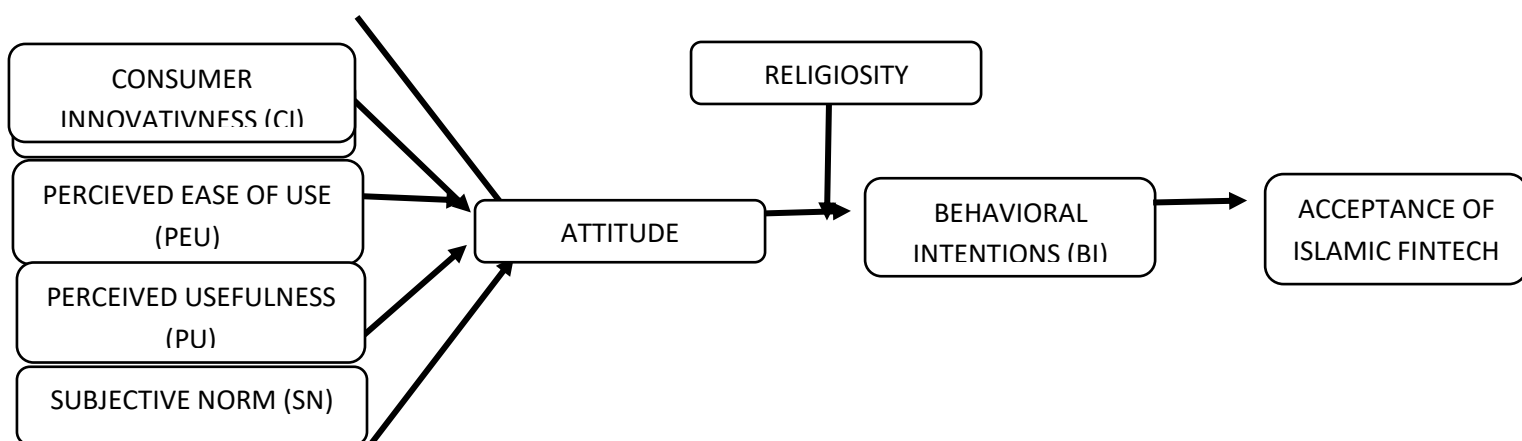
Behavioral Intention

Pitchay and Yusuf (2015) conducted the research and examined that the factors have influenced the behavioral intention of being Muslim employees while contributing donations that has been deducted through their salaries. The study suggested on the basis of findings that Muslim employees' attitude factor had more influenced in comparison to subjective norm towards the behavioral intention. Abduh et al. (2011) conducted the research study that investigated the determinants that have been influenced depositors' fund out or withdrawal behavior in Islamic banks and financial institutions in Malaysia. The findings interpreted that the subjective norms has influenced the depositors's withdrawals as compared to attitude towards behavior. In addition, Davis (1989) has experimented the technology acceptance model (TAM) and its findings supported the prediction of the behavioral intentions with the two determinants' constructs that are Perceived Usefulness and Perceived ease of use that are forceful factors towards behavioral intention forecast. Chua Chang and Lim Chee (2019) investigated the factors that affects the customer awareness and acceptance towards fintech Products in Malaysia. The findings suggested that the relative advantage and awareness has a significant effect on attitude and intention in adopting mobile banking. Therefore, the aforementioned studies convince to develop the hypothesis as follows:

87

H8: There is impact on Behavioral Intention on Acceptance of Islamic Fintech.

Conceptual Frame Work



Research Methodology

Research methodology is based on the systematic methods to solve the problem. It explains the way that how the research should have carried out and by which an information is increased.

