



## The Impact of Sharia Financial Literacy, Religiosity, and Perceived Quality on Investment Decisions on Sharia-Compliant Products

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### Abstract.

*This research examines the influence of sharia financial literacy on investment decisions in sharia financial products, by considering two moderating variables: perceived quality and religiosity. Quantitative methods were used by collecting data through bold questionnaires via Google Form to 190 respondents who understand sharia financial products. Data analysis was conducted using Structural Equation Modeling based on behavioral finance theory. The research results show that there is a positive influence of sharia financial literacy on investment decisions in sharia financial products. Perceived quality and religiosity do not moderate the influence of financial literacy on investment decisions, but have a direct effect. The implication is that sharia financial literacy influences positive investment decisions. Perceived quality and level of religiosity also influence investment decisions in sharia financial products. These findings are important for the Islamic finance industry in developing effective marketing and service strategies, as well as for educational institutions to increase sharia financial literacy.*

**Keywords:** *Sharia Financial Literacy, Religiosity, Perceived Quality, Investment Decisions.*

### BACKGROUND

As a country with a majority Muslim population, the existence of Islamic finance in Indonesia is crucial for economic development. The level of financial literacy significantly influences individual behavior in decision-making (Mitchell et al., 2011). The importance of financial literacy is increasingly felt by Indonesian people, especially in the digital era where information can be accessed easily. Financial literacy is an individual's ability to manage finances wisely. Each individual's level of financial literacy varies and can influence how individuals act. If someone has a low level of financial literacy, generally this can cause errors in the decision-making process (Mitchell et al., 2011).

As an important dimension of Sharia financial literacy, investment decisions certainly require a good understanding Hung et al. (2011). High levels of financial literacy tend to assist individuals in financial management, while low levels can lead to unwise risk-taking (Bottazzi & Lusardi, 2021; Rosdiana, R & Rofikoh, 2018). Data from the Badan Pusat Statistik (BPS) Indonesia (2022) shows continuous economic growth, accompanied by an increase in the number of capital market investors. The national survey on financial literacy and inclusion by the Otoritas Jasa Keuangan (OJK) Indonesia Statistics (2022) indicates an increase in the financial literacy index and Sharia financial literacy in Indonesia, although awareness of Sharia investment remains low, especially among students. On the other hand, international surveys show high religiosity in Indonesia, which correlates with interest in using Sharia banking products (Tamir et al., 2020; Muslichah & Sanusi, 2019). However, the low quality of public services also influences people's decisions regarding the use of Sharia financial services (USU,

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2023). Thus, this research proposes an explanation of how sharia financial literacy, religiosity, and perceived quality can influence investors' investment decisions in the context of Islamic finance, based on human perception as explained in behavioral finance theory.

## **LITERATURE REVIEW**

### **Theoretical and Conceptual Background**

#### **Financial Literacy**

Financial literacy is defined as an individual's ability to understand and utilize financial information in daily life. According to the Otoritas Jasa Keuangan (2022), financial literacy is the ability of individuals to manage their finances wisely and responsibly. Financial literacy encompasses understanding of financial concepts and products, household financial management, as well as making wise financial decisions. Financial literacy also relates to effective financial management. Financial literacy can improve individual financial well-being, because individuals have the ability to make the right financial decisions (Bottazzi & Lusardi, 2021).

#### **Sharia Financial Literacy**

Sharia financial literacy refers to the financial system based on principles within sharia, including prohibitions against interest and speculation. Sharia-compliant investment adheres to these principles (Soraya & Lutfiati, 2020). Sharia is a collection of rules in Islam that governs lifestyle, including finance. Meanwhile, sharia financial literacy is the ability of an individual to manage financial resources according to sharia teachings (Albaity & Rahman, 2019). OJK's financial literacy program classifies literacy levels into four categories: well literate, sufficient literate, less literate, and lot literate. The dimensions of sharia financial literacy include Islamic financial behavior, Islamic financial knowledge, Islamic financial attitudes, and Islamic financial awareness (Dinc *et al.*, 2021). These parts encompass actions based on sharia principles, understanding of sharia financial contracts, belief in sharia principles, and awareness of sharia-compliant financial products (Dinc *et al.*, 2021).

