GENERATION Z'S INTEREST IN USING SHARIA DIGITAL BANKS AS A FINANCIAL SERVICE IN THE ERA OF DISRUPTION

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Abstract

The banking industry is presently undergoing innovation by integrating cutting-edge technology to establish digital banks. A digital bank conducts its operations exclusively online through an application and typically has a central office. In Indonesia, there is a growing popularity of digital banks, with a noticeable emergence of Sharia-based digital banks. However, the progress of Islamic digital banks is comparatively slower when compared to non-Sharia counterparts. Capitalizing on the familiarity of Gen Z with technology, this study aims to explore how the variables of convenience, security, and religiosity individually and collectively influence the inclination of Generation Z in Surabaya to use Islamic digital banks. The research adopts a quantitative approach, specifically causal research, and collects data through online questionnaires distributed via Google Forms. With a sample size of 170 respondents selected through purposive sampling, the study employs SmartPLS 3 software for data processing and analysis. Findings indicate that the convenience variable positively and significantly impacts the interest in using Islamic digital banks, while the security variable also exerts a positive and significant influence. However, the religiosity variable does not show a significant effect on the interest in using Islamic digital banks. When considered together, convenience, security, and religiosity collectively influence the interest in using Islamic digital banks.

Keywords: *Convenience, Security, Religiosity, Sharia Digital Bank*
JEL Classification: *G2, G21, G28*

1. INTRODUCTION

The world of banking is experiencing changes as a result of advances in sophisticated technology. At first, banking transactions required customers to visit the bank directly, then ATMs (Automated Teller Machines) appeared and then there was *mobile banking* . Currently entering the bank 4.0 era, there is a digital transformation in the banking world, namely digital banking which abandons the concept of direct face-to-face contact between bank customers and branch office services. Changes in banking can be seen from the industrial system, intermediation technology, to the forms of marketing applied to attract customers. This paradigm shift in the financial industry is in line with Bill Gates' statement in 1994, "*... banking is necessary, banks are not* ". Bill Gates' words show that banking is very necessary, but bank offices are not. Digital transformation in banking is a banking innovation in meeting the needs of society which is now entering an era of digital disruption, where society is experiencing changes in behavior patterns that are highly dependent on digital technology. The phenomenon of a paradigm shift in the financial industry sector reveals that society's current needs require services financial services that have easy

rules and conditions and can be accessed online (Kemininfokom, 2019) .

The younger generation, as a generation that is accustomed to digitalization, currently uses digital-based financial services. This is known from the results of a survey conducted by the Katadata Insight Center (KIC) in 202. The majority of generation Z, 68%, use digital wallets , while only 35.4% of generation Z own and use bank ATMs in their financial activities. The reasons behind the large interest in using *e-wallets* in generation Z are because they are easy to use, security factors, do not require a long time, promos are offered, and account opening is easy. The survey also found that digital bank accounts are starting to become more popular, it is known that 24.3% of respondents have used digital banks (Lavinda, 2022) . So that digital bank innovation in banking can be an opportunity to meet the banking needs of the younger generation.

A digital bank is an Indonesian legal entity bank that provides and carries out main business activities through electronic channels without a physical office other than the head office or using limited physical offices (Wijaya, 2021) . In 2021 the number of digital banking customers in Indonesia will reach 25% or the equivalent of 47,722,913 people and it is estimated that in 2022 it will increase to 31%. This number is also predicted to increase every year (Laycock, 2021) .

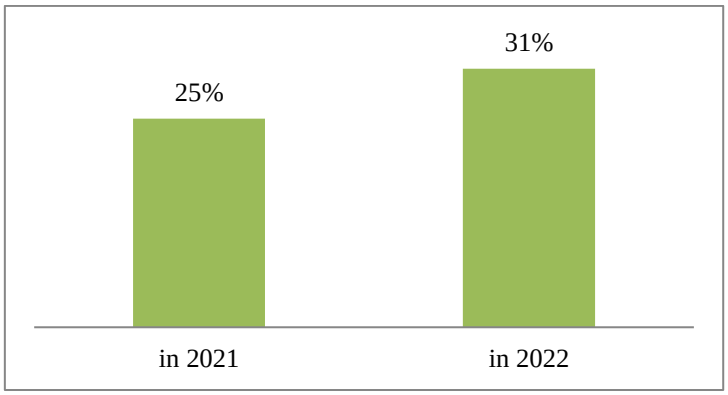

Figure 1. Number of Digital Bank Customers in Indonesia
Source : Laycock (2021)

Several digital banks that have started operating in Indonesia and have been registered with the OJK (Financial Services Authority) include Bank Jenius, Bank Wokee, Digibank, Bank TMRW, Bank Jago, Motion Bank, Bank Aladin, Bank BCA Digital, Allo Bank, Sea Bank, LINE Bank, Neobank New Livin, Blu by BCA, and so on. The existence of digital banks in Indonesia is not only conventional digital banks, currently there are also sharia banks which are also transforming into digital banks. Bank Aladin Syariah is the first sharia digital bank in Indonesia. Apart from that, Bank Jago also has a UUS (Sharia Business Unit), namely Bank Jago Syariah, which was just launched in 2022. Different from conventional digital banks, sharia digital banks must implement sharia values and remain in accordance with sharia provisions in their implementation. The emergence of sharia digital banks in Indonesia occurred because there was public demand for sharia-compliant digital banks (Safitri, 2022; Luthfiatussa'diyah *et al*, 2023) . The existence of sharia digital banks is also an innovation from sharia banks to increase the competitiveness of sharia banks in Indonesia because they are still quite linked to the development of conventional banks.

