

DETERMINANT OF INVESTMENT INTEREST IN SHARIA DIGITAL MUTUAL FUNDS AMONG GENERATION Z IN LANGSA CITY

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ABSTRACT

Generation Z faces a series of challenges, including limited financial resources, yet the demographic of investors in the Indonesian capital market is predominantly composed of Generation Z, including in Langsa City. This research aims to uncover determinants, including the influence of factors such as investment knowledge, celebrity endorsement, and word of mouth, on the investment interest of Generation Z in Langsa City in Shariah digital mutual funds. This study employs quantitative research methods, collecting data through a questionnaire with a sample of 110 respondents and analyzing it using the SPSS application with multiple linear regression. The t-test results indicate that the investment knowledge factor has a t-value of 5,894, surpassing the t-table value 1.659, with a significance level of $0,000 \leq \alpha 0,05$, thus accepting H1. The t-value for the celebrity endorsement factor is 3,705, exceeding the t-table value of 1.659, with a significance level of $0,000 \leq \alpha 0,05$, accepting H2. The t-value for word of mouth is -0,269, surpassing the t-table value of 1.659, with a significance level of $0,788 \leq \alpha 0,05$, rejecting H3. Therefore, the results of this study indicate that investment knowledge and celebrity endorsement significantly influence the investment interest of Generation Z in Langsa City in Shariah digital mutual funds. At the same time, word of mouth does not significantly impact.

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INTRODUCTION

In a nation's economy, investment serves as an indicator that can determine economic growth (Suswita et al., 2020). One commonly

utilized form of investment is investment in the capital market (Merawati & Putra, 2015). The capital market is a marketplace for trading long-term financial instruments, such as bonds (debt securities), mutual funds, derivative

products, and other financial instruments (Permata & Ghoni, 2019). The capital market is regarded as one of the effective means to expedite the development of a nation (Musran, 2021). Therefore, investment is also considered a crucial developmental instrument a nation needs to enhance the well-being of society, including the Indonesian nation.

However, investment is still perceived as unfamiliar to most Indonesian society. People still perceive that investment, stocks, the capital market, and exchanges are complex, seemingly expensive, and involve high risks (Cahya & W, 2019). Nevertheless, technological growth and development provide facilities for prospective investors to facilitate the selection of investment methods. Information regarding types and investment methods is abundantly available, especially on Internet media. Since the establishment of the Indonesia Stock Exchange (IDX), the general public can easily access information about investments in the capital market (Pajar & Pustikaningsih, 2017).

Internet media has become a fundamental necessity for every generation of society, particularly for Generation Z. This generation was born in an era characterized by advanced technological growth, synonymous with gadgets and the internet (Rudiwantoro, 2018). However, the current Generation Z faces various challenges, including the rising cost of living, limited financial resources, and following trends such as the habit of Generation Z in Langsa City gathering at cafes.

Langsa City is part of the Aceh Province, which has implemented Islamic Sharia through Law No. 11 of 2006 concerning the Governance of Aceh. Islamic Sharia in Aceh encompasses the economic sector for reinforcement (muamalah). The Qanun Aceh No. 11 of 2018 concerning Sharia Financial Institutions was established. As a result, every economic activity

in Aceh must adhere to Islamic Sharia. Therefore, this research examines Sharia digital mutual funds.

The lifestyle of Mecca's veranda community is closely associated with the habit of socializing in cafes (Indah et al., 2018), and this holds true for Generation Z in the city of Langsa as well. However, the demographic profile of capital market investors in Langsa, akin to the broader Indonesian context, predominantly comprises the Z generation. Based on the data of Single Investor Identification (SID) registered with the Indonesia Central Securities Depository (Kustodian Sentral Efek Indonesia or KSEI) as of October 14, 2022, approximately 58.91% of investors fall within the age bracket of 30 years and below (www.ksei.go.id accessed on May 29, 2023). In the specific context of Langsa, an overwhelming 87.6% of investors are below 30.

Several researchers have conducted limited reviews on evaluating the financial behavior of Generation Z in Investing in Shariah mutual funds (Budiman et al., 2022, pp. 373–381). Yet, these reviews have not comprehensively addressed the determinants, encompassing investment knowledge, celebrity endorsement, and word of mouth. Similarly, studies related to the influence of investment knowledge on interest in investing in Shariah mutual funds (Darmawan et al., 2019; Pajar & Pustikaningsih, 2017), the influence of celebrity endorsements on purchase interest (Anas & Sudarwanto, 2020; Parengkuan et al., 2014; Rofiqo, 2014), and the influence of word of mouth on purchase interest (Aditya & Wardana, 2017; Huda & Nugroho, 2020; Pratiwi & Lubis, 2017; Rembon et al., 2018; Saputra & Ardani, 2020). All of those studies do not focus on the interest in investing in digital Shariah mutual funds and not specifically focused on Generation Z.

Therefore, this study aims to unveil the determinants of Generation Z's investment interests in Langsa City in engaging with Shariah digital mutual fund platforms, including investment knowledge, celebrity endorsement, and word of mouth.