#### **Sharia Financial Institutions**

Based on the Decree of the Minister of Finance of the Republic of Indonesia Number 792 of 1990, financial institutions refer to all institutions whose activities are engaged in the financial sector, including the collection and distribution of funds to the public, especially to support company investment activities. Sharia financial institutions were established with the aim of prioritizing and developing Islamic principles, sharia and traditions in various financial, banking and related business transactions.

## **Religiosity**

According to McDaniel & Burnett (1990), religiosity and religion have the same meaning, with religiosity referring to an individual's level of belief in God followed by established belief practices and principles. On the other hand, religion is defined as a system consisting of beliefs, practices, rituals, and symbols intended to facilitate the sacred and enhance understanding of an individual's relationship and responsibilities with others in the community in which they live together (Duhl, 2001). Individual levels of religiosity certainly vary, including in the categories of most religious, moderate, less religious, and non-religious, which can affect their consumption behavior (Delener, 1994). There are several factors to identify religiosity, namely through exploratory factor analysis that includes societal ethics mu'amalat, enlightened moderation, ibadaat, societal laws mu'amalat, and azeemat (Ul-Haq et al., 2020). Additionally, religiosity includes religious dimensions such as belief (ideological), religious practices (ritualistic), spirituality (experiential), religious knowledge (intellectual), and observance (consequential) (Clayton & Gladden, 1974).

## **Perceived Quality**

Perceived Quality is how individuals interpret the quality of service from a service provider, influenced by previous experiences, expectations, interactions with the service provider, and received information (Udo et al., 2010). The concept of service quality perception described by Kotler, P. & Keller (2016) includes three main aspects. First, overall features encompass various aspects such as reliability, responsiveness, assurance, empathy, and physical evidence of the service, for example, in e-wallets, it includes ease of access and transaction speed. Second, the presentation of the product or service includes intrinsic and extrinsic characteristics such as brand reputation and ease of use. Lastly, satisfactory service quality must be able to meet the needs and expectations of customers, provide added value, and positive experiences, such as ease of use and responsive customer support. Understanding this is crucial to ensuring that services can provide optimal value for users and meet their expectations.

## **Investment Decisions in Sharia Financial Products**

Investment decisions are the process of selecting investment alternatives while considering risks and returns to achieve individual financial goals. Factors such as income level, risk tolerance, and investment knowledge influence investment decisions. Internal and external factors such as investment risk, investment goals, and the level of literacy and investment knowledge also play a role in this process. Good levels of literacy and investment

knowledge help individuals choose investment instruments that align with their risk profile and investment goals. Other factors influencing investment decisions include security, opinions, risk protection, awareness, duration, and benefits (Kabra et al., 2010).

### **Behavioral Finance Theory**

Behavioral finance is a branch of finance that combines the principles of classical economics and finance with psychology and the science of decision making (Fuller, 1998). This concept is an important area of research in understanding investor behavior and financial market dynamics.

### **Empirical Review and Hypothesis Development**

#### **The Influence of Sharia Financial Literacy on Investment Decisions**

Based on several studies that have been conducted, financial literacy has been proven to influence individuals' behavior in making financial decisions. Lack of financial literacy can lead to mistakes in managing finances and making investment decisions. According to research conducted by Al-Tamimi & Kalli (2009), investors' financial literacy significantly affects their investment decisions. On the other hand, good levels of financial literacy can help individuals manage their finances better and make smarter investment decisions (Hung et al., 2011). This research also indicates that financial literacy has a positive impact on investment decisions in sharia financial products (Hanifah et al., 2022).

The results of Hudha (2021) research state that sharia financial literacy has a positive and significant influence on investment decisions in sharia stocks, indicating that the higher a person's sharia financial literacy, the greater the likelihood of investing in sharia-based stocks. Thus, the hypothesis in this study is:

H<sub>1</sub>: Sharia financial literacy positively influences investment decisions in sharia-based financial products.

#### **The Influence of Religiosity in Moderating the Relationship between Sharia Financial Literacy and Investment Decisions**

Various studies have highlighted the importance of financial literacy and religiosity in understanding individual financial behavior, especially in the context of investment decisions in sharia financial products. McDaniel & Burnett (1990) describe religiosity as an individual's level of belief in God, which impacts the principles of belief and practices adopted. The research conducted by Rahim et al. (2016) found that religiosity exhibits the highest variance

in influencing sharia financial literacy, which is also influenced by financial satisfaction and dissatisfaction.

