

Determinants Of Interest In Young Muslim Investors Buying Retail Sukuk

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Abstrak

Perkembangan sukuk di Indonesia telah berkembang sangat pesat. Sukuk diharapkan menjadi alternatif pendanaan negara. Penelitian ini bertujuan untuk menganalisis determinan minat investor muda muslim dalam membeli sukuk ritel. Penelitian ini menggunakan data primer, sampel yang digunakan adalah 245 orang, dianalisis dengan Partial Least Squares (PLS). Hasil penelitian menunjukkan bahwa pengetahuan, return dan promosi berpengaruh minat investor muda muslim untuk membeli sukuk ritel. Untuk meningkatkan minat investor muda muslim untuk membeli sukuk ritel, otoritas sektor keuangan perlu memperkuat sistem keuangan dan pembangunan ekonomi di tanah air. Sementara itu, religiositas, harga, risiko investasi, atribut syariah, literasi keuangan, dan media sosial tidak mempengaruhi investor muda muslim dalam membeli sukuk ritel. Penelitian ini memberikan kontribusi terhadap keterbatasan pengetahuan mengenai determinan minat investor muda muslim dalam membeli sukuk ritel dengan menggali sembilan faktor yang meliputi faktor ekonomi dan non ekonomi.

Kata Kunci: Sukuk Ritel, Investor Muda Muslim, Determinan

Abstract

The development of sukuk in Indonesia has developed very rapidly. Sukuk are expected to be an alternative to state funding. This study aims to analyze the determinants of young Muslim investors' interest in buying retail sukuk. This study uses primary data, the sample used is 245 people, analyzed by Partial Least Squares (PLS). Research findings reveal that knowledge, returns and promotions influence the interest of young Muslim investors to buy retail sukuk. To increase the interest of young Muslim investors to buy retail sukuk, the financial sector authorities need to strengthen the financial system and economic development in the country. Meanwhile, religiosity, price, investment risk, Islamic attributes, financial literacy, and social media do not affect young Muslim investors in buying retail sukuk. This study contributes to the limited knowledge regarding the determinants of young Muslim investors' interest in buying retail sukuk by exploring nine factors including economic and non-economic factors.

Keywords: Retail Sukuk, Young Muslim Investors, Determinant

Introduction

The trend of dependence on the banking industry has caused the economies of many countries to face financial crises (Bhattacharyay, 2013). Short-term financing provided by commercial banks is usually used for long-

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term investment needs. The limited amount of financing and the risk of default that often occurs causes the value of the currency to depreciate and the banking system to become unstable. This condition makes the country vulnerable to a financial crisis and has a negative impact on investment activities in the country (M. Ali & Cantner, 2020). Investment uncertainty will also destroy investor confidence and cause economic losses (S. E. A. Ali et al., 2021).

The capital market provides opportunities for long-term financing. A larger bond market is needed to cope with financial market uncertainty (Kim et al., 2021). A dynamic bond market will have an impact on better macroeconomic stability (Boukhatem et al., 2020). This underlies the importance of developing the sukuk and bond markets in providing alternative funding that has the potential to reduce dependence on banks. Sukuk have a very big opportunity to be developed as a source of funding in utilizing local currency-based financial resources.

The Indonesia Stock Exchange states that the number of young domestic equity investors that are still being taken into account is 1 percent of the population. Domestic retail equity investors are dominated by the younger generation, reaching 60.29 percent under the age of 30. In 2021, 80.95 percent of government bond investors will be domestic investors. Likewise, bonds issued by corporations are also dominated by domestic investors, namely 94.41 percent. The number of investors has increased, which means that investors' interest in investing in the capital market has increased. The number of investors in 2022 has reached 3.9 million investors (Otoritas Jasa Keuangan, 2022b). The number of investors is still lower than the existing potential. Many factors cause this, including the low literacy and inclusion of capital markets in Indonesian society (Rinaldo & Puspita, 2021; Soemitra, 2021).

