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# TRANSFORMATION OF SHARIA FINANCING DECISION-MAKING IN THE FINTECH ERA

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**Abstract**

*This study examines the gap between the considerable demographic potential of Indonesian Muslims and the low adoption rate of Islamic financing, especially amid advances in financial technology. Low Islamic financial literacy, uneducated promotions, and an unformed trust in the consistency of Sharia principles in digital services cause this gap. Using a descriptive qualitative approach based on secondary data and the Tawhid String Relationship (TSR) framework, this study places knowledge (ϴ), action (xϴ), and trust as the main determinants in financing decisions. The results show that strong knowledge drives actions that align with Islamic values, while transformative and trust-building promotions increase preference for digital sharia services. Theoretical implications reinforce the role of TSR in explaining value-based decision-making. Practically, this research suggests the importance of value-based education and transparency-based services. The novelty of the research lies in integrating the TSR concept with the issue of digital trust and the behavior of the younger generation in the context of Sharia fintech.*

**Keywords**: Sharia Financing, Sharia Fintech, Financial Literacy, Digital Trust, TSR Theory

## Introduction

With the largest Muslim population, Indonesia has great potential to build a sustainable Islamic financial ecosystem. However, empirical realities show that the adoption of sharia financing has not yet reflected this potential, with market share still limited despite most of the population identifying with Islamic values. This phenomenon shows a gap between the normative idealism of the ummah towards a usury-free financial system and the pragmatic reality of financing options, where conventional financing still dominates. This inequality shows the weak internalization of monotheistic values in people's economic decision-making. In the midst of advances in financial technology (fintech), opportunities to expand access to sharia financing are increasingly open. However, this digital transformation also requires a redefinition of the basic principles of Sharia financing, especially in contract clarity, Sharia compliance assurance, and strengthening the digital trust system. In this context, *the theory of Tawhid String Relationship* (TSR) becomes a relevant conceptual framework, as it not only explains the integration between the sources of Islamic law (Qur'an, Hadith, and Ijtihad) and economic behavior, but also emphasizes the importance of active participation of the community (xϴ) in building benefits (W{ϴ,xϴ}). TSR views economic decision-making as part of efforts to realize prosperity based on monotheism and Islamic universal values.

The phenomenon of the gap between the potential and realization of sharia financing is increasingly complex because it is influenced by three key elements: the level of public knowledge about sharia products, the effectiveness of the promotion of sharia financial institutions, and trust in the institution's commitment to implementing sharia principles consistently. Limited knowledge makes it difficult for people to distinguish between interest systems and profit-sharing schemes. Transactional promotions, not educational, also fail to form a substantive understanding of Sharia values. Meanwhile, uncertainty about Sharia compliance from financial institutions raises skepticism, ultimately hindering the internationalization of Islamic values in daily financial transactions. Therefore, the formulation of the problem in this study is as follows: (1) What do the Indonesian people consider to be the factors in choosing Sharia financing? (2) What is the public's perception of the advantages and disadvantages of Sharia financing compared to conventional financing? and (3) How does knowledge, promotion, and public trust influence the decision to choose Sharia financing?

This study aims to comprehensively analyze the determinant factors in Sharia financing decisions, by placing the concept of TSR as an epistemological foundation in linking knowledge, ethics, faith, and economic behavior. This research also aims to identify the extent to which the principle of monotheism plays a role in shaping people's preferences for Sharia financing, especially in the context of digital technology, which is full

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of value disruptions. The theoretical implications of this study lie in strengthening the conceptual framework of TSR in the context of individual Muslim financial decision-making. This research enriches the Islamic financial discourse with a comprehensive monotheistic approach by positioning maslahah as the result of the interaction between knowledge (Θ) and active action (xΘ). In addition, introducing *the digital trust dimension* in the context of TSR expands the scope of the participatory concept of the ummah in a sharia-based economic system.