On the other hand, sharia financial literacy has been shown to positively influence individuals' interest in using Islamic banking services (Alharbi et al., 2022). However, findings from Thohari & Hakim (2021) indicate that religiosity does not moderate the influence of sharia financial literacy on interest in saving in Islamic banks. Nevertheless, Agustin & Hakim (2022) assert that religiosity significantly moderates the relationship between financial literacy and interest in sharia investment, indicating that religiosity can enhance the impact of financial literacy on sharia investment decisions. Furthermore, in the study by Hayati & Khamid (2019). Sharia financial literacy influenced by the level of religiosity as a moderating variable, it has a significant impact on the use of Islamic banking products. Based on these findings, the second hypothesis is formulated as follows:

H<sub>2</sub>: Religiosity positively moderates the relationship between sharia financial literacy and investment decisions in sharia-based financial products.

### **The Influence of Perceived Quality in Moderating the Relationship between Sharia Financial Literacy and Investment Decisions**

Based on the views of Kotler, P. & Keller (2016), perceived quality encompasses overall features and product attributes that can meet customer needs. Perceived quality refers to customers' assessment of the characteristics of the service provided, such as reliability, responsiveness, assurance, empathy, and physical evidence of the service. The results of Rahmawaty (2014) research show that perceptions of Islamic banks, especially regarding bank interest and profit-sharing systems, positively influence customers' interest in using Islamic banking products.

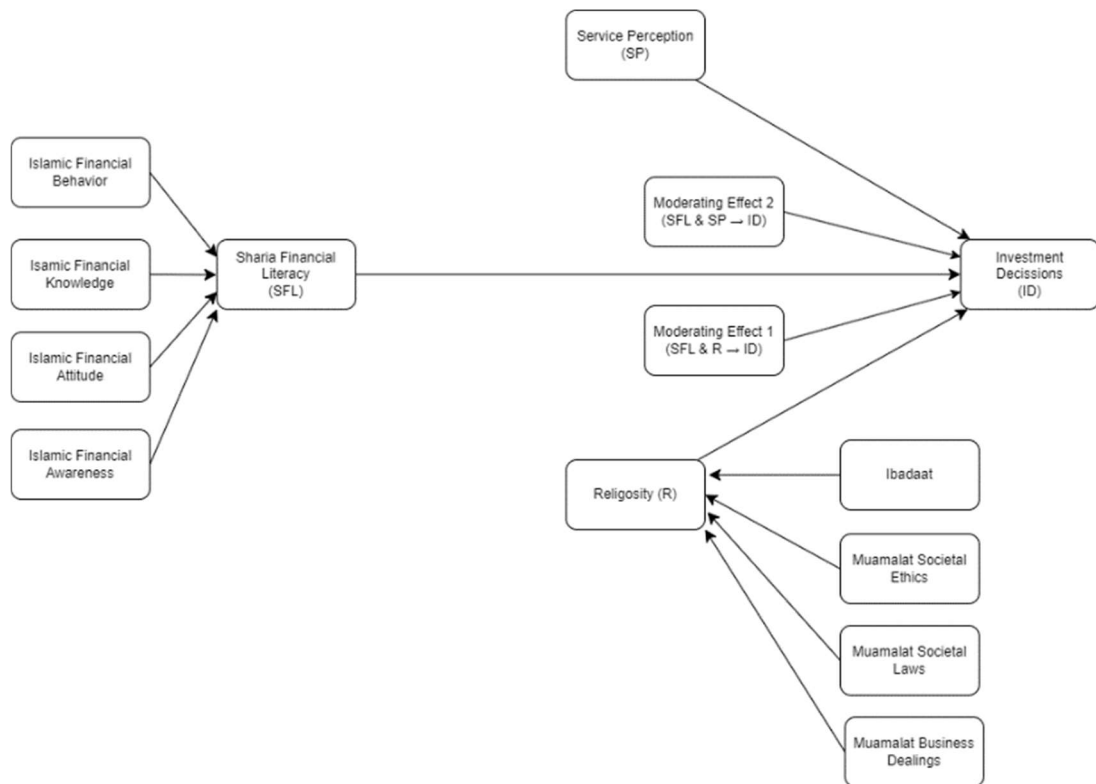
Furthermore, Ilfita & Canggih (2021) found that sharia financial literacy, religiosity, and perceived quality together influence student's interest in using Islamic banking services. Perceived quality in financial services also has a positive influence on the selection of Islamic banking products. This indicates that a positive perception of Islamic banks and understanding of sharia principles in financial services are important factors in choosing Islamic banks as a savings option. Therefore, the role of perceived quality in influencing investment decisions in sharia finance becomes increasingly important to consider.