It is hoped that the existence of a sharia digital bank can also increase sharia financial inclusion through easy accessibility. So, it can reach every remote region in Indonesia without having to open branches. This is because problems with sharia banking facilities such as nearby ATMs and branch offices were found, which are still small, which has an impact on people's interest in using sharia banks.

One of the advantages of the most superior digital banks is the convenience that customers will get in carrying out banking activities. According to research conducted by Windasari *et al* (2022) , it was found that ease of use has a significant influence on intention to use digital banks. However, it is different from the results of research conducted by Cupian *et al* (2022) , shows that there is no significance in the perceived ease of use variable on interest in using Islamic digital banks. Security is also an essential factor that can influence a person's interest in using a sharia digital bank. This is because the more devices connected by *the internet of things (IoT)*, the greater the frequency of cybercrime that can occur. Based on research by Kurnia (2020) , apart from ease of use, security also influences the decision to use digital banks. In contrast to research results from Gita and Juliarsa (2021), it shows that perceived convenience does not have a positive effect on interest in using Jenius, which is one of the digital banks in Indonesia, while perception of security has a positive effect on interest in using Jenius digital bank.

The hope that the emergence of sharia digital banks will attract the interest of generation Z who are seen as understanding digitalization and early adopters of innovation. Generation Z according to BPS (Central Statistics Agency) is the generation born in 1997-2012, currently aged around 11-26 years. Based on the results of the 2020 population survey, the number of Generation Z dominates, namely 27.94% of the total population (BPS, 2021) . Likewise, the number of generation Z in Surabaya is the most dominant among the other generations, namely 24.7% of the population (Kusnandar, 2021) . Generation Z is considered the digital generation, this generation tends to choose banking services at digital banks, so that the existence of digital banks will be more accepted by this generation (Sugiarto, 2021) . Generation Z is considered to be very interested in lifestyle choices that are in line with their beliefs and religion. Wibowo and Iqbal's (2021) research found that religiosity influences Generation Z's desire to save in Islamic banks. The results show that the more religious a person is, the more they want to save in a sharia bank. However, research conducted by Musyaffa and Iqbal (2022); Salmah and Devi (2023) argues that religiosity does not influence the desire to save in Islamic banks. So, how religious someone is does not influence their decision to choose to save at a sharia bank.

When compared to several digital banks that are running in Indonesia, only one digital bank is included in the purely sharia digital bank, namely Bank Aladin Syariah and one bank which is included in UUS, namely Bank Jago Syariah. Therefore, the number of sharia digital bank customers is smaller than conventional digital banks. If sharia digital banks can attract the interest of many customers from generation Z, it will have an impact on the competitiveness of sharia banks. Based on this background, this research will analyze generation Z's interest in using sharia digital banks in terms of the influence of convenience, security, and religiosity.

2. LITERATURE REVIEW

2.1. Factors in Adoption Sharia Digital Banks

According to Venkatesh and Davis (Venkatesh & Davis, 2000) , interest in

using is the level of how strong a person's motivation is to carry out a certain behavior or action. Indicators that can be used to measure interest are transactional interest, referential interest, preferential interest and exploratory interest (Milanie, 2021) . Ease of use of technology is a situation where someone believes that the application of the technology does not require more effort so that they do not need to spend a lot of energy (Gita & Juliarsa, 2021) . According to Venkatesh and Davis (2000) , the indicators used to measure convenience are clear and easy to understand, do not require more effort, are easy to use, easy to operate as desired. Security is confidence that the system used is safe and free from the risk of data loss, and the low risk of theft regarding users' personal information which is guaranteed to be confidential and free from third parties (Waspada, 2012) . The indicators used to measure security according to Waspada (2012) ; Tanoto *et al* (2021); Adelia *et al* (2024) are not worrying about providing information, trust that information is protected, trust that money security is guaranteed and comfort in transactions. Religiosity is a religious activity when a person carries out ritual behavior (worship) and also carries out activities that are motivated by supernatural forces. (Wibowo & Iqbal, 2021) . The measurement of the level of religiosity can be seen from the dimension of faith, the dimension of religious practice, the dimension of religious knowledge, the dimension of appreciation and the dimension of consequences (Faha *et al*., 2022) .