The research approach is based on the types of the research. The qualitative research intends to adopt the inductive approach that is helpful when the research topic is not widely researched. Other side, the quantitative research is based on the deductive approach. The deductive approach has a tendency to stream the research from generic to specific. The research with this approach is start with the theory and further move on the research questions and develop the hypothesis. The hypothesis is tested after data collection and concluded findings. This research is based on the deductive approach to identify the acceptance of Islamic Fintech with the assistance of TAM (Technology Acceptance Model). Rationally, this approach has tendency to measure and generalize the results accurately. In addition, the findings of the quantitative data are valid and reliable. According to the research design the data is collected and analyzed. It provides the resolution of the problem that is described in the research or on which the research study is based on. The research design has vast range such as descriptive and experimental etc. this research study is used regression design that contribute to articulate the impact of the Consumer Innovativeness (CI), Self-efficacy (SE), Perceived ease of use (PEU), Perceived Usefulness (PU) Subjective Norm (SN) with the help of TAM factors named Religiosity, Attitude and Behavioral Intention (BI) on Acceptance of Islamic FinTech.

The targeted population of this research is the users of the Islamic banking in Karachi, Pakistan. The sample size of the data consisted of 318 respondents who are the users of Islamic banking in Karachi, Pakistan. The users of the Islamic bank are belong to the full fledge Islamic Banks which are operating in Pakistan named Albaraka Bank of Pakistan Ltd., Meezan Bank Ltd., Dubai Islamic Bank Ltd., Bank Islami Ltd., and MCB Islamic Bank Ltd. This research study has used sampling technique that is non-probability sampling technique's sub type convenience sampling. This study has collected data from the citizens of Karachi who are the users of internet Islamic banking. The analysis is based upon the unit of the individuals. Convenience sampling is purposely used for obtaining data effortlessly and respondents are accessible for the survey. This research study is used Partial Least Square-Structure Equation Modeling (PLS-SEM). This statistical technique is used to find out the impact of independent variables on dependent variable through the role of moderator i.e. consumer innovativeness (CI), self-efficacy (SE), Perceived ease of use (PEU), Perceived Usefulness (PU) Subjective Norm (SN) with the help

of TAM factors named Religiosity, Attitude and Behavioral Intention (BI) on Acceptance of Islamic FinTech.

The data has been collected through the questionnaire survey. This questionnaire has been comprised of two sections, section A is featured for demographics and section B is for questions that to be responded. The questionnaire is devised from different past studies and some questions have been adopted and some of them adapted. The question section has comprised of 44 questions. The five (05) questions of Consumer Innovativeness (CI) is adapted from Goldsmith and Hofacker, (1991) and Citrin et al., (2000), five (05) questions of Self-efficacy and Behavioral Intention (BI) are adapted from Alalwan et al. (2015). Five (05) questions of Perceived ease of use (PEU) and Perceived Usefulness are adopted from (Davis, 1989), five (05) questions of Subjective Norm is adapted from M. Gopi T. Ramayah, (2007), five (05) questions of Religiosity is adopted from Amin, H. (2009), three (03) questions of Attitude is adapted from Yadav and Pathak, (2016) and five (05) questions of acceptance of Islamic Fintech is adopted from Wang et al., (2003). This research study's questionnaire is using likert scale that ranges from 1= Strongly Disagree to 5= Strongly Agree.

Data Analysis

Pilot Testing

89

Table 1 shows the result of pilot research using Cronbach's alpha reliability test.

Table 1:

Pilot Study (n = 40)

Variable	N Items	Cronbach's Alpha
Consumer Innovativeness	5	0.856
Self-Efficacy	5	0.880
Perceived Ease of Use	5	0.881
Perceived Usefulness	5	0.942
Subjective Norm	5	0.928
Attitude	5	0.937
Religiosity	5	0.846

Behavioral Intention	5	0.929
Acceptance of Islamic Fintech	5	0.906

As per the threshold criteria the Cronbach’s alpha should be higher than 0.60 for variable’s internal consistency acceptance. The above appended table depicted that Religiosity has the least internal consistency of 0.846. Thus, it has been demonstrated that all other variables have acceptable reliability for data collection of research study.

Demographic Profile

The table 2 depicts the respondents’ demographic profile.

Table 2:

Demographic Profile (n = 318)

		Frequency	Percent
Gender	Male	132	42
	Female	186	58
Age Group	18 to 30 years	136	73
	31 to 40 years	45	24.4
	41years and Above	5	3
Education	Graduate	53	26
	Postgraduate	136	67
	Others	14	6.8

90

Measurement Model

Construct Reliability and Validity

Table 3 shows the outcomes of convergent validity by using the PLS algorithm.