In practical terms, this research provides strategic direction for Islamic financial institutions in designing communication approaches and products that are commercially attractive and aligned with Islamic transcendental values. Value-based education, collaboration with local religious leaders, and safe and accountable technology integration are essential steps in building a financial ecosystem that upholds the principles of monotheism. Meanwhile, the policy implications include the need for regulations that encourage the innovation of sharia fintech products based on maqashid values and the principle of justice, as well as locality-based literacy policies that emphasize the ethical and spiritual dimensions of transactions. The government and Islamic financial authorities need to establish TSR-based compliance indicators that not only assess formal aspects, but also aspects of value and their contribution to the welfare of the people. The novelty of this research lies in applying the TSR concept in examining Sharia financing decision-making in the fintech era, which was previously still very limited in the academic literature. This research fills the gap between Islamic spirituality, economic behavior, and digital financial technology. The multidimensional approach is expected to be a new conceptual model for developing holistic, contextual, and transformative Islamic financial research.

**Literature Review**

In the dynamics of the development of Islamic finance in the digital era, especially in Indonesia, a country with the largest Muslim population in the world, Islamic financing decision-making is becoming an increasingly relevant topic. Despite the great potential, adopting Islamic financial services, especially financing, still faces various obstacles such as low Islamic financial literacy, complexity of procedures, and weak public trust in the consistency of Sharia principles. This phenomenon shows a gap between the normative spirit of Muslims in carrying out transactions by Sharia and the pragmatic reality in economic practice. An epistemological foundation is needed to bridge Islamic spirituality with contemporary economic behavior in this context. Tawhid String Relationship (TSR) is a relevant grand theory that unites revelation, knowledge, time, and the active participation of the ummah in forming collective welfare or *maslahah*.

TSR is based on monotheism, where all human activities, including economic activities, must be oriented towards achieving the pleasure of Allah and providing benefits to others. In the formulation of TSR developed by Choudhury (2010), there is an integrative series consisting of Islamic law sources (Qur'an and Hadith), ijtihad, science (Θ), implementation (xΘ), and the ultimate goal in the form of welfare (W{Θ,xΘ}). Within this framework, financing decision-making is not only reviewed from the point of view of efficiency or profitability, but also from the extent to which the decision can have a positive social and spiritual impact. In an economic system based on monotheism, economic decisions are not just rational actions, but also part of worship and the actualization of divine values. In the context of Islamic finance in the fintech era, the TSR approach is very relevant because it can accommodate digital transformation as part of science (Θ) and practical innovation (NΘ). Islamic fintech, as a digital platform, is a transaction tool and a medium for education, value spread, and expanded access for people who previously had not been reached by formal financial services. Therefore, the community's decision to choose Sharia financing through fintech needs to be understood as the result of a combination of knowledge, beliefs, religious values, and perception of the justice and Sharia suitability of the service. Knowledge is a key element in TSR that influences how individuals can understand and distinguish the characteristics of Sharia financing from conventional financing. Low Islamic financial literacy is the main obstacle in encouraging people to switch to sharia-principle-based financing. When people do not understand the concept of profit sharing, the prohibition of usury, and the mechanism of contracts, they tend to choose services that are considered more practical, even though they are contrary to Islamic principles. In this context, Θ or true knowledge needs to be disseminated massively to move xΘ, namely, the active participation of the community in choosing financing products that follow Sharia.