H<sub>3</sub>: Perceived quality positively moderates the relationship between sharia financial literacy and investment decisions in sharia-based financial products.

**METHODS**

**Research Approach**

The research approach used in this research is a survey method with a causality approach, designed to identify the influence among variables based on cause and effect relationships. According to Sugiyono (2019), quantitative survey methods are utilized to obtain data about opinions, beliefs, behaviors, and variable relationships from a sample drawn from a specific population. The population of this study is the entire Indonesian population, while the sample is selected using purposive sampling technique, which enables the researcher to select subjects most relevant or representative of the population under study (Sekaran & Bougie, 2016). The criteria for respondents are those who have basic knowledge about investment products. Data collection is carried out through the distribution of online questionnaires via Google Form, resulting in 190 valid data out of 226 collected. The questionnaire consists of several sections, including respondent identities and indicators in the form of questions to measure variables. Sharia financial literacy is the independent variable, while the dependent variable is investment decisions in sharia financial products. Religiosity and perceived quality are treated as moderating variables.



**Figure 1:** Conceptual Model of the Study; Source: Authors

Model testing is conducted using Structural Equation Model-Partial Least Square (SEM-PLS) with SmartPLS 4 software application to test reliability, validity, and significance of path coefficient between variables, as well as interpreting results through statistical-quantitative analysis and results of measurement model and structural model tests. The following indicators are used in this research to provide a comprehensive analysis of the factors influencing investment decisions in Sharia finance:

**Table 1:** Summary of Variable

Variable	Variable Indicator	Code	Indicator Items
Sharia Financial Literacy (Dinc et al., 2021)	General Shari'ah Financial Literacy	SFL1	I have knowledge of Islamic finance
		SFL2	I believe in sharia financial practices
		SFL3	I am interested in using sharia financial products
	Islamic Financial Behavior	IFB1	Earning interest income is not acceptable to me
		IFB2	I avoid interest-based transactions
		IFB3	I would borrow funds at a low interest rate
	Islamic Finance Knowledge	IFK1	Investing in a business where the terms are not clearly defined is not acceptable
		IFK2	Investing in a business that is harmful to people and the environment is not acceptable
		IFK3	There are institutional alternatives and interest-free instruments for savings investment
		IFK4	I can save until I accumulate a targeted amount of funds
		IFK5	I can manage my funds without interest
		IFK6	Interest disrupts the distribution of income
		IFK7	Interest has a negative and undesirable impact on the economy
	Islamic Financial Attitude	IFA1	A loan should not be given to generate income
		IFA2	People should help each other in overcoming difficulties
		IFA3	People should support each other financially
		IFA4	The purpose of the loan must be known by the creditor

	Islamic Finance Awareness	IFAW1	I don't mind inviting other people to be partners in my business
		IFAW2	I will invest and become a partner in the business
Religiosity, (Ul-Haq et al., 2020)	Ibadaat	IB1	Prays five times a day at home
		IB2	Fasting every month of Ramadan
	<i>Mu'amalat</i> Community Ethics	MSE1	Respect your elders
		MSE2	Always keep promises
		MSE3	Refrain from bribery
		MSE4	Help those in need regularly
		MSE5	Respect your parents
		MSE6	Don't fight with other people
		MSE7	Give charity for good
	<i>Mu'amalat</i> Community Law	MSL1	Follow traffic rules
		MSL2	Comply with state law (UUD)
		MSL3	Pay full taxes
	<i>Mu'amalat</i> Business Affairs	MBD	Does transactions according to sharia
Perceived Quality, ( <i>Self Development</i> )	PQ1	Sharia financial services generally meet my expectations	
	PQ2	The Islamic financial services I use are usually reliable and timely	
	PQ3	The staff at the various Islamic financial institutions I met generally had sufficient knowledge about their products and services	
	PQ4	Staff at Islamic financial services can generally handle questions and problems effectively	
	PQ5	Sharia financial services generally provide a personal approach to customers	
	PQ6	Sharia financial institutions are generally responsive to input and complaints from customers	
	PQ7	I find it easy to communicate with Islamic financial institutions and get a satisfactory response	
Investment Decisions in Financial Products Sharia ( <i>Self Development</i> )	ID1	I prefer investing in sharia financial products rather than conventional financial products	
	ID2	I feel that Islamic financial products are more in line with my personal values	
	ID3	Most of my investments (will be) allocated to sharia financial products	
	ID4	I plan to increase my investment in Islamic financial products in the future	