Table: 3

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Acceptance of Islamic Fintech	0.906	0.930	0.726
Attitude	0.937	0.952	0.798
Behavioral Intention	0.929	0.946	0.780
Consumer Innovativeness	0.856	0.893	0.627
Moderating Effect 1	1.000	1.000	1.000
Perceived Ease of Usefulness	0.881	0.913	0.677
Perceived usefulness	0.942	0.956	0.812
Religiosity	0.846	0.890	0.618
Self-Efficacy	0.880	0.911	0.673
Subjective Norm	0.928	0.945	0.775

The threshold criteria for cronbach's alpha and composite reliability is to have at least 0.70 and 0.80 coefficients for internal consistency acceptance of the latent constructs. Although for acceptable degree of convergence between predictors and constructs average variance extracted (AVE) should have at least 0.50 coefficient to gain the convergent validity. Consequently, the above outcomes of research data are as per the threshold criteria that has been gained convergent validity.

Discriminant Validity

The following table represents the results of Fornell and Larcker (FLC)

Table: 4

	AIF	ATT	BI	CI	Moderating Effect 1	PEU	PU	R	SE	SN
Acceptance of Islamic Fintech	0.852									
Attitude	0.805	0.893								
Behavioral Intention	0.799	0.839	0.883							
Consumer Innovativeness	0.613	0.661	0.578	0.792						
Moderating Effect 1	0.148	0.148	0.203	-0.073	1.000					
Perceived Ease of Usefulness	0.646	0.612	0.637	0.533	-0.048	0.823				
Perceived usefulness	0.786	0.731	0.714	0.650	0.046	0.605	0.901			
Religiosity	0.314	0.309	0.384	0.293	-0.268	0.319	0.273	0.786		
Self-Efficacy	0.556	0.475	0.470	0.673	-0.099	0.565	0.614	0.258	0.821	92
Subjective Norm	0.732	0.756	0.776	0.603	0.146	0.657	0.630	0.152	0.478	0.881

In the table 4 has illustrated the discriminant validity of constructs of this study. The criteria of the threshold to obtain the acceptable discriminant validity is diagonal values of the coefficients are higher than the off diagonal values of all independent, dependent, moderating and mediating variable. The table showed that the bold diagonal coefficients are higher than their connection with other off diagonal constructs. Consequently, finding reveals that discriminant validity is satisfactory.

Table 5

Heterotrait-Monotrait (HTMT) Ratio

	AIF	ATT	BI	CI	Moderating Effect 1	PEU	PU	R	SE	SN
AIF										
ATT	0.864									
BI	0.859	0.897								
CI	0.651	0.688	0.603							
Moderating Effect 1	0.150	0.153	0.211	0.090						
PEU	0.709	0.659	0.692	0.588	0.068					
PU	0.852	0.775	0.759	0.686	0.047	0.663				
R	0.350	0.340	0.423	0.344	0.293	0.354	0.289			
SE	0.611	0.510	0.505	0.778	0.148	0.651	0.663	0.302		
SN	0.789	0.809	0.833	0.647	0.151	0.717	0.671	0.168	0.521	

The discriminant validity is estimated by another technique called Heterotrait-Monotrait (HTMT) Ratio. Conferring to Henseler et al. (2015) the associate relations of HTMT should be <0.85 or <0.9 . Value. The construct should not exceed from 0.9. The above table has the highest of 0.897 that meet the threshold criteria.