In addition to knowledge, promotion also plays a vital role in shaping people's preferences for Sharia financing. However, commercial and transactional promotions are not necessarily effective if they are not accompanied by education and internalization of values. Promotions that align with Islamic values and emphasize blessing, justice, and social responsibility will be more accepted by Muslim communities sensitive to Sharia values. In this case, Islamic financial institutions need to prioritize value-based communication strategies to instill the value of monotheism in every message conveyed. Trust is an irreplaceable foundation in the Islamic economic system. People will only use Sharia financing services if they believe that the financial institution that provides the service truly applies Islamic principles consistently and transparently. Ambiguity in the contract, hidden costs, or bad experiences with certain institutions will lower public trust and become the main obstacle in decision-making. Therefore, TSR emphasizes the importance of integrity and *accountability* of Islamic financial institutions as a tangible manifestation of the implementation of monotheistic values in institutional practice. Religious values are an intrinsic factor that encourages individuals to choose Sharia financing as a form of obedience to Allah's commands and efforts to stay away from usury. However, this value will not be practical without a correct understanding and real examples of financial institutions committed to practicing sharia principles. In the framework of TSR, religious values are spiritual energy (faith) that is the basis for judging and choosing an action. When religious values are firmly internalized and supported by a just system, the decisions taken will reflect a balance between the interests of this world and the hereafter, between economic gain and spiritual blessings.

Some previous studies have confirmed that decision-making in Sharia financing cannot be separated from the interaction between knowledge, beliefs, and religious values. Amin et al. (2011) show that the public's positive attitude towards sharia financing in Malaysia is greatly influenced by their understanding of sharia principles and trust in the institutions that provide them. In Indonesia, the study of Ardiansyah (2005) emphasized that although the profit-sharing system is conceptually attractive, low literacy and complicated bureaucracy are the main obstacles to its adoption. Research by Bakry et al. (2021) revealed that the urban young generation is more open to digital-based sharia financing, but still doubts the consistency of the application of sharia principles by service providers. The application of TSR in this study provides a new dimension that can explain that Sharia financing decision-making is rational not only from an economic point of view but also from a spiritual and social point of view. Maslahah, the ultimate goal of TSR, is the achievement of shared prosperity that is pleasing to Allah, and can only be achieved if all elements in the decision-making process work in harmony and integratively. Correct knowledge will encourage right action; educational promotion will encourage substantive understanding; the maintained trust will foster loyalty; and strong religious values will be the primary driver for creating a just economy.

Islamic fintech is an extension of the innovation (NΘ) in TSR, essential in expanding the reach and facilitating access to financing. However, the success of sharia fintech in driving financing decisions remains dependent on the extent to which the values of monotheism are internalized in the platform's design, operations, and communication. Furthermore, developing digital trust is essential to ensure that technology is efficient, reliable, transparent, and Sharia-compliant. Therefore, TSR provides a conceptual framework for understanding Sharia financing decision-making in the fintech era. This framework places monotheism as the center of orientation, science as the driver of change, and welfare as the ultimate goal. This study enriches the Islamic financial literature with a normative, applicable, and contextual approach. Further research is expected to test this framework empirically in various social and generational contexts to strengthen Indonesia's transformation towards a values-based, participatory, and equitable Islamic financial ecosystem. Furthermore, if illustrated, the conceptual framework of this research is as follows:

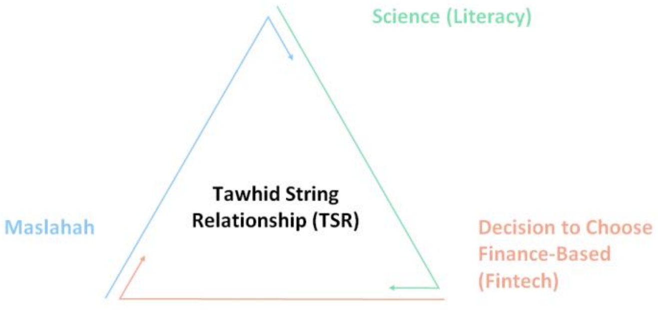


**Figure 1**
**Research Conceptual Framework**

## Methods

The research method used in this study is a descriptive qualitative approach designed to describe and deeply understand the phenomenon of Indonesian decision-making when choosing Sharia financing in the fintech era. This approach was chosen because it allows researchers to answer the formulation of exploratory problems, focusing on the meaning, perception, and interpretation of individuals and collectives of Sharia values in economic decision-making. Descriptive qualitative research is relevant to explore spiritual, social, and digital aspects in the decision-making process that cannot be fully explained through a quantitative approach. The data in this study is sourced from secondary data, which includes scientific articles, industry reports, previous research results, and public policy documents related to Islamic finance and fintech developments in Indonesia. This data was collected purposively, with the following criteria: relevance to the topic of sharia financing, credibility of sources (e.g., indexed journals, official reports from OJK, DSN-MUI, and Bank Indonesia), and up-to-date from 2005 to 2025. Secondary data was chosen because it provides broad historical and analytical coverage without presenting field bias, and makes it easier to identify theoretical and thematic gaps in the existing literature.

The data collection mechanism is done through systematic literature studies using digital platforms such as Google Scholar, Scopus, and national databases. The search was focused on keywords such as "sharia financing decision-making", "sharia financial literacy", "digital trust", and "Indonesian sharia fintech". After the data is collected, a selection process is carried out using an inclusion and exclusion approach, considering the content's validity and empirical relevance. In addition, *snowball sampling techniques were used* to find critical literature from the primary study bibliography, thus enriching the perspective of the study. The data is processed through the reduction, classification, and synthesis stages. Duplicative, irrelevant, or purely opinionated data are eliminated, while appropriate thematic data are grouped based on research variables such as knowledge, promotion, belief, religious values, and social influence. Each theme was analyzed by examining the patterns of relationships between variables within the framework of Tawhid String Relationship (TSR), to understand how knowledge (ϴ) and actions (xϴ) shape well-being (W{ϴ,xϴ}) in the context of the digital sharia economy.

The analysis of the results was carried out interpretively with a narrative approach, where each finding from the secondary data was arranged in a flow that explained the logic of the relationship between factors. This analysis focuses on the relationship between research variables and Muslim individuals' decisions in choosing sharia financing, as well as how the dimensions of monotheism and digital trust strengthen active participation in the sharia financial system. This process resulted in the drawing of contextual, reflective, and relevant conclusions on the socio-religious dynamics of Indonesian society amid financial digitalization disruption. Through this method, the research is expected to provide an in-depth understanding of the determinants of sharia financing decisions and propose a conceptual roadmap to strengthen the integration of Islamic values with financial technology in building an inclusive and equitable Islamic financial ecosystem.

## Results and Discussions

### Factors that the Indonesian people consider in choosing Sharia financing

Indonesia, as a country with the largest Muslim population in the world, has great potential in developing an inclusive and sustainable Islamic financial system. However, despite the demographic potential of more than 87% of the Muslim population, the penetration rate of sharia financing is still minimal, at only about 12% of the total national financing. This phenomenon shows a real gap between people's religious identities and economic behaviors carried out in daily life. Amid the expansion of financial technology (fintech), there is a new hope to expand access to Islamic financing, primarily through digital platforms that offer ease of transactions, cost efficiency, and affordability of services to remote parts of the country. However, these expectations have not fully answered the main challenges in the form of low Islamic financial literacy, skepticism about the consistency of sharia principles, and administrative obstacles that make it difficult for the participation of the wider community. Furthermore, this study adopts an epistemological approach based on the Tawhid String Relationship (TSR) theory to understand the dynamics of community decision-making in choosing Sharia financing. This theory was developed by Choudhury and placed the principle of monotheism at the center of all economic and social activities. In the framework of TSR, all decision-making processes should depart from the source of Islamic law (Qur'an and Hadith), followed by ijtihad, and then be developed through knowledge (ϴ), actions (xϴ), and lead to welfare (W{ϴ,xϴ}) or *maslahah*. This process is cyclical, where new knowledge (Nϴ) is generated from practice and evaluation, then re-enriches the interpretation of revelation as the primary source of law.