LITERATURE REVIEW

Determinants of Investment Interest

The determinant is the highest-level factor that decisively influences the nature or outcome of something (Cox & McCubbins, 2000). Investment interest can be defined as the desire, tendency, or strong inclination to engage in investment activities, accompanied by a sense of satisfaction derived from allocating capital into one or more existing assets in the present with the anticipation of future gains (Sulistiyowati, 2015).

Then, the determinant of Investment interest is the factors that influence someone to have a strong tendency towards engaging in investment activities by allocating capital to gain profits in the future. Based on the research problem outlined in the introduction and the explanation of the determinants of investment interest within this study, the theory to be utilized is the Theory of Planned Behavior. The Theory of Planned Behavior involves three independent variables: behavior, norm, and perceived behavioral control. It commences with the attitude towards behavior, wherein individuals conduct evaluations of aspects perceived as advantageous or otherwise (Lim & Weissmann, 2023; Novia et al., 2023; Stopczyński & Ziemba, 2022).

The association of the attitude variable toward behavioral factors in this research pertains to investment knowledge as information that enables Generation Z, as prospective investors, to allocate a portion of

their assets for long-term gains. The second independent variable is the subjective norm, which refers to an individual's behavior determined by intention, resulting from the individual's behavior towards subjective norms as the precursor to the formation of individual behavior. The relevance of this variable to the study is celebrity endorsement, utilizing public figures for consumer product promotion, wherein individuals appear alongside the product in the context of advertising.

The third independent variable is behavioral control, encompassing an individual's perception of the ease or difficulty of executing a behavior. This variable relates to an individual's belief in their ability to perform a specific action. As for the relationship of this variable to the study, word of mouth, also known as viral marketing, is a form of communication that occurs directly between individuals, where consumers voluntarily promote a product by sharing their experiences and offering recommendations to others to try or use the product.

Investment Knowledge

Investment knowledge is information about utilizing a portion of funds or resources owned to gain profits in the future. This knowledge can be acquired through learning from various available literary sources (Merawati & Putra, 2015).

Several studies have shown the positive impact of investment knowledge on investment interest. Pajar and Pustikaningsih found that investment knowledge is closely related to the interest of FE UNY students in investing in the capital market (Pajar & Pustikaningsih, 2017). Merawati and Putra have proven that investment knowledge significantly influences students' investment

interests (Merawati & Putra, 2015). Then, Novia found that investment knowledge significantly influences Generation Z's investment interest through digital platforms (Novia et al., 2023).

H1: Investment Knowledge positively influences Investment Interest.

Celebrity Endorsement

Celebrity endorsement is widely recognized for using popularity to benefit consumer products by appearing alongside the product in advertisements. The success of an advertisement is greatly influenced by the advertising star's ability to promote the brand or product, especially when the advertisement is through television media. Using advertising stars in television advertisements is an effective strategy for introducing products to consumers (Parengkuan et al., 2014). Hence, using celebrities as endorsers becomes a crucial element in influencing consumers to purchase specific products. Consequently, products endorsed by celebrity endorsers have a greater chance of influencing purchase decisions (Anas & Sudarwanto, 2020).

The research results by Aisyah indicate that public figures influence students' interest in investment in the Sharia capital market (Aisyah, 2023). There are not many studies related to the influence of celebrity endorsements on investment interest, but many regarding the influence of celebrity endorsements on interest in a product, such as Parengkuan's research, and the results of this study indicate that celebrity endorsement partially has a significant influence on the purchasing decision of Head and Shoulders shampoo products at 24 Mart Manado (Parengkuan et al., 2014) and Ahmad Aulia Anas' research confirms that celebrity endorsement significantly and positively

influences the purchasing decision of Eiger products (Anas & Sudarwanto, 2020).

H2: Celebrity Endorsement positively influences Investment Interest.

Word of Mouth

Word of mouth is the practice and consumer behavior of providing personal information to fellow consumers regarding a product or service (Anas & Sudarwanto, 2020). Word of mouth is also a part of the promotional strategy in marketing that leverages recommendations from satisfied consumers to enhance product awareness and increase sales. This communication spreads through business, social, and community networks that are considered to have significant influence (Sari & Yuniati, 2016). Several studies have proven that word of mouth can influence someone to develop investment interest, as demonstrated by the research conducted by Febi Alfia Ulfa and Ari Susanti that the positive impact of Word of Mouth on novice investors' decisions to invest in mutual funds through the Bibits application is evident (Ulfa & Susanti, 2023).

The research results by Prayuga indicate a positive correlation between word-of-mouth communication on electronic media and stock investment decisions among novice stock investors. This means that the higher the word-of-mouth communication on electronic media for a novice investor, the higher the likelihood of making stock investment decisions among novice stock investors, and vice versa (Prayuga et al., 2022). Similarly, the research findings by Innayah indicate that Word of Mouth has a positive and significant effect on investment intention through brand image (Innayah et al., 2022).

H3: Word of Mouth positively influences Investment Interest.

Investments Interest

Interest in investing can emerge independently, initially fueled by a passion for investment. However, interest may not arise without assistance from others in conveying investment-related information. Thus, interest can grow alongside the socialization