Structure Model

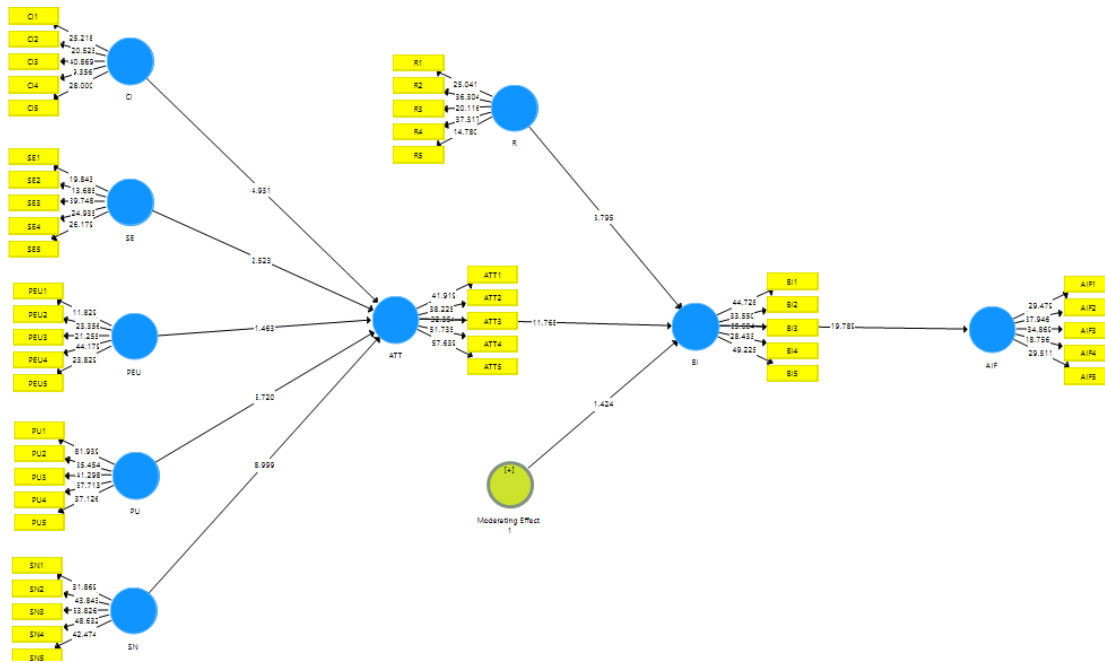


Figure: PLS Bootstrapping

Direct-effect analysis

The table 8 shows the outcomes of the path modeling analysis by using partial least square bootstrapping for hypothesis testing using 318 respondents’ sample size. The two-tailed valuations has been grounded on 0.05 probability level.

Table 6

Path Analysis

	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	Decision
ATT -> BI	0.837	0.036	23.212	0.000	Accepted
BI -> AIF	0.798	0.038	21.131	0.000	Accepted
CI -> ATT	0.229	0.049	4.803	0.000	Accepted
PEU -> ATT	0.095	0.060	1.476	0.141	Rejected
PU -> ATT	0.362	0.063	5.768	0.000	Accepted

SE -> ATT	-0.133	0.063	2.339	0.020	Accepted
SN -> ATT	0.385	0.044	9.058	0.000	Accepted

In the analysis shown in the table, it is defined that as per the outcomes of direct effect, we have observed that except PEU → ATT remaining all the variables have p values that are less than 0.05. Consequently, Hypothesis H1, H2, H4, H5, H6, and H7 are accepted and there variables are significantly correlated. Such as effect of ATT on BI, BI on AIF and the effect of PU, SE, CI, and SN on ATT.

Moderation Analysis

The table 7 has shown the results of moderation analysis that has been performed by the partial least square bootstrapping.

Table 7

Moderating Effects

	Sampl e Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
R X ATT -> BI	0.118	0.067	1.407	0.160	Rejected

Religiosity (R) does not moderate the effect of Attitude (ATT) towards the behavioral intention for acceptance of Islamic Fintech (AIF) as ($\beta = -0.067$; $p > 0.160$).

Predictive Analysis

Table 8

Predictive Relevance

	R Square	Q Square
AIF	0.638	0.451
ATT	0.707	0.558
BI	0.739	0.565

The table 8 has shown the values of R square and Q square of the Acceptance of Islamic (AIF), Attitude (ATT) and Behavioral Intention (BI). These outcomes interpret the predictive relevance of the constructs. Consequently, both the R square and Q square coefficients have found greater values than Zero.