Applying TSR in this study expands the dimension of decision-making from utilitarian to value-centric. Society is no longer positioned as a rational agent who only pursues financial gain, but also as a caliph who considers aspects of blessing, justice, and social responsibility in every economic transaction. In this context, factors such as knowledge, promotion, belief, religious values, quality of service, and social influence are not just independent variables within a statistical framework, but also become manifestations of the implementation of monotheistic values in real life. Knowledge has a central role in determining public decisions on Sharia financing products. People who understand the concept of contracts, the difference between interest and profit sharing, and the social goals of Islamic financial institutions will be more likely to choose Islamic financing than conventional financing. This knowledge is cognitive, affective, and conative, where the understanding of Sharia values forms a positive attitude that is then translated into tangible actions. However, the reality shows that Islamic financial literacy is still low, especially in rural areas and non-millennial age groups. This is exacerbated by the lack of systematic education programs and the lack of integration of Sharia economic materials in the general education curriculum.

Promotions carried out by Islamic financial institutions have tended to be transactional and aspect-oriented, highlighting product features without including a value narrative. As a result, the public does not gain a deep understanding of the philosophical values underlying Sharia financing products. From the perspective of TSR, promotion should be seen as part of disseminating ϴ—that is, knowledge that is valuable and oriented towards the formation of maslahah. Therefore, effective promotion not only sells products but also builds collective awareness of the importance of carrying out transactions by the principles of monotheism. Trust is a key element that bridges the gap between knowledge and action (xΘ). People often desire to transact in sharia, but doubts about Islamic financial institutions' commitment to implementing Islamic principles hinder this intention. This doubt arises due to cases of inconsistency in Sharia implementation, non-transparency in profit sharing, and a lack of literacy on applicable certifications and fatwas. TSR emphasizes that trust cannot be built instantly, but must go through a long-term process involving institutional integrity, accountability, and transparency in every line of service.

Religious values are an intrinsic dimension that strengthens the motivation of individuals to choose Sharia financing. However, this value does not necessarily lead to rational decisions if it is not supported by adequate educational and institutional infrastructure. In many cases, people who have a high religious spirit still choose conventional financing because the Sharia financing procedure is considered more complicated and time-consuming. This is where it is essential to rearrange the service process to remain in accordance with Sharia principles but not burden the community. Service quality is a distinguishing element that can encourage public preference for Islamic financial institutions. The speed of service, ease of access, friendliness of the officers, and the certainty of the contract are part of the service that is not only technical but also ethical. Services that reflect the value of *courtesy* will form a spiritual experience that strengthens customer loyalty.

Social influence also plays a significant role in shaping people's economic decisions. In societies with strong communal ties, individual decisions are often influenced by the views of families, religious leaders, and the surrounding community. Therefore, the strategy of mosque-based community approaches, taklim assemblies, and religious organizations is vital to form a positive collective opinion on Sharia financing. Previous research reinforces the importance of these six factors. Amin et al. (2011) in Malaysia found that religious attitudes, social influences, and beliefs were the main determinants of choosing sharia financing. Ardiansyah's (2005) study in Indonesia emphasizes the importance of the profit-sharing system as the main attraction, even though it is hampered by literacy and procedures. Awan and Bukhari (2011) in Pakistan show that knowledge and quality of services are more influential than religious motivations, indicating contextual variation based on cultural and social backgrounds. Meanwhile, Bakry et al. (2021) highlight the interest of the urban young generation in digital financing, but accompanied by caution about the Sharia validity of the products offered. Therefore, by integrating TSR theory, these variables no longer stand alone but are interconnected in a value cycle that aims to realize welfare (W{Θ,xΘ}). Correct knowledge (Θ) encourages actions (xΘ) that have a positive impact, produce collective benefits, and in the process give birth to new knowledge (NΘ) that re-enriches the interpretation of the source of Islamic law ({Ω,s}). This frame of mind is dynamic, participatory, and value-oriented, which makes it highly relevant in building a fair and sustainable Islamic finance ecosystem in an era of digital disruption.