The development of sukuk in Indonesia has developed very rapidly. Sukuk are expected to be an alternative to state funding. In May 2022, outstanding sukuk has reached Rp 37.47 trillion with a total of 201 outstanding sukuk (Otoritas Jasa Keuangan, 2022). The advantages of sukuk are that they can be traded, can be offered to anyone, whether national or global investors, and are safe because they are guaranteed by real underlying assets. (Muawanah et al., 2021). In contrast to other stock instruments, sukuk are proven to be

more able to survive in difficult economic situations such as the impact of the COVID-19 pandemic (Gustina, 2021). One of the instruments offered by the government is retail sukuk. In Indonesia, the government officially issued retail sukuk on February 25, 2009 to support the 2009 state budget. Retail sukuk are sharia securities issued and the sale is regulated by the state. (Otoritas Jasa Keuangan, 2022b).

Based on data from the Director General of Financing and Risk Management at the Ministry of Finance of the Republic of Indonesia, sukuk sales are always oversubscribed, meaning that demand is greater than the government's issuance target. This also means that public interest is always high to buy retail sukuk. The high public interest in buying retail sukuk is due to the retail sukuk instrument which has low risk because it is guaranteed by the government and the yield is higher than the deposit interest offered by banks. Judging from the characteristics of investors, it is known that millennial investors are the largest in number with a percentage of 44.37 percent of the total investors (Perwitasari, 2021).

Previous studies have shown that people's investment decisions are influenced by many factors. Research by Fathmaningrum & Utami (2022) found that accounting information and information technology have an effect on investment decisions. In addition, risk factors, income level, personality, product information and considerations of Islamic and conventional bonds principles as well as investor satisfaction affect interest in sukuk investment. (Dewi et al., 2018) While Osman, Ismah, Masturah Ma'in (2019) stated that five variables consisting of attitude, behavior control, knowledge, reputation and religious values significantly influence Muslim intentions to actively participate in green investment. The variable of religious values as the most significant contributor compared to other variables. Other studies also state that investment decisions in bonds and sukuk are largely determined by macroeconomic variables (exchange rates, inflation, and interest rates) and financial markets (deposit rates, financing interest rates, volume and coupon rates) (Suharti, 2021).

However, based on the results of research by researchers, there are still not many studies that specifically analyze the determinants of interest of young

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Muslim investors in buying retail sukuk. Therefore, researchers are interested in conducting this study by including economic and non-economic factors, namely knowledge, religiosity, prices, returns, investment risks, Islamic attributes, financial literacy, social media and promotions. This study aims to analyze the determinants of young Muslim investors' interest in buying retail sukuk.

This research is urgent for several reasons, namely: First, this study is needed to serve as a guide in looking at the development of retail sukuk and the factors that influence the interest of young Muslim investors in buying retail sukuk. Second, practically this study can be a guide for Islamic financial institutions and capital markets in developing innovations in increasing the interest of young Muslim investors to actively invest in retail sukuk. Third, internationally, sukuk has been believed by many countries as an alternative source of long-term financing which still requires studies related to the determinants of interest of young Muslim investors to invest, especially retail sukuk.

Literature Review

The sukuk market in various countries has shown very rapid growth. Many studies related to sukuk have been carried out including: Perwitasari (2021), A. U. Aman et al. (2019), Abdulkareem et al. (2021), A. Aman et al. (2021), Hariyanto & Hijriani (2021), Witro & Setiawan (2021), Balli et al. (2021), Duqi & Al-Tamimi (2019), Suharti (2021), Nasution & Faisal (2021), dan Gustina (2021). The focus of previous research is to examine the opportunities and challenges of the sukuk market, the growth of the sukuk market, the factors that determine the development of the sukuk market. Dewi et al., (2018) found that risk factors, income level, personality, product information, consideration of the principles of Islamic and conventional bonds and investor satisfaction have an effect on interest in sukuk investment. The author also finds that Muslims whose all aspects of their lives are based on Islamic religious values decide to invest in products that comply with sharia principles such as sukuk. This indicates that religious characteristics are the basis for consideration in investing (Duqi & Al-Tamimi, 2019).