2.2. Sharia Digital Banks in the Era of Digital Disruption

The development of digitalization in banking services in the world was triggered by changes in internet technology. The emergence of the third generation of internet technology or what is known as 3G has made progress in the world of technology with the emergence of financial technology applications, *e-commerce, ride hailing* (Grab, Gojek) and online services. others which are currently growing. Internet technology is increasingly developing from 3G to 4G at increasing speeds and currently there is 5G technology which makes banking services possible virtually by utilizing *virtual reality* and *augmented reality technology*. Digital Bank according to OJK Regulation no. 12/POJK.03/2021 is a bank incorporated as an Indonesian legal entity (BHI) which provides and carries out business activities via electronic channels without a physical office other than the head office or using a limited physical office. Currently there are also sharia digital banks that are operating, namely Bank Aladin Syariah and Bank Jago Syariah. Sharia digital banks are banks that provide digital-based services by implementing sharia principles. The principles applied in sharia digital banks are the same as those applied in sharia banks in general, namely the prohibition of usury, the prohibition of *maysir*, the prohibition of *gharar* (uncertainty or speculation), as well as the prohibition of carrying out activities prohibited in the Islamic religion.

2.3. Research Hypothesis

The influence of convenience on interest in using sharia digital banks

Based on research by Windasari *et al* (2022) , it is known that the perception of ease of using a digital bank positively influences customers' intentions to use a digital bank. This is also in line with research conducted by Wardiani and Sugeng (2020) , research results prove that perceived convenience has a positive effect on interest in using the Jenius digital bank application. The higher the perception of ease of use shown to potential customers, the greater the interest in using the Jenius application. Related to

this, hypothesis 1 is proposed as follows:
H1: Convenience has a positive and significant effect on interest in using sharia digital banks

The influence of security on interest in using Islamic digital banks
According to Dandy Kurnia (2020) , security is one of the essential factors for customers in deciding to use a digital bank. This is because customers do not feel worried about placing their funds in digital banks. Based on Siswanti's research (2022) , it is known that security of use has a positive and significant effect on interest in using *fintech* among the public. If *the fintech* used in transactions is felt to be safe, then interest in fintech users will increase. The results of other research conducted by Kumala *et al*, (2020) found that security has a significant effect on interest in using the GoPay application. Based on several studies, this research can be analogous to the interest in using sharia digital banks. Therefore the second hypothesis is:
H2: Security has a positive and significant effect on interest in using Islamic digital banks.

The influence of religiosity on interest in using sharia digital banks
Religiosity is one of the factors that has a significant influence on interest in reusing Islamic bank electronic banking. So if customers have high religiosity, they will be more careful in making decisions using electronic banking services. This is also supported by research conducted by Wibowo and Iqbal (2021) , it is known that religiosity influences Generation Z's interest in saving in Islamic banks. Based on this, the third hypothesis is:
H3: Religiosity has a positive and significant effect on interest in using Islamic digital banks

The influence of convenience, security and religiosity on interest in using sharia digital banks
Based on research conducted by Dandy Kurnia (2020) , it is known that the variables ease of use and security can influence the decision to use the Jenius digital bank. The level of customer religiosity can also influence interest in using sharia digital banks. The results of research from Hamzah and Sukma (2021) , found that there is a significant influence on the variables of perceived ease of use and religiosity on the behavioral intention of sharia financial technology in the millennial generation and generation Z. Based on several of these studies, there is an assumption that the variables of convenience, security and religiosity can simultaneously influence interest in using sharia digital banks. Therefore the fourth hypothesis is:
H4: Convenience, security and religiosity simultaneously influence interest in using sharia digital banks.

The following is the conceptual framework used in the research.

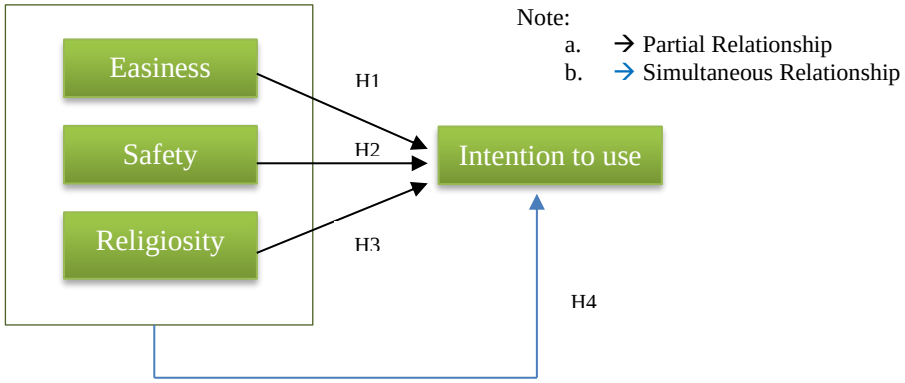

Figure 2. Conceptual Framework for Research

3. METHODOLOGY

This research includes Quantitative research that uses an associative approach . The associative approach is a type of causal relationship research to look for the influence of *independent* variables on the dependent *variable*. The independent variables in this research are convenience (X1), security (X2), religiosity (X3) and the dependent variable in this research is interest in using sharia digital banks (Y). The data used is primary data obtained through distributing questionnaires online using *Google Form media*. The scale applied in this research uses a Likert scale. This research was aimed at generation Z who live in Surabaya and took 170 respondents. The sampling technique applies a selected sample (*purposive sampling*) with the criteria for respondents being 17-26 years old, domiciled in Surabaya and have never used a sharia digital bank . The data analysis technique implemented in this research is the *Partial Least Square* (PLS) Model specification through evaluation analysis *of the outer model* and *inner model* using SmartPLS 3 *software.*