Results and Discussion

This research study gives empirical shreds of evidence contributing to the literature on the Acceptance of Islamic Fintech. The Consumer Innovativeness (CI), Self-Efficacy (SE), Perceived Ease of Use (PEU), Perceived Usefulness (PU), and Subjective Norm (SN) impact on Acceptance of Islamic Fintech (AIF) with mediating role of Attitude (ATT) and Behavioral Intention (BI) which has the moderating effect of Religiosity (R).

The above-mentioned analysis shows that the one independent variable out of 5 independent variables is rejected and has an insignificant impact on mediating variable. Other than that, these independent variables are accepted and significantly related. Thus, PEU has an insignificant impact on ATT (P-value = 0.141) which is not met the criteria. This result is supported by Chin et al. (2021). The results indicate that people do not find Islamic Internet banking to be free of effort while using.

Consequently, the results of CI show a substantial impact on attitude. Similarly, this result is compatible with the outcome of Putranto and Sobari (2021). As well as this outcome is also matched with the result of M. Shaikh et al., (2020) in regards to acceptance of Islamic Fintech. Therefore, consumer innovativeness is one of the individual traits that is reflected in consumers' behavior and also in their acceptance of information technology systems (Dai et al. 2015). This individual attribute could provide important knowledge about how consumers experience new technology products and services, as well as inform their behavioral performance. (Okumus et al. 2018). Innovative people are more inclined to explore different things, are the first to attempt technological innovations, and can act as change agents in technological advances including fintech (Dai et al. 2015).

Correspondingly, this study investigates the impact of Perceived Usefulness on the attitude that mediates its impact on the Acceptance of Islamic Fintech. The analyzed P-value for the coefficients is 0.000 which indicates a significant impact. The findings support previous research pieces of evidence that perceived usefulness (PU) is the primary factor influencing consumer behavior in the use of Islamic Fintech services (Mutahar et al. 2017). Riza & Hafizi (2019), determined that perceived usefulness has a positive impact on attitudes. People will be

more likely to embrace Islamic FinTech technology if it would provide the optimum result to aid in the resolution of their financial troubles, such as financing, micro-payment, and investment based on Sharia compliance.

Subsequently, the outcome of the empirical analysis of the study suggests that self-efficacy significantly impacts the attitude towards the behavioral intention for the acceptance of the Fintech with a P-value of 0.020 which meet the criteria. However, this empirical evidence is in contrast with the results of Shaikh et al., (2020). Self-efficacy theory is used to determine whether the Islamic bank users' self-efficacy would affect their attitude towards behavioral intention to accept Islamic fintech. The outcome of the study suggests that self-efficacy developing the Islamic bank's users' confidence in their abilities could conclude positive attitudes and encourage them to use it.

Consequently, the findings of the study reveal the Subjective Norm (SN) significantly impact the attitude towards acceptance of Islamic Fintech. This result contradicts the result of Shaikh et al., (2020) that found the Subjective Norm (SN) insignificantly impacts the acceptance of Islamic Fintech. In the meantime, a person's subjective norm is their perception of social compression to conduct a specialized behavior.

In this study independent variable is mediated by the attitude and behavioral intention towards the dependent variable acceptance of Islamic fintech. The findings reveal that the attitude (ATT) significantly impacts the Behavioral Intention (BI). This finding is evidenced by the literature review contribution of Pitchay et al., (2019). Similarly, Behavioral Intention has significantly impacted the Acceptance of Islamic Fintech this is evidenced by the prior research of Khan et al., (2022).

In this research study, Religiosity is a moderator variable. The findings show that religiosity as a moderator there is no significant impact on the Acceptance of Islamic fintech. The individual's ability to obligate the religious values and beliefs in everyday life (Johan, Mohd, & Kamaruddin, 2020). Religion basically assumes a crucial morally acceptable role in emerging life, in which the entire life it lives is shaped by religious revelation in religion.