**Public perception of the advantages and disadvantages of Sharia financing compared to conventional financing**

The public's perception of Sharia financing cannot be separated from the value framework that shapes their perspective on economic justice, trust, and the blessing of transactions. Amid the long-established dominance of the conventional financial system, sharia financing offers value-based alternatives, especially monotheism, justice, and partnership principles. However, even though the majority of Indonesia's population is Muslim, the adoption of sharia financing is still low. This phenomenon shows an imbalance between religious identity and people's economic preferences, which are influenced by perceptions of the advantages and disadvantages of the Sharia financing system. This inequality raises a fundamental question: why haven't people entirely switched to a system that aligns with their beliefs? The grand theory *of Tawhid String Relationship* (TSR) developed by Choudhury (2007) offers a theoretical lens to explain the phenomenon in more depth. TSR integrates the sources of Islamic law—namely the Qur'an, Hadith, and Ijtihad—with human economic behavior through a monotheism-based approach. In the framework of TSR, the process of economic decision-making is not only interpreted as a response to market stimulus, but also as a manifestation of knowledge (Θ), action (xΘ), and the result in the form of welfare (W{Θ,xΘ}) or *maslahah*. This theory places ethics and morality as an inseparable part of economic action, which makes people's perception of Sharia financing not only a matter of efficiency, but also spiritual validity.

On the other hand, in terms of excellence, the public generally views Sharia financing as a system that upholds justice, transparency, and ethics. The concepts of profit sharing (mudharabah and musyarakah), avoidance of usury, and prohibition of uncertainty (gharar) are considered more humane and partnership-oriented than conventional financing that is transactional and interest-based. Another advantage lies in the spiritual value inherent in Sharia products, where people view that choosing Sharia financing is a form of obedience to religious orders. This perception is strengthened by the fatwa of the National Sharia Council-Indonesian Ulema Council (DSN-MUI), which gives Islamic legal legitimacy to these financing products. However, in practice, this positive perception often clashes with operational realities that give rise to various weaknesses. One of the weaknesses often revealed by the public is the complexity of administrative procedures. Many customers complain about the lengthy verification process, lack of clarity regarding profit margins, and limited products offered. Some also feel that although the terminology of Sharia products differs, there are still substantial similarities with conventional products, especially in the nominal aspect of the fees charged. This creates the impression that Sharia financing is not cheaper or fairer than conventional financing, and sometimes even more expensive due to additional burdens such as notary fees or contract binding.

Within the framework of TSR, these weaknesses reflect the mismatch between the value of Θ (knowledge) and the actions of xΘ carried out by Islamic financial institutions. When institutions fail to convey the values underlying their products clearly and transparently, the public does not have enough information to judge and choose consciously. As a result, despite the existence of spiritual awareness, there is no conversion of knowledge into actions that support the use of Sharia products. On the other hand, institutions that successfully implement sharia principles consistently and educationally convey their benefits tend to gain higher public trust, as stated by the study of Syahrial Shaddiq et al. (2025), which emphasizes the importance of transparency in profit sharing and sharia guarantees in increasing public interest. A study by Bakry et al. (2021) also shows that the younger generation, especially urban millennials, tend to positively perceive Sharia financing if the product is digitized, easily accessible, and provides clarity of information. However, this perception is not strong enough to drive decisions if institutions fail to address practical needs such as ease of procedure, speed of service, and trust in the security of digital platforms. In this case, digital trust becomes an essential variable in the TSR framework that bridges between Θ and xΘ. Without trust in the digital system and the platform's Sharia compliance, people tend to opt for conventional systems that are more familiar and operationally proven.