4. RESULT AND DISCUSSION

Digital Bank according to OJK Regulation no. 12/POJK.03/2021 is a bank incorporated as an Indonesian legal entity (BHI) which provides and carries out business activities via electronic channels without a physical office other than the head office or using a limited physical office. Banks can be new banks or old banks that are transforming into digital banks. Banks that decide to have a completely digital business model it is still required to have at least one physical office in the form of a head office and complete the operational requirements as a digital bank (Yusuf *et al.*, 2022) . Currently there are also sharia digital banks that are operating, namely Bank Aladin Syariah and Bank Jago Syariah. However, Bank Jago Syariah is still located as a UUS (Sharia Business Unit) which is still combined in one unit with Bank Jago. This is different from Bank Aladin Syariah which is classified as BUS (Sharia Commercial Bank. Sharia digital banks are banks that provide digital-based services by implementing sharia principles. As with conventional digital banks, at sharia digital banks all transactions and banking services are carried out automatically. online via a digital platform. The presence of the DPS (Sharia Supervisory Board) is one thing that differentiates digital sharia banks from conventional digital banks. The DPS is responsible as a sharia supervisor, so that banking operational activities can comply

with sharia provisions.

Data collected from distributing questionnaires online using *Google Form media* from March 16 2023 to April 4 2023. The number of respondents collected was 170 respondents who met the criteria. The characteristics of respondents in this study are age, gender, occupation, education level, income, account ownership, *mobile banking ownership* , digital wallet ownership and knowledge of sharia digital banking. The following is an explanation of the general description of the respondents in this study.

Table 1. Respondent Characteristics

Description	Type	Frequency	Percentage (%)
Age	17 years	18	11%
	18 years	4	2%
	19 years old	17	10%
	20 years	9	5%
	21 years	13	8%
	22 years	15	9%
	23 years	18	11%
	24 years old	34	20%
	25 years	29	17%
	26 years	13	8%
Gender	Woman	121	71%
	Man	49	29%
Type of work	Student/Students	92	54%
	Entrepreneur/Entrepreneur	16	9%
	Private employees	55	32%
	Government employees	3	2%
	Other	4	2%
Level of education	Junior High School	19	11%
	Senior High School	46	27%
	D1/D2/D3	9	5%
	S1	90	53%
	S2/S3	6	4%
Income	< Rp. 1,000,000	80	47%
	Rp. 1,000,000 – Rp. 5,000,000	75	44%
	>Rp. 5,000,000	15	9%
Account Ownership	Don't have a bank account	16	9%
	Conventional Banks	104	61%
	Islamic Bank	30	18%
	Digital Bank	1	1%
	Conventional Banks and Digital Banks	2	1%
	Conventional Banks and Sharia Banks	17	10%
M-banking ownership	Has *m-banking*	135	79%
	Do not have *m-banking*	35	21%
E-wallet ownership	Have *an e-wallet*	160	94%

Description	Type	Frequency	Percentage (%)
Sharia Digital Bank Knowledge	Do not have *e-wallet*	10	6%
	Knowing about sharia digital banks	28	16%
	Not familiar with sharia digital banks	142	84%

Based on table 1, it shows that of the 170 respondents it is known that the majority of respondents are 24 years old, female, most are students, education level is at Strata 1, income <Rp. 1,000,000, the majority have accounts at conventional banks, have *mobile banking* and *e-wallets* , and do not know about sharia digital banks. The following is an accumulation of respondents' answers seen from indicators and variables.

Table 2. Accumulation of Respondents' Answers

No	Variables and Indicators	Indicator Score	Variable Score
	Convenience		
1	Clear and easy to understand	4,065	3 , 999
	Doesn't require more effort	4,082	
	Easy to use	3,903	
	Easy to operate as desired	4,041	
	Security		
2	Don't worry about providing information	3,800	3 , 944
	Trust the information is protected	3,988	
	Trust guaranteed money	3,971	
	Convenience in transactions	4,018	
	Religiosity		
3	Dimensions of Faith	4,846	4,557
	Dimensions of Religious Practice	4,399	
	Dimensions of Religious Knowledge	4,202	
	Dimensions of Appreciation	4,673	
	Consequence Dimensions	4,588	
	Interest in Using		
4	Transactional Interest	4,053	3,821
	Referential Interest	3,644	
	Preferential Interests	3,809	
	Exploration Interest	3,776	

Table 2 shows that the convenience variable score is 3.999 and is in the agree interval class, which means that the majority of respondents think that Islamic digital banks are easy to use. The score on the security variable is 3.944 which is also included in the agree interval, thus indicating that respondents agree that Islamic digital banks are safe to use. On the religiosity variable, the score shows 4.557 which is included in the strongly agree category. This means that the majority of respondents have very high religiosity. The score on the interest variable is 3.821, indicating that the majority of respondents agree and are interested in using sharia digital banks.