Conclusion

This research study is aimed to examine the impact of determinants of the technology acceptance model (TAM) with the mediating effect of attitude (ATT) and behavioral intention (BI) along with the moderating role of religiosity (R) on acceptance of Islamic fintech (AIF). This study has selected to use a quantitative approach for hypothesis testing through

explanatory research techniques for the data collection and exhaustive analysis. To analyze the complicated research model accurately for empirical findings, use the Smart PLS-SEM method. Furthermore, the sample size has been drawn from the Pakistani population in the capacity of Islamic bank users and the relevant respondent has been chosen through the non-probability sampling specifically the purposive convenience sampling technique. The empirical findings of the study reveals that there is an imperative significant impact of technology acceptance model on the acceptance of the Islamic fintech. However, PEU has negatively impact the attitude towards the AIF although, CI, SE, PU, SN have a vibrant impact on attitude (ATT) headed for AIF. Moreover, ATT impacts significantly positive directed towards the BI for AIF. In addition, religiosity (R) acts as moderator in the research frame work that insignificantly moderates the effect of ATT and BI towards the AIF. Mather et al. (2002) declared that the TAM is an effective and valid paradigm to explain users' attitude and behavioral intention towards acceptance of technology based products. Islamic fintech is providing alternative and sharia'h compliant solution for interest free banking such as business with capital, investing and financing products, which are guaranteed Halal for the Muslim community and other communities to mitigate the risk of uncertainty. In addition, Islamic Fintech plays a pivotal role in the society with the help of their benevolent products. The empirical findings of the study facilitate some significant contributions both theoretically and practically. This study is used as the source of information to the businesses, that there is the market share of the Islamic fintech products. The Businesses can avail it for their businesses with sharia'h compliant products. Government assistance plays a vital role in the development of Islamic fintech to avoid the problems of businessman and consumers by regulating the policies. Furthermore, the study highlighted the point in regards of Islamic Fintech providers that to obtain the trustworthiness of the users for acceptance of Islamic Fintech. They need to keep vigilant constantly by time to progress the efficiency of the existing customers as well as potential customers. The efficiency can be improved in terms of better services that can lead cost and time saving to the customer or user as compared with the conventional Fintech channel of performing transaction. In addition, ensure the users' understanding that assist in the improvement of Users' experience while using Islamic Fintech Product and services. The most crucial and the base of the users' acceptance of Islamic Fintech is users' financial and personal information is fully secured and protected through highly reliable features of cybersecurity under the law. Moreover, this study is based on the two different dimensions one of the Islamic finance and other financial technology (Fintech) that has been tested with the help of TAM. Therefore, this study covered

the aspects for the empirical findings that will contribute as new knowledge with respect to innovation in financial industry.

References

- Admati, A., & Hellwig, M. (2014). *The Bankers' New Clothes: What's Wrong with Banking and What to Do about It: with a new preface by the authors. Economics Books.*
- Agarwel, R. (2000). Individual acceptance of information technologies. *In framing the domains of IT management: Projecting future... through the past*, 85-104.
- Aldás-Manzano, J., Lassala-Navarré, C., Ruiz-Mafé, C., & Sanz-Blas, S. (2009). The role of consumer innovativeness and perceived risk in online banking usage. *International Journal of Bank Marketing.*
- Ali, M., Raza, S. A., Khamis, B., Puah, C. H., & Amin, H. (2021). How perceived risk, benefit and trust determine user Fintech adoption: a new dimension for Islamic finance. *Foresight.*
- Amin, H. (2009). An analysis of online banking usage intentions: an extension of the technology acceptance model. *International Journal of Business and Society*, 10(1), 27.
- Amin, H., Abdul-Rahman, A. R., Ramayah, T., Supinah, R., & Mohd-Aris, M. (2014). Determinants of online waqf acceptance: An empirical investigation. *The Electronic Journal of Information Systems in Developing Countries*, 60(1), 1-18.
- Buchak, G., Matvos, G., Piskorski, T., & Seru, A. (2018). Fintech, regulatory arbitrage, and the rise of shadow banks. *Journal of financial economics*, 130(3), 453-483.
- CHIN, K. Y., ZAKARIA, Z., PURHANUDIN, N., & PIN, C. T. (2021). A Paradigm of TAM Model in SME P2P Financing. *International Journal of Economics & Management*, 15(3).
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS quarterly*, 319-340.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS quarterly*, 319-340.
- Fishbein, M., Ajzen, I., & Belief, A. (1975). *Intention and Behavior: An introduction to theory and research.*