Furthermore, public perception is also influenced by subjectivity based on collective experience and social environment. In areas with strong Islamic traditions and the presence of influential religious figures, people tend to have a more positive perception of Sharia financing and make it the first choice. However, in areas with limited access to Islamic financial education, public preferences are still inclined towards conventional products because they are considered easier to understand and more practical. This shows the importance of educational promotion and community-based approaches in building constructive perceptions. The perception gap is also reflected in preferences based on education level. People with higher education backgrounds tend to be more critical in comparing Sharia and conventional products, not only in terms of cost, but also value and Sharia compliance. On the other hand, people with low levels of education tend to judge based on direct experience or social recommendations, so if they ever experience disappointment with Sharia services, it will be more difficult for them to be convinced to try again. In this context, TSR offers a participatory approach, where Islamic financial institutions are encouraged to build a dialogue relationship with the community, listen to their needs and complaints, and provide ongoing education as part of the mission of Islamic economic da'wah.

The weakness of the perception of Sharia financing is not always rooted in the product itself, but in how the product is communicated and run. Therefore, the strategy to increase public perception needs to include two things: first, reformulation of services to make them simpler, faster, and more transparent; second, value-based education that links financial products to Islamic teachings and the real needs of society. This approach is in line with the spirit of TSR, which places the interaction between knowledge (Θ), action (x), and purpose (W{Θ,xΘ}) as a continuous process towards collective well-being. Thus, public perception of the advantages and disadvantages of Sharia financing is highly dependent on the institution's integrity, the quality of education, and the ease of access to services. TSR as a fundamental theory provides a framework that explains this dynamic philosophically and systemically and provides practical direction in designing strategies to strengthen people's positive perceptions of Islamic finance. In the long term, positive changes in perceptions will drive the transformation of Indonesia's financial system towards a fairer, ethical, and sustainable direction.

**The role of knowledge, promotion, and public trust in influencing the decision to choose Sharia financing**

The development of Sharia financing in Indonesia shows an interesting contradiction. On the one hand, Indonesia has tremendous market potential with the majority of the population being Muslim. However, on the other hand, the market share of sharia financing is still stagnant at a relatively low figure, even though digital regulations and innovations have been massively developed by the government and financial industry players. This gap raises a fundamental question: why has the adoption rate of Sharia financing not reflected the demographic potential of Muslims? One of the answers to these questions lies in the understanding that people's financial decisions are not only determined by the availability of products, but also by the cognitive, affective, and normative constructions that shape their perceptions and actions. In this context, knowledge, promotion, and trust become very relevant and must be studied more deeply. This research adopts *Tawhid String Relationship (TSR)* as a grand theory emphasizing that every economic action in Islam must be integrated with monotheism, science, and welfare values. Within the framework of the TSR, economic decision-making is aimed at material interests and as part of spiritual and social responsibility. Knowledge (Θ) is the beginning of a meaningful decision-making process. Correct knowledge will produce actions (xϴ) that are by Islamic values, and from these actions, it is hoped that welfare or *maslahah* (W{ϴ,xϴ}) will be realized. When people have a good understanding of the principles and practices of Sharia financing, they will be better able to make decisions that are not only economically rational but also spiritually meaningful.

However, reality shows that the level of Islamic financial literacy in Indonesian society is still relatively low. Many people have not been able to distinguish between the interest system in conventional financing and the profit-sharing scheme in Sharia financing. This ignorance causes people to hesitate in choosing Sharia products even though they normatively want a financial system that is free of usury. Lack of knowledge also leads to a negative perception of the costs, processes, and benefits of Sharia financing. From the perspective of TSR, this imbalance between ϴ (knowledge) and xϴ (action) explains why people's economic decisions are not in line with the Islamic values they believe in. The role of promotion in shaping public perception and decisions cannot be ignored. Unfortunately, the promotion of Sharia financing has been more commercial than educational. The information conveyed often only emphasizes the product's features without explaining the Sharia values behind it. This differs from the spirit of TSR, which requires value transmission in every form of economic communication. Promotions that internalize the values of monotheism, justice, and blessings will be more effective in moving the hearts and minds of the community to participate in the Islamic financial system. Educational promotions can also bridge the literacy gap, especially among the younger generation, more exposed to digital media.