1. Outer Model Evaluation

The validity test was carried out as an effort to determine the ability of the research instrument to measure the concept being measured. Validity test measurements were carried out using convergent validity and discriminant validity. A research instrument is declared valid if it meets the provisions of these two validity tests. If there are statement points in the research instrument that are invalid, then the statement points are removed. The convergent validity test is carried out by looking at the *outer loading value* which is declared valid if the value is >0.7 and *the Average Variance Extracted (AVE)* value is >0.5. The following are the results of the convergent validity test

Table 3. *Outer Loading*

Items	Outer Loading Value	Information	Items	Outer Loading Value	Information
X1.1.1	0.810	Valid	X3.1.4	0.761	Valid
X1.1.2	0.731	Valid	X3.1.5	0.762	Valid
X1.2.1	0.755	Valid	X3.2.3	0.794	Valid
X1.2.2	0.751	Valid	X3.2.4	0.788	Valid
X1.3.1	0.804	Valid	X3.2.5	0.700	Valid
X1.3.2	0.760	Valid	X3.3.1	0.710	Valid
X1.3.3	0.806	Valid	X3.3.2	0.728	Valid
X1.3.4	0.818	Valid	X3.3.3	0.765	Valid
X1.4.1	0.853	Valid	X3.4.1	0.799	Valid
X1.4.2	0.829	Valid	X3.4.2	0.778	Valid
X2.1.1	0.827	Valid	X3.4.3	0.837	Valid
X2.1.2	0.790	Valid	X3.5.1	0.813	Valid
X2.2.1	0.808	Valid	X3.5.2	0.788	Valid
X2.2.2	0.878	Valid	Y.1.1	0.793	Valid
X2.3.1	0.873	Valid	Y.1.2	0.821	Valid
X2.3.2	0.815	Valid	Y.2.1	0.875	Valid
X2.4.1	0.730	Valid	Y.2.2	0.845	Valid
X2.4.2	0.797	Valid	Y.3.1	0.882	Valid
X3.1.1	0.760	Valid	Y.3.2	0.896	Valid
X3.1.2	0.769	Valid	Y.4.1	0.893	Valid
X3.1.3	0.740	Valid	Y.4.2	0.871	Valid

Table 4. AVE value

Variable	AVE value	Parameter	Results
Convenience (X1)	0.628	>0.5	Valid
Security (X2)	0.666	>0.5	Valid
Religiosity (X3)	0.591	>0.5	Valid
Interest in Using (Y)	0.740	>0.5	Valid

Based on table 3, it is known that the *outer loading value* of each indicator on the instrument has an outer loading value of >0.7. This shows that all indicators measuring interest in using Islamic digital banks are valid. In table 4, the AVE values for all variables are >0.5 so they have met the convergent validity test criteria.

The next validity test is to carry out a discriminant validity test, it is declared

passed if the square root value of AVE > latent variable correlation and *cross loading value* > 0.7. The following are the results of the discriminant validity test.

Table 5. Fornel Larcker Criterion

Variable	X1	X2	X3	X4
Convenience (X1)	0.788			
Security (X2)	0.783	0.822		
Religiosity (X3)	0.589	0.585	0.769	
Interest in Using (Y)	0.640	0.647	0.445	0.860

Based on table 5, the results show that the square root value of AVE > latent variable correlation. So, it has fulfilled one of the conditions of the discriminant validity test. The next discriminant validity test is by looking at the *cross-loading value.*

Table 6. *Cross Loading*

	Information		Information
X1.1.1	Valid	X3.2.3	Valid
X1.1.2	Valid	X3.2.4	Valid
X1.2.1	Valid	X3.2.5	Valid
X1.2.2	Valid	X3.3.1	Valid
X1.3.1	Valid	X3.3.2	Valid
X1.3.2	Valid	X3.3.3	Valid
X1.3.3	Valid	X3.4.1	Valid
X1.3.4	Valid	X3.4.2	Valid
X1.4.2	Valid	X3.4.3	Valid
X2.1.1	Valid	X3.5.1	Valid
X2.1.2	Valid	X3.5.2	Valid
X2.2.2	Valid	Y.1.1	Valid
X2.3.1	Valid	Y.1.2	Valid
X2.3.2	Valid	Y.2.1	Valid
X2.4.1	Valid	Y.2.2	Valid
X2.4.2	Valid	Y.3.1	Valid
X3.1.2	Valid	Y.3.2	Valid
X3.1.3	Valid	Y.4.1	Valid
X3.1.4	Valid	Y.4.2	Valid
X3.1.5	Valid		Valid

The results of the cross loading value in the discriminant validity test of the research instrument show that the *cross loading value* is >0.7. So it can be concluded that all research instrument items have passed the discriminant validity test. The next stage after the validity test, a reliability test is carried out. Reliability tests are carried out to prove the accuracy, consistency and correctness of research instruments in measuring constructs. Reliability test requirements that must be met are Cronbach's Alpha value >0.7 and Composite Reliability value >0.7. The results of the research instrument reliability test will be shown in table 7 below.