		ID5	I plan to maintain investments in Islamic financial products for a long period of time
		ID6	Compliance with sharia principles is my main motivation in investing
		ID7	I chose sharia investment because I believe I will get a good return
		ID8	I actively follow developments in news and information related to the sharia financial market

**Source:** Authors

In this research, the concept of Sharia Financial Literacy Measurement (SFL) is an adaptation of research conducted by Dinc et al (2021). The concept comprises four variable indicators and 19 item indicators used to measure understanding and skills in the field of Sharia finance. Additionally, the measurement of religiosity (R) in this context is also based on previous research by Ul-Haq et al. (2020), which utilized four variable indicators and 13 item indicators. Perceived quality (PQ) measurement is also applied using seven self-developed indicators to evaluate how the public perceives the services available in the context of Sharia finance. Furthermore, the measurement of investment decisions in Sharia financial products (ID) is also conducted using eight indicators specifically developed to assess the ability to make investment decisions in accordance with Sharia principles.

## RESULTS AND DISCUSSION

### Results

The following are the demographics of the respondents used in this research:

**Table 2:** Respondent Profile

<b>Demographic Variables</b>	<b>N</b>	<b>%</b>
<b>Gender</b>		
Man	105	55
Woman	85	45
<b>Work</b>		
Student	92	48
Private Employees	27	24
Civil Servants/Indonesian Army/Police	19	10
Businessman	19	10
BUMN Employees	13	7
Other	20	11
<b>Age</b>		
18-30	134	71
31-40	33	17
41-50	17	9
50+	6	3

<b>Marital Status</b>		
Single	122	64
Married	68	36
<b>Work Experience</b>		
Never Worked	46	24
Less than 1 Year	45	24
1-5 Years	52	27
6-10 Years	21	11
10 Years +	26	14
<b>Monthly Income</b>		
Less than Rp.1.000.000	55	29
Rp. 1.000.000 - 3.000.000	63	33
Rp. 3.000.001 - 5.000.000	40	21
Rp. 5.000.000 - 10.000.000	25	13
More than Rp. 10.000.000	21	11

**Source:** Authors

Table 2 above summarizes the respondent profile in this study. Based on gender, out of the 190 respondent data used in this research, the majority are male, totaling 105 individuals (55%), while the rest are female, amounting to 85 individuals (45%). In terms of occupation, the largest group of respondents are students, totaling 92 individuals (48%), followed by private sector employees with 27 individuals (14%), and others with 20 individuals (11%). Furthermore, regarding age, the majority of respondents fall within the 18-30 years range, comprising 134 individuals (71%), followed by the 31-40 years age group with 33 individuals (17%). Additionally, the dominant marital status is single respondents, totaling 122 individuals (64%), while married respondents are only 68 individuals (36%). Moreover, the majority of respondents have 1-5 years of work experience, with 52 individuals (27%), followed by less than 1 year with 46 individuals (24%). Furthermore, in terms of monthly income, the majority of respondents earn Rp. 1,000,000-3,000,000, totaling 63 individuals (33%), followed by less than Rp. 1,000,000 with 55 individuals (29%). Whereas, respondents with an income of more than Rp. 10,000,000 constitute the smallest group, with only 21 individuals (11%).