A study by Bakry et al. (2021) shows millennials are more interested in Sharia financing accessed through digital platforms, as long as transparency and assurance of Sharia compliance can be ensured. In this case, digital trust is an essential part of effective promotion. Public trust in Islamic financial institutions is determined by track record or formal compliance with fatwas, how information is conveyed, the clarity of contracts, and previous user experiences. Trust is a core aspect of TSR because it connects values (ϴ) and actions (xϴ). Without trust, even if the public has enough knowledge, they tend not to take action because they doubt the Sharia commitment of the institution in question. Trust is dynamic and can be built or damaged through direct or indirect interaction between institutions and society. Clarity of the profit-sharing scheme, transparency of financial statements, responsive services, and openness to independent Sharia audits are the leading indicators assessed by the public in shaping the perception of institutional integrity. When Islamic financial institutions fail to meet these expectations, public trust declines, ultimately impacting their decision to continue using conventional products despite being aware of religious incompatibility.

In addition, the perception of Sharia institutions is also influenced by the community's collective experience. In societies with negative experiences with Sharia financing, such as non-transparent margins, stuck-in financing, or slow application processes, trust will be more challenging to build despite intensive education and promotion. From the perspective of TSR, this experience becomes Nϴ or new knowledge that comes from evaluating previous actions (xϴ) and will influence the next cycle in the decision-making process. Therefore, Islamic financial institutions must always carry out *self-correction* as part of the process of continuous value improvement and actions. All three factors—knowledge, promotion, and trust—have mutually reinforcing relationships. Knowledge shapes rational and spiritual perception; to promote image and awareness, trust becomes the emotional and social foundation that determines the conversion from intention to real action. Within the framework of TSR, the interaction of the three must be directed to achieve the ultimate goal of community welfare, which is materially, spiritually, and socially meaningful. Therefore, the strategy to strengthen the sharia financing system must be carried out holistically: educating the public with a value approach, communicating products in a transformative manner, and building institutional systems and structures that ensure public trust sustainably. Furthermore, the role of knowledge, promotion, and trust cannot be seen as stand-alone variables, but as a unit that forms the value structure in the Islamic financial system. When Islamic financial institutions can manage the three synergistically in the spirit of monotheism, the community's decision to choose sharia financing is not only an economic action, but also a form of active participation in building a just and blessed economy.

**Conclusion**

This study concludes that the dynamic interaction between public knowledge, promotion effectiveness, and the level of trust in Islamic financial institutions influences Islamic financing decision-making in the Indonesian fintech era. All three are central in shaping perceptions, beliefs, and ultimately people's decisions to choose Islamic value-based financing. Within the Tawhid String Relationship (TSR) theory framework*, this decision is understood not only* as an economic activity alone, but as a form of spiritual and social participation to achieve collective welfare (*maslahah*). Limited knowledge, untransformative promotion, and doubts about the Sharia commitment of financial institutions are the main obstacles in converting value into action (ϴ → xϴ). Although the development of Sharia fintech opens up wider access opportunities, the success of digital transformation still depends heavily on building *digital trust* and the internalization of the value of monotheism into the service system. The limitation of this study lies in the conceptual-descriptive approach of secondary data, so it has not yet revealed the empirical dynamics in depth in various segments of society, especially groups that are not yet connected to fintech services. In addition, the representation of urban contexts is more dominant than rural, which leads to limitations in generalizing outcomes to a broader population.

As a suggestion, theoretically, it is necessary to develop a TSR model that is more adaptive to the digital era by including the dimensions *of digital behavior* and *cross-generational literacy*. Islamic financial institutions need to rearrange communication strategies with a value-based educational approach and strengthen the credibility of technology-based services. Meanwhile, in terms of policy, it is crucial to encourage regulations that integrate Sharia compliance, transparency, and social justice into digital Sharia financing policies. Collaboration between regulators, industry players, and academics is needed to ensure that digital transformation in sharia financing remains in line with the principles of sharia maqashid and can respond to the community's needs inclusively and sustainably.

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