Table 7. Reliability Test

Variable	*Cronbach's Alpha*	Note.	*Composite Reliability*	Note.
Convenience (X1)	0.924	Reliable	0.937	Reliable
Security (X2)	0.920	Reliable	0.936	Reliable
Religiosity (X3)	0.956	Reliable	0.959	Reliable
Interest in Using (Y)	0.950	Reliable	0.958	Reliable

Based on table 7, it shows that the *Cronbach's alpha* and *composite reliability values* for the convenience (X1), security (X2), religiosity (X3) and interest in using (Y) variables have a value of >0.7. So it has met the requirements of the reliability test.

2. Inner Model Evaluation

Structural model evaluation was carried out to determine the causal relationship between latent variables which were built based on the substance of the theory. The components used in evaluating the structural model are *R-Square* (R^2), *Effect Size* (f^2), *Predictive Sample Reuse* (Q^2), *Path Coefficients* and *t-value.*

a. *R-Square* Test (R^2)

R-Square (R^2), the higher the value R^2 means the better the prediction model of the proposed research model. The R^2 values of 0.75, 0.50, and 0.25 indicate a strong, moderate and weak model. The following are the results of the *R-Square test* (R^2).

Table 8. R - *Square* Test (R^2)

	R-Square	*Adjusted R Square*
Interest in Using Sharia Digital Banks	0.466	0.456

Based on table 4.40, it is known that the R-Square value is 0.466 if the percentage is 46.6%. So it can be interpreted that the R-Square value is included in the moderate category. The contribution of the independent variables, namely convenience, security and religiosity, in influencing the dependent variable, namely interest in using, was 46.6%. Meanwhile, the remainder (100% - 46.6% = 53.4%) is influenced by other variables outside the research model carried out.

b. Test (f^2)

Effect Size (f^2) is used to interpret the influence of latent variable predictors. The f^2 value is 0.02 (small), 0.15 (medium), 0.35 (large). The following are the results of the *Effect Size* (f^2) *test.*

Table 9. Effect Size Test *(f^2)*

Variable	Convenience	Security	Religiosity	Interest in Using
Convenience (X1)				0.076
Security (X2)				0.090
Religiosity (X3)				0.001
Interest in Using (Y)				

Based on table 9, *the f square* results show that the convenience and security variables have a medium or moderate influence on the interest variable in using Islamic digital banks. Meanwhile, the religiosity variable has a very small influence on the interest in using variable.

c. *Predictive Sample Reuse (Q^2)*
Predictive Sample Reuse (Q^2) is used to measure how good the observation values produced by the model are and the parameter estimates. The value of $Q^2 > 0$ indicates that the model has *predictive relevance*, while the value of $Q^2 < 0$ indicates that the model lacks *predictive relevance*. The formula used to calculate Q-Square is:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \ldots\ldots (1 - R_a^2)$$
$$Q^2 = 1 - (1 - 0{,}466)$$
$$Q^2 = 0{,}466$$

The Q^2 value of 0.466 indicates that the model has *predictive relevance*. This value shows that the research has good observation.

d. Path Coefficient
Path Coefficient, used to determine the direction of the variable relationship. The path coefficient value ranges from -1 to +1. If the value is close to the maximum number, it indicates a strong construct. The following are the results of the path coefficient.

Table 10. Path Coefficients Results

Variable	Convenience	Security	Religiosity	Interest in Using
Convenience (X1)				0.335
Security (X2)				0.365
Religiosity (X3)				0.034
Interest in Using (Y)				

Based on table 10, it is known that the three variables have positive values, so that the influence of an independent variable on the dependent variable is in the same direction or increases, so the value of the dependent variable will also increase or increase. This means that if convenience, security or religiosity increases, it will have an impact on increasing interest in using sharia digital banks.

e. T-value

T -value is used to carry out significance tests between constructs in the structural model. The results of the t test will be used as a reference in answering the hypothesis. If the *t-statistic value* is > 1.96, it shows a significant result, meaning that the hypothesis is accepted. However, if the *t-statistic value* is <1.96, it shows that the results are not significant and means that the hypothesis is rejected. The following are the test results to determine the significance between constructs in the structural model.

Table 11. Results of Path Coefficients

	Original Sample	Sample Mean	Standard Deviation	T-Statistics	P-Value
Ease of →Interest in Using	0.335	0.343	0.100	3,348	0.001
Security →Interest Using	0.365	0.354	0.109	3,357	0.001
Religiosity →Interest in Using	0.034	0.059	0.095	0.360	0.719

Based on table 11, it can be seen that:

1) Convenience has a positive and significant effect on interest in using sharia digital banks
   The results of testing the ease of interest in using sharia digital banks show a positive influence of 0.335. The *t-statistic* value shows 3.348, which means >1.96, thus showing a significant effect.
2) Security has a positive and significant effect on interest in using sharia digital banks
   The results of security testing on interest in using sharia digital banks show a positive influence of 0.365. The *t-statistic* value shows 3.357, which means >1.96, thus showing a significant effect.
3) Religiosity has a positive and insignificant effect on interest in using sharia digital banks
   The results of testing religiosity on interest in using sharia digital banks show a positive influence of 0.034. The *t-statistic* value shows 0.360, which means <1.96, so it shows that the effect is not significant.