The analysis results in Table 3 summarize the validity and reliability test outcomes of the latent variable measurement instrument in this study, indicating that all variables meet the established criteria. Firstly, internal reliability consistency is evaluated by examining the values of composite reliability (CR) and Cronbach's alpha (CA). All CR and AC values are above 0.06, indicating that the variables meet the requirements for use without issues in testing internal reliability consistency (Joseph F et al., 2013). Secondly, indicator validity is evaluated by examining outer loadings. All items have loading factors above 0.7, except for 3 items, which are still above 0.4, and are retained based on their contribution to AVE (Joseph F et al., 2013). Thirdly, convergent validity is evaluated by examining the average variance extracted

(AVE) values. All AVE values are greater than 0.5, indicating that the variables meet the requirements for use without issues in testing convergent validity (Joseph F et al., 2013). Thus, the latent variable measurement instrument in this study can be considered valid and can be effectively used in the research model.

**Table 3:** Validity and Reliability Test Results

<i>Variable</i>	<i>Outer Loadings</i>	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
SFL1	0.821			
SFL2	0.87	0.834	0.901	0.752
SFL3	0.908			
IFB1	0.916			
IFB2	0.876	0.826	0.895	0.741
IFB3	0.785			
IFK1	0.685			
IFK2	0.781			
IFK3	0.736			
IFK4	0.744	0.866	0.897	0.554
IFK5	0.78			
IFK6	0.703			
IFK7	0.774			
IFA1	0.574			
IFA2	0.841	0.802	0.873	0.637
IFA3	0.862			
IFA4	0.877			
IFAW1	0.911	0.797	0.908	0.831
IFAW2	0.913			
R	0.835	0.943	0.951	0.603
IB1	0.773	0.636	0.839	0.723
IB2	0.922			
MSE1	0.883			
MSE2	0.791			
MSE3	0.818			
MSE4	0.819	0.917	0.934	0.671
MSE5	0.887			
MSE6	0.653			
MSE7	0.861			
MSL1	0.817			
MSL2	0.856	0.786	0.874	0.699
MSL3	0.835			
MBD	1.000	1.000	1.000	1.000
PQ1	0.838			
PQ2	0.877			
PQ3	0.883	0.944	0.954	0.748
PQ4	0.851			
PQ5	0.865			

<i>Variable</i>	<i>Outer Loadings</i>	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
PQ6	0.867			
PQ7	0.872			
ID1	0.836			
ID2	0.862			
ID3	0.906			
ID4	0.895			
ID5	0.909	0.953	0.961	0.754
ID6	0.891			
ID7	0.861			
ID8	0.778			

Source: Authors

The hypotheses of this study were evaluated using bootstrapping method and one-tailed tests to test the research hypotheses. A hypothesis will be accepted if it has a t-test greater than 1.28 (significance level = 10%) and p-values less than 5% (Joseph F et al., 2013). From Table 4, it can be observed that there are two t-test values less than 1.28 and p-values less than 5%, namely moderation effect 1 (SFL & R→ID) with a value of 0.028 and p-value of 0.489, and moderation effect 2 (SFL & PQ→ID) with a value of 0.344 and p-value of 0.365. Thus, hypotheses 1 and 2 are not accepted. However, there is another finding that religiosity and perceived quality have a direct influence with p-values of 0.054 and 0.000, and t-tests of 1.609 and 5.167, indicating that R → ID and PQ → ID have a significant effect.

**Table 4:** Hypothesis Test Results

No	Hypothesis Route	<i>P Values</i>	<i>T-test</i>	Results	
				<i>P Values</i>	<i>T-test</i>
H <sub>1</sub>	SFL → ID	0.000	4.126	Significant	Accepted
H <sub>2</sub>	R x SFL → ID	0.489	0.028	Not Significant	Not Accepted
H <sub>3</sub>	PQ x SFL → ID	0.365	0.344	Not Significant	Not Accepted
-	R → ID	0.054	1.609	Significant	Accepted
-	PQ → ID	0.000	5.167	Significant	Accepted