- Jerene, W., & Sharma, D. (2020). The adoption of financial technology in Ethiopia: a study of bank customers perspective. *Journal of Banking and Financial Technology*, 4(1), 53-63.
- Jin, C. C., Seong, L. C., & Khin, A. A. (2019). Factors affecting the consumer acceptance towards fintech products and services in Malaysia. *International Journal of Asian Social Science*, 9(1), 59-65.
- Karahanna, E., Straub, D. W., & Chervany, N. L. (1999). Information technology adoption across time: a cross-sectional comparison of pre-adoption and post-adoption beliefs. *MIS quarterly*, 183-213.
- Li, L., Wang, Z., Li, Y., & Liao, A. (2021). Consumer innovativeness and organic food adoption: The mediation effects of consumer knowledge and attitudes. *Sustainable Production and Consumption*, 28, 1465-1474.
- Li, L., Wang, Z., Li, Y., & Liao, A. (2021). Consumer innovativeness and organic food adoption: The mediation effects of consumer knowledge and attitudes. *Sustainable Production and Consumption*, 28, 1465-1474.
- M. A. B. M. T., Azhar, Z., Mydin, A. A., & Thaker, H. B. M. T. (2019). Factors persuade individuals' behavioral intention to opt for Islamic bank services: Malaysian depositors' perspective. *Journal of Islamic Marketing*.
- Mainardes, E. W., Costa, P. M. F., & Nossa, S. N. (2022). Customers' satisfaction with fintech services: evidence from Brazil. *Journal of Financial Services Marketing*, 1-18.
- Mathieson, K. (1991). Predicting user intentions: comparing the technology acceptance model with the theory of planned behavior. *Information systems research*, 2(3), 173-191.
- Morris, M. G., & Dillon, A. (1997). How user perceptions influence software use. *IEEE software*, 14(4), 58-65.
- Nathan, R. J., Setiawan, B., & Quynh, M. N. (2022). Fintech and financial health in Vietnam during the COVID-19 pandemic: In-depth descriptive analysis. *Journal of Risk and Financial Management*, 15(3), 125.
- Palmié, M., Wincent, J., Parida, V., & Caglar, U. (2020). The evolution of the financial technology ecosystem: An introduction and agenda for future research on disruptive innovations in ecosystems. *Technological Forecasting and Social Change*, 151, 119779.

- Pedersen, L. H. (2019). *Efficiently inefficient: how smart money invests and market prices are determined*. Princeton University Press.
- Purwantini, A. H., Athief, F. H. N., & Waharini, F. M. (2020). Indonesian consumers' intention of adopting islamic financial technology services. *Shirkah: Journal of Economics and Business*, 5(2), 171-196.
- Putranto, B. D., & Sobari, N. (2021, June). Predicting Intention of Using Fintech Lending to Bank Users in Indonesia. In *18th International Symposium on Management (INSYMA 2021)* (pp. 206-211). Atlantis Press.
- Ramayah, T., Rouibah, K., Gopi, M., & Rangel, G. J. (2009). A decomposed theory of reasoned action to explain intention to use Internet stock trading among Malaysian investors. *Computers in Human Behavior*, 25(6), 1222-1230.
- Rogers, Everett M., Arvind Singhal, and Margaret M. Quinlan. "Diffusion of innovations." In *An integrated approach to communication theory and research*, pp. 432-448. Routledge, 2014.
- Saba, A., & Di Natale, R. (1998). Attitudes, intention and habit: their role in predicting actual consumption of fats and oils. *Journal of Human Nutrition and Dietetics*, 11(1), 21-32.
- Wijayanti, D. M., & Yandra, F. P. (2021). Islamic Fintech: A Solution for Financial Problem. *Global Review of Islamic Economics and Business*, 9(1), 65-78.