Based on the research results that have been presented, it is known that a positive and significant influence was found between the convenience variable on interest in using Islamic digital banks, so the first hypothesis (H1) acceptable. This shows that if a system owned by a sharia digital bank makes things easier for customers, it will have an impact on increasing interest in using sharia digital banks. The convenience variable can be influential because the sharia digital banking system is clear and easy to learn, does not require more effort in carrying out banking activities, is easy to use, and can be operated according to the wishes of its customers. Generation Z likes things that provide convenience and instantaneousness, so convenience can be one of the factors that influences Generation Z's interest in using sharia digital banks. Based on research, the results found a significant influence between convenience and interest

in using sharia digital banks among generation Z in Surabaya.

Sharia digital banks should make more efforts to provide convenience for their customers. This is in accordance with one of the principles of service in Islam, namely the principle of providing convenience (*at-taysir*). Based on Islamic law, there are provisions to maintain and ensure that the provisions imposed on humans can be easily implemented and eliminate excessive difficulties that can drain human power to implement them. It has been stated in the Qur'an Surah Al Baqarah verse 185.

....يُرِيْدُ اللّٰهُ بِكُمُ الْيُسْرَ وَلَا يُرِيْدُ بِكُمُ الْعُسْرَ ۖوَلِتُكْمِلُوا الْعِدَّةَ وَلِتُكَبِّرُوا اللّٰهَ عَلٰى مَا هَدٰىكُمْ وَلَعَلَّكُمْ تَشْكُرُوْنَ (١٨٥)

Meaning: Allah desires ease for you and does not desire hardship. You must complete the number and glorify Allah for His guidance given to you so that you will be grateful.

This verse explains that Allah SWT desires ease and does not desire hardship. There is also a Hadith of the Prophet from Anas bin Mali ra, he said: Rasulullah SAW said "Make it easy and don't make it difficult, make them happy and don't make them run away." (Nurhadi, 2020) . Other research that is in line with the results of this research is research conducted by Windasari, *et al* (2022) which suggests that ease of use positively influences customers' intentions to use digital banks. Generations Y and Z are generations who understand technology, but that doesn't mean they like the complexity of operating technology. The research results show that generations Y and Z are productive people and do not want to spend time learning how to operate digital bank features. Therefore, prefer short guides, rather than long instructions that can cause transactions to fail due to misinterpretation. So a simple, comfortable and easy to navigate application system is better for this generation.

Hamza and Sukma's research results (2021) , also shows that ease of use has a positive and significant effect on *financial technology* (*fintech*) behavioral intentions. sharia in the millennial generation and generation Z. When someone has the perception of ease of use of sharia *fintech* high, then there will be a high interest in using it too. Someone who has a good perception of the use of sharia *fintech* will tend to have an interest in using it. This is because using sharia *fintech* is considered to have several conveniences such as ease of downloading, using and understanding *fintech services* as desired.

Ease of use also has a positive and significant effect on customers' intentions to switch from non-digital banks to digital banks. Customers are interested in using digital banks because of cool features, cost savings, ease of registration, flexibility, and digital systems. However, ease of registration is the majority of reasons used for using digital banks (Hidayat, 2023) . Research that is not in line with this research is research conducted by Cupian *et al* (2022) about the factors that influence generation Z's interest in the city of Bogor to use sharia digital banks. The results of this research show that ease of use does not have a significant influence on interest in using digital banks among generation Z in Bogor.

The results of the research that has been carried out show that security has a positive and significant influence on interest in using Islamic digital banks, so that the second hypothesis (H2) can be accepted. This shows that if the system owned by a digital sharia bank provides more security for customers, it will have an impact on increasing interest in using digital sharia banks. So that customers do not worry about providing information, believe that information will be protected, believe that money security is guaranteed and there is comfort in transactions.

Sharia digital banks should pay attention to customer security in every banking activity. So sharia digital banks need to make *cybersecurity efforts* to protect sharia digital banks from cyber attacks and be able to provide maximum benefits to their customers. In accordance with the rule of fiqh which states "basically everything that is useful is halal and that which is harmful is haram according to the instructions of the Shari'a". If *cybersecurity* is not implemented, it will pose a threat to the security of Islamic digital banks. Harm or anything that is harmful to sharia digital banks and their customers must be stopped, in accordance with the rule of fiqh which states "Anything that causes harm is haram." (Munawarah & Yusuf, 2022) .

This research is in line with the results of research regarding the influence of security on interest in using financial technology conducted by Tutik Siswanti. The results of this research show that the security of using fintech has a positive and significant effect on interest in using fintech among the public. Security is a condition when the community using the system is protected from various negative things that have an impact on the loss of its users. So interest in using fintech will increase if the fintech used in transactions is felt to be safe (Siswanti, 2022) .

According to research conducted by Patangsari, *et al* (2022) regarding customer interest in using Jenius digital bank, it was found that one of the reasons customers' interest in Jenius bank was due to the security provided by Jenius bank. This finding is also in line with research conducted by Gita and Juliarsa (2021) , which states that the higher the security provided by a digital bank, the higher the interest in using it. People will believe that when using a digital bank their security will be guaranteed and they will not be afraid of being hacked by unauthorized parties and confidential customer personal data will also be protected.