Source: Authors

## Discussion

Based on the analysis results of this research, the relationship between sharia financial literacy and investment decisions in sharia-compliant financial products (H<sub>1</sub>) demonstrates a significant positive influence. This finding aligns with previous research (Al-Tamimi & Kalli, 2009; Hudha, 2021; Hanifah et al., 2022), albeit differing from the findings of Yulianto (2018) and Ilfita & Canggih (2021). Nonetheless, sharia financial literacy significantly influences

investment decisions in sharia-compliant financial products, underscoring the importance of understanding sharia principles in the investment process. Furthermore, the structural model analysis results indicate that the hypotheses regarding religiosity and perceived quality as moderators between sharia financial literacy and investment decisions in sharia-compliant financial products ( $H_2$  and  $H_3$ ) are rejected. However, another finding emerges: although religiosity and perceived quality do not moderate this relationship, both directly affect investment decisions. This finding is consistent with previous research (Tamir et al., 2020; Muslichah & Sanusi, 2019; Thohari & Hakim, 2021; Agustin & Hakim, 2022; Hayati & Khamid, 2019), which indicates that religiosity and perceived quality have a direct impact on sharia investment decisions. Nevertheless, sharia financial literacy, religiosity, and perceived quality simultaneously have a positive and significant influence on investment decisions in sharia-compliant financial products, as found in Ilfita & Canggih's (2021) study.

From the overall analysis, knowledge in sharia financial literacy is not the only factor influencing investment decisions in sharia financial products. Sharia financial literacy also encompasses attitudes, behaviors, and awareness, although it was found that one indicator, namely Islamic financial behavior, does not significantly reflect the level of sharia financial literacy. This study illustrates the complexity of factors influencing investment decisions, consistent with the principles of behavioral finance theory, which integrates classical finance with psychology and decision-making sciences. Therefore, a deeper understanding of the psychological and behavioral factors of investors, as outlined in behavioral finance theory, can help explain the dynamics behind investment decisions in sharia financial products and contribute significantly to the development of more effective sharia financial literacy. Additionally, the variables of religiosity and perceived quality also have significant direct influences on shaping investment decisions, indicating that strategies for developing sharia financial literacy need to consider these aspects for greater effectiveness.

## **CONCLUSIONS AND SUGGESTIONS**

### **Conclusion**

Based on the research findings, it can be concluded that sharia financial literacy has a positive and significant influence on investment decisions in sharia financial products, although one of the four indicators (Islamic financial behavior) does not show a significant influence. Meanwhile, the moderating variables of religiosity and perceived quality do not moderate the relationship between sharia financial literacy and investment decisions; however, both have a direct positive impact on these investment decisions. This conclusion indicates that, besides

knowledge, attitude and awareness factors are also important in sharia financial literacy, even though behavior is not significant. This study illustrates the complexity of factors influencing investment decisions, in line with the principles of behavioral finance theory, which integrates classical finance with psychology and decision-making sciences. Therefore, a deeper understanding of the psychological and behavioral factors of investors is crucial for developing more effective sharia financial literacy, and development strategies should consider the influence of religiosity and perceived quality to achieve better effectiveness.

### **Suggestion**

The researcher has several suggestions for companies that distribute sharia-based shares and prospective researchers who will conduct further research, especially research on similar topics based on the findings in the previous chapters, as follows:

### **Suggestions for Further Researchers**

There are several suggestions that researchers can provide for further research which aims to expand and deepen knowledge about Islamic finance. Researchers can expand and deepen knowledge about Islamic finance through several avenues. First, they can focus on developing a comprehensive sharia financial literacy model to provide a robust framework for measuring and improving literacy, which can aid financial institutions, governments, and educational bodies in creating more efficient programs. Second, incorporating variables such as technology, particularly fintech platforms adhering to sharia principles, can enhance public knowledge and community involvement in sharia financial practices by leveraging technological advancements for better information dissemination and engagement. Lastly, researchers can explore the impact of Islamic finance knowledge on sustainable and environmentally friendly investment decisions, offering insights into how Islamic finance contributes to sustainable development.

### **Suggestions for Companies That Share Sharia-Based Shares**

Companies that stock or own sharia-based shares are advised to implement three main strategies to improve service quality and support the growth of this sector: first, improve employee education and training programs to better understand investment products and Islamic finance, thus offering superior customer support; second, encourage innovation in developing new sharia-compliant financial products to provide diverse investment options and attract a broader customer base; and third, actively promote public knowledge of sharia finance through financial literacy campaigns, seminars, workshops, and social media, thereby shaping positive perceptions and encouraging the adoption of sharia investments. By focusing on

education, innovation, and public awareness, these companies can significantly contribute to building a robust sharia financial ecosystem.

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