Therefore, it is important to conduct a study on the determinants of young Muslim investors' interest in buying retail sukuk. Thus, the following hypotheses were tested related to this research:

1. H1: Knowledge can increase the interest of young Muslim investors to buy retail sukuk

Investment-related knowledge in the form of investor understanding of various aspects of investment. Knowledge of investment will make it easier for someone to make decisions in investing (Shadnan, 2016; Anas, 2009; Patma et al., 2021; Natsir & Arifin, 2021; Atmaningrum et al., 2021). Furthermore, the hypothesis set out in this study is:

2. H2: Religiosity can increase the interest of young Muslim investors to buy retail sukuk

Religiosity is based on belief in the value of truth that is believed. The attitude of religiosity will affect a person in doing something that is adjusted to the values in religion (Tahaha & Rustan, 2017). Religiosity has an important role in investment decisions (Khedmati et al., 2021; Setiawan et al., 2021; Lestari et al., 2021). The next hypothesis proposed:

3. H3: Prices can increase the interest of young Muslim investors to buy retail sukuk

Price greatly determines a person's decision in buying retail sukuk. The price per retail sukuk unit is IDR 1,000,000 (one million rupiah) with a minimum purchase of IDR 10,000,000 (one million rupiah) and multiples thereof. Pricing really determines the buyer's decision (Sengkey et al., 2021; Tamara et al., 2021; Firdayetti et al., 2022). The sukuk price set plays an important role in efforts to increase sharia capital growth (Azis et al., 2021). Next hypothesis:

4. H4: Yields can increase the interest of young Muslim investors to buy retail sukuk

Yield is the amount of dividends resulting from the courage of investors in taking the risk on the investment made. The returns expected by investors will greatly influence the investment decisions that will be made (Duqi & Al-Tamimi, 2019; Suharti, 2021). Sukuk are based on ownership of assets

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whose returns can be appreciated or depreciated (Balli et al., 2021). Next hypothesis:

5. H5: Investment risk can increase the interest of young Muslim investors to buy retail sukuk

Investment risk is the risk that arises from participation in finance or other activities that have risks. The investment risk that will be borne by investors affects the investment decisions that will be made (Natsir & Arifin, 2021)(Setiawan et al., 2021)(Lestari et al., 2021). Next hypothesis:

6. H6: Islamic attributes can increase the interest of young Muslim investors to buy retail sukuk

Islamic attributes are one of the elements that must exist and become the basis for decision making. Islamic attributes can be seen from products that have implemented sharia values. Specific characteristics such as Islamic attributes possessed by investment products play an important role in the decision-making process (Duqi & Al-Tamimi, 2019; Duqi & Al-Tamimi, 2019). Next hypothesis:

7. H7: Financial literacy can increase the interest of young Muslim investors in buying retail sukuk.

Financial literacy has become a basic need for every individual in making investment decisions. (Shadnan, 2016; Setiawan et al., 2021). Financial literacy is needed by every individual and has an important role in financial planning and management. Next hypothesis:

8. H8: Social media can increase the interest of young Muslim investors to buy retail sukuk

Social media which has grown rapidly in recent years has shaped consumer attitudes and behavior (Vrontis et al., 2021). Marketing through social media has now become a company strategy in product marketing. Social media is a communication platform for companies with consumers in developing their business (Domenico et al., 2021) so that the information conveyed greatly influences consumer decisions (Chen & Lin, 2019). Next hypothesis:

9. H9: Promotion can increase young Muslim investors' interest in buying retail sukuk

Promotions are carried out to provide information to consumers regarding products that are produced. Promotions carried out can affect consumer buying interest (N, 2021; Isnain et al., 2021). Wasilah & Rosyidah (2021) Research shows that the promotions carried out have been proven to influence investors' interest in placing their funds.

Methods

This study uses a quantitative method with a survey method. The population used to support this research are Muslims who live in North Sumatra Province in 2022. The questionnaires were distributed on social media using the google form. A sample of 260 people was taken using convenience sampling technique (Galloway, 2005). This number has met the minimum sample requirements by considering statistical power and effect size. The first part of the questionnaire consists of questions about the demographics of the respondents. The second part consists of a conceptual assessment consisting of 67 statement items to evaluate the determinants of young Muslim investors' interest in buying retail sukuk. The scale used is the Likert scale starting from 1 = strongly disagree to 5 = strongly agree.

Data were analyzed using Partial Least Squares (PLS). The analysis in PLS is carried out in three stages, namely outer model analysis, inner model analysis and hypothesis testing. Before carrying out further analysis, the validity and reliability of the data are tested first. The objects studied in this study are the interest of young Muslim investors in buying retail sukuk, knowledge, religiosity, price, returns, investment risk, Islamic attributes, financial literacy, social media and promotions. The significant benefit obtained from this research is to explain the proposed model to predict the determinants of young Muslim investors' interest in buying retail sukuk.

Result And Discussion

1. Respondent Profile

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The general description of the respondents in this study is described by the criteria of age, gender, and occupation. Table 1 below describes the profile of the respondents in this study:

**Table 1.1
Respondent Profile**

Characteristics	Criteria	N	%
Gender	Man	81	31.20
	women	179	68.80
Ages	16-20	129	49.60
	21-25	108	41.50
	26-30	10	3.80
	31-40	13	5.0
Job	Student	216	83.10
	Government employees	9	3.50
	Private employees	6	2.30
	Entrepreneur	10	3.80
	Others	19	7.30

Based on Table 1.1, the profile of research respondents explained that there were 81 male respondents or 31.20% and the number of female respondents was 179 or 68.80%. Characteristics of respondents based on age varied greatly from 16 to 20 years amounting to 129 people or 49.60%, ages 21-25 years as many as 108 people or 41.50%, ages 26-30 years as many as 10 people or 3.80% and 31-40 years as many as 13 people or 5%. In addition to gender and age, an analysis of the respondents' occupations was also carried out. The respondents of this research were mostly students, reaching 216 people or 83.10%, civil servants as many as 9 people or 3.50%, private employees as many as 6 people or 2.30% and entrepreneurs as many as 10 people or 3.80%.

Convergent Validity

Convergent validity can be measured using the correlation between indicator scores and loading factors. The latent variable is declared valid if the factor value of each indicator is greater than 0.70 (Sholihin, 2021). Table 2 shows that all of the indicator variables of this research value have a loading factor value of > 0.70 . Thus, it can be ascertained that all research variables are declared valid.

Table 1.2.

Convergent Validity Test Results

Construct	Code	Loading	CR	AVE
Knowledge	X1.1	0,813	0.933	0.664
	X1.2	0.825		
	X1.3	0.772		
	X1.4	0.846		
	X1.5	0.859		
	X1.6	0.800		
	X1.7	0.786		
Religiosity	X2.1	0.840	0.879	0.537
	X2.2	0.815		
	X2.3	0.787		
	X2.4	0.836		
	X2.5	0.773		
Price	X3.1	0.784	0.950	0.732
	X3.2	0.848		
	X3.3	0.863		
	X3.4	0.890		
	X3.5	0.876		
	X3.6	0.887		
	X3.7	0.834		
Yield	X4.1	0.832	0.944	0.708
	X4.2	0.848		
	X4.3	0.878		
	X4.4	0.860		
	X4.5	0.849		
	X4.6	0.756		
	X4.7	0.859		
Investment Risk	X5.1	0.760	0.942	0.700
	X5.2	0.837		
	X5.3	0.973		
	X5.4	0.866		
	X5.5	0.808		
	X5.6	0.833		
	X5.7	0.873		
Islamic Attributes	X6.1	0.837	0.956	0.758
	X6.2	0.916		
	X6.3	0.832		
	X6.4	0.856		
	X6.5	0.859		
	X6.6	0.898		
	X6.7	0.891		
Financial Literacy	X7.1	0.758	0.923	0.633
	X7.2	0.739		
	X7.3	0.793		
	X7.4	0.797		
	X7.5	0.797		
	X7.6	0.841		
	X7.7	0.838		
Social media	X8.1	0.818	0.936	0.677
	X8.2	0.838		
	X8.3	0.805		
	X8.4	0.825		
	X8.5	0.780		
	X8.6	0.856		
	X8.7	0.834		
Promotion	X9.1	0.739	0.950	0.733
	X9.2	0.890		
	X9.3	0.873		
	X9.4	0.879		
	X9.5	0.971		
	X9.6	0.891		
	X9.7	0.839		
Buying Interest	Y2	0.745	0.910	0.595
	Y3	0.709		
	Y4	0.884		
	Y5	0.801		
	Y6	0.783		
	Y7	0.839		

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The AVE value or Average Variance Extracted is another indicator of the convergent validity test criteria. The standard that must be met is the AVE value > 0.50 . The table above shows that the variable value of buying interest $0.595 > 0.50$, knowledge $0.664 > 0.50$, religiosity $0.537 > 0.50$, price $0.732 > 0.50$, yield $0.708 > 0.50$, investment risk $0.700 > 0.50$, Islamic attributes $0.758 > 0.50$, financial literacy $0.633 > 0.50$, social media $0.677 > 0.50$ and promotion $0.733 > 0.50$. thus, all constructs have met the criteria of convergent validity.

Discriminat Validity

Discriminant Validity can be tested using the Fornell-Larcker Criterion value. The model is said to be good if the AVE square value of each construct is greater than the correlation value between constructs and other constructs, which is more than 0.70 (Sholihin, 2021). The results of the Fornell-Larcker Criterion calculation in this study can be seen in Table 3 below.

Table 1.3.
Fornell-Larcker Criterion

	Y	X1	X2	X3	X4	X5	X6	X7	X8	X9
Y	0.771									
X1	0.770	0.815								
X2	0.298	0.437	0.805							
X3	0.629	0.709	0.412	0.855						
X4	0.677	0.744	0.383	0.817	0.841					
X5	0.615	0.679	0.358	0.769	0.780	0.837				
X6	0.582	0.700	0.423	0.724	0.732	0.740	0.837			
X7	0.528	0.593	0.458	0.617	0.598	0.603	0.740	0.796		
X8	0.639	0.670	0.373	0.700	0.732	0.714	0.714	0.676	0.23	
X9	0.633	0.640	0.329	0.659	0.691	0.671	0.671	0.561	0.779	0.856

Based on the discriminant validity test through the Fornell-Larcker Criterion in the table above, it is known that all variables have the AVE squared value of each construct greater than the correlation value between constructs and other constructs in the model. Thus, it can be said that this research model has a good discriminant validity value.

Internal Consistency Reliability

Construct reliability is used to measure the reliability of the latent variable construct. A construct is said to be reliable if the combined reliability value is > 0.70 . The results of the composite reliability test are shown in Table 2. The results show that each construct is knowledge with a value of 0.933, religiosity with a value of 0.879, price with a value of 0.950, returns with a value of 0.944, investment risk with a value of 0.942, Islamic attributes with a value of 0.956. financial literacy with a value of 0.923, social media with a value of 0.936, promotions with a value of 0.950 and buying interest with a value of 0.910.

2. Structural Model

R-Square

Based on the test results, the value of R-Squared (R^2) is 0.579 or 58%. This means that the interest of young Muslim investors in buying retail sukuk can be explained by the variables of knowledge, religiosity, price, return, investment risk, Islamic attributes, financial literacy, social media and promotion by 58%. While the remaining 42% is explained by other variables outside this research model. This R-Squared value is low because the R^2 value is < 0.75 .

Hypothesis Test

The results of hypothesis testing can be seen in Table 4 below.

Table 1.4.
Hypothesis Test Results

Hipotesis	Original Sample	T Statistics	P-Value	Decision
H1	0.370	4.222	0.000	Significant
H2	-0.055	1.276	0.203	Insignificant
H3	0.044	0.544	0.587	Insignificant
H4	0.187	1.742	0.082	Significant
H5	0.043	0.521	0.603	Insignificant
H6	-0.091	1.082	0.280	Insignificant
H7	0.063	1.017	0.309	Insignificant
H8	0.103	1.186	0.236	Insignificant
H9	0.173	2.090	0.037	Significant

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Based on the results of hypothesis testing in table 4 above, it can be explained that Knowledge, returns and promotions influence the interest of young Muslim investors in buying retail sukuk. The results of hypothesis testing indicate that the p-value of knowledge is $0.000 < 0.05$ with the resulting coefficient value of 0.370. The return p-value is 0.082 with the resulting coefficient of 0.187. The promotion p-value is $0.031 > 0.05$ with the resulting coefficient of 0.173. This means that hypotheses one, four and nine can be accepted because knowledge, returns and promotions can influence the interest of young Muslim investors in buying retail sukuk.

This indicates that the presence of knowledge can trigger a person's motivation and interest in investing. The knowledge possessed by potential investors or investors is the basis for consideration for making investment decisions. This understanding means understanding the purpose of investing, knowing the risks and returns that will be obtained and understanding where to invest. Investing in the capital market requires adequate knowledge and the ability to analyze the types of securities to be purchased, one of which is retail sukuk investment. People who have basic and advanced knowledge of Islamic investment will understand that investing in retail sukuk is a safe, easy, affordable and profitable investment. After that, the better the understanding of the benefits of investing in retail sukuk, the higher their interest in buying retail sukuk.

The returns offered by investment in retail sukuk influence young Muslim investors to buy retail sukuk. Investments that provide benefits will be more attractive to potential investors. Retail sukuk investors will be rewarded in the form of returns. Usually, sukuk with high risk will have higher returns than sukuk with low risk. Basically, the return is part of the risk that must be faced by investors. This is in accordance with the rules of the Shari'a which states "Al-GhunmubilGhurmi" which means risk will always accompany any expected return or return.

Likewise, promotions carried out by companies or institutions to introduce and offer products to potential consumers affect a person's interest in making investments. Promotion of sharia investment that is more sophisticated by utilizing information technology will make it easier for someone to obtain

related information that can influence their investment decisions. The better the promotion of retail sukuk is carried out, the higher someone's interest in buying retail sukuk.

Table 1.4 above also shows that religiosity, price, investment risk, Islamic attributes, financial literacy, and social media do not affect young Muslim investors in buying retail sukuk. The results of hypothesis testing indicate that the p-value of religiosity is $0.203 > 0.05$. This means that the religiosity hypothesis is rejected because this variable cannot increase the interest of young Muslim investors in buying retail sukuk. This indicates that there is no influence of young Muslim investors who have strong and weak religiosity in relation to the interest in buying retail sukuk. Religiosity has not been able to encourage motivation and interest in buying retail sukuk among young Muslim investors.

The results of hypothesis testing show that the p-value of the price is $0.587 > 0.05$. This means that the price hypothesis is rejected because this variable cannot increase the interest of young Muslim investors in buying retail sukuk. The retail sukuk price per unit is IDR 1,000,000 (one million rupiah) and the minimum purchase is IDR 1,000,000 or multiples thereof. The price offered is considered very affordable for various levels of society and can be purchased at any time. However, the price and ease of access to buy retail sukuk have not been able to increase the interest of young Muslim investors in buying retail sukuk.

The results of hypothesis testing indicate that the p-value of investment risk is $0.203 > 0.05$. This means that the investment risk hypothesis is rejected because this variable cannot increase the interest of young Muslim investors in buying retail sukuk. Investments that have a lower risk are generally more attractive to investors. Investment risk is the main factor for people to invest in sukuk (Mubarokah & Rahma, 2019). In principle, retail sukuk investment is an investment that is free from default because the principal and the return/coupon are guaranteed by the state (Fasa, 2016). So that retail sukuk investment is considered a low risk investment. However, the risk of investing in retail sukuk has not been able to motivate young Muslim investors to buy retail sukuk.

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The results of hypothesis testing indicate that the p-value of Islamic attributes is $0.203 > 0.05$. This means that the Islamic attribute hypothesis is rejected because this variable cannot increase the interest of young Muslim investors in buying retail sukuk. Activities carried out in the conventional capital market contain elements of usury, where usury is an activity that is prohibited by Islam (Tariq, 2004). Retail sukuk, which are sharia investment products, are an alternative choice for Muslims to avoid usury. Sharia investment is aimed at mobilizing funds and investments for development in a fair manner and in accordance with Islamic sharia. Sukuk have long been used by Muslim countries to help finance development (Basri, 2017). For Muslim investors, retail sukuk should be the right choice in Islamic investment. However, this study shows that the Islamic attributes attached to retail sukuk have not been able to encourage the interest of young Muslim investors to buy retail sukuk. The possible cause of the Islamic attribute has no effect because the research sample is young investors who do not see that Islamic attributes are an important point in investing.

The results of hypothesis testing indicate that the p-value of financial literacy is $0.203 > 0.05$. This means that the financial literacy hypothesis is rejected because this variable cannot increase the interest of young Muslim investors in buying retail sukuk. Financial literacy is very important in planning and managing finances. Current conditions require people to be able to make well-informed financial decisions (Garg & Singh, 2018). Garg & Singh (2018) research revealed that young people in most parts of the world have low levels of financial literacy and this is cause for concern. Low financial literacy is caused by various factors such as socio-economic and demographic.

Hypothesis testing shows that the p-value of social media is $0.203 > 0.05$. This means that the social media hypothesis is rejected because these variables cannot increase the interest of young Muslim investors in buying retail sukuk. Social media has now become an important tool in marketing. In this era, companies have made social media platforms integrated into their marketing strategies. Most companies are currently developing business opportunities by using social media. Chen & Lin (2019) suggests that social media marketing activities indirectly affect buying interest. However, the use of

social media as a marketing medium for retail sukuk has not been optimal in increasing the interest of young Muslim investors in buying retail sukuk. Social media as an important source of information that influences consumer buying interest. Social media must be able to provide the latest and comprehensive information so that it can inspire and motivate consumers (Ebrahim, 2020).

Retail sukuk as a long-term investment has the potential to continue to be developed. To develop the domestic sukuk market, several strategies can be carried out, namely the financial sector authorities need to strengthen the financial system and economic development (A. Aman et al., 2021). This strategy is carried out to create an economy that has an advanced capital market and is resilient to the economic crisis. Bootstrapping results in this study can be seen in Figure 1.

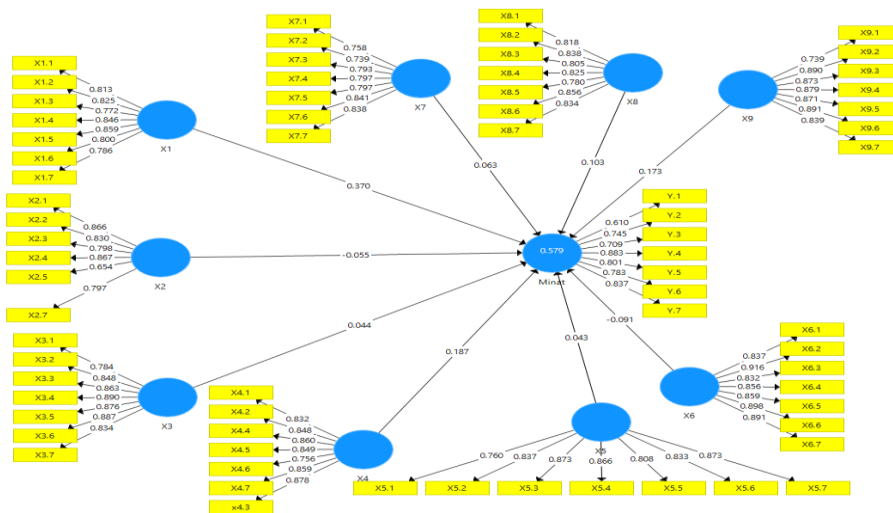


Figure 1.1
Bootstrapping Results

Conclusion

This study shows that knowledge, returns and promotions can increase the interest of young Muslim investors in buying retail sukuk. While several other variables did not contribute to increasing the interest of young Muslim investors in buying retail sukuk. This research has implications for efforts to increase public interest in actively participating in sharia investment, one of which is retail sukuk. Young Muslims with a good level of financial literacy are expected to be able to encourage them to plan more appropriate finances in accordance with Islamic sharia. The limitations of this study examine the interest of young Muslim investors in buying retail sukuk which only includes nine variables that influence it. Further research can explore how the behavior of young Muslim investors in investing in retail sukuk is explored by qualitative

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investigation. Finally, the academic and management implications based on the empirical results of this study are given as a reference to increase the interest of young Muslim investors in buying retail sukuk.

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