Based on the research that has been conducted, it is known that the religiosity variable has a positive influence, but does not have a significant influence on interest in using Islamic digital banks, so the third hypothesis (H3) is rejected. This shows that the higher religiosity will have a very low influence on increasing interest in using sharia digital banks. So it does not have a significant influence on interest in using sharia digital banks. This means that someone who has a high level of religiosity may not necessarily have an interest in using a sharia digital bank.

The research results that are in line with this research are research conducted by Musyaffa and Iqbal (2022) ; Devi *et al* (2023), stated that religiosity is not significant in a Muslim's interest in saving in a sharia bank. A person's interest in saving in a sharia bank is not based on a person's religious observance. This is also in line with research from Hariyanto and Nafi'ah (2022) , that religion is not a substantial factor that can influence interest in using Islamic banks. According to research results by Kardoyo, *et al* (2020) It is also known that religiosity has not been proven to have a significant effect on interest in using Islamic banking services.

Religion is not the only reason customers choose sharia banks. Therefore, Islamic banks do not only rely on religiosity factors as a strategy to attract more consumers but must prioritize efficient service and must look at situational factors that determine the level of customer satisfaction. However, sharia banks cannot be separated from religious sentiments because basically sharia banks are built based on Islamic law. Religious obligations and customer religiosity can still be relied on as a strategy to get new customers or retain customers (Usman, 2015; Ali *et al*, 2020) .

Based on the results of the R-Square test that has been carried out, it is known that the R-Square value is included in the moderate category. The variables of

convenience, security and religiosity simultaneously influence interest in using Islamic digital banks. So that the three independent variables have one unity which can influence interest in using Islamic digital banks. If one of the three independent variables decreases or decreases, then interest in using Islamic digital banks will decrease or decrease. The contribution of convenience, security and religiosity variables to interest in using sharia digital banks is 46.6%, while the rest is influenced by other variables not included in this research.

The research results show that more than half of the respondents are interested in using a sharia digital bank, namely 64% of the respondents. Generation Z can easily be attracted to sharia digital banks which have the convenience they offer. However, there are challenges faced by digital banks, namely related to security systems. Apart from the convenience offered to customers, it must also be accompanied by a guaranteed security system. Even though sharia digital banks have convenience for their customers, if they don't have a good security system it can reduce interest in using sharia digital banks. Apart from requiring a sophisticated technological system, the ability of human resources who are experts in technology is also very necessary in maintaining the security of the sharia digital banking system.

Security efforts for sharia digital banks can be carried out by strengthening the security system technology owned by sharia digital banks themselves and customer awareness in protecting their data. The OJK (Financial Services Authority) is also starting to prepare regulations regarding cyber security in digital banks. So, in realizing the security of sharia digital banks from digital crime attacks, support from various parties is needed.

5. CONCLUSION AND RECOMMENDATION

Based on research that has been conducted, it is known that there are two variables that can significantly influence generation Z's interest in choosing to use a sharia digital bank, namely the convenience variable and the security variable. The convenience variable shows a positive influence of 0.335 and has a *t-statistic value* of 3.348, which means >1.96, so the convenience variable has a positive and significant effect on interest in using sharia digital banks. Meanwhile, the security variable shows a positive influence of 0.365 and has a *t- statistic value* of 3.357, which means >1.96, so the security variable has a positive and significant effect on interest in using sharia digital banks. However, in this study the religiosity variable did not have a significant influence. The religiosity variable showed a positive influence of 0.034 and had a *t-statistic value* of 0.034, which means <1.96, so the religiosity variable did not have a significant influence on interest in using sharia digital banks. Simultaneously, the variables of convenience, security and religiosity influence interest in using Islamic digital banks. The contribution of convenience, security and religiosity variables to interest in using sharia digital banks is 46.6%. Meanwhile, 53.4% was influenced by other variables not examined in this study.

For sharia digital banks, it is hoped that this research can be used as input that can be considered to maximize the sharia digital bank application system. This can be seen in terms of convenience which can attract generation Z's interest in carrying out banking activities without having to go to the bank. Furthermore, it is hoped that sharia digital banks can collaborate with several parties who can help make transactions easier using sharia digital banks, such as *convenience stores, marketplaces* and so on. Sharia digital banks also need to maintain and improve their security systems to keep

customer data and money safe.

Government institutions related to sharia digital banks, such as the OJK and DSN-MUI, should make regulations that specifically discuss sharia digital banks. The increasing development of sharia digital banks, and the increasing public interest in using sharia digital banks will require clear foundations or regulations that discuss sharia digital banks.

For future researchers, it is hoped that the results of this research can become a reference and input for further research on the same topic. If you want to research the interest in using sharia digital banks and the intended respondents are respondents who have never heard of and are familiar with sharia digital banks, the author can provide information directly or *face to face* to the respondents regarding explanations about sharia digital banks. So that respondents can know and understand the contents of the questionnaire. Future researchers can also add other supporting variables so that research regarding interest in using Islamic digital banks can develop more widely. As well as expanding the subject under study, not only focusing on generation Z in Surabaya, but it can also be compared with other generations and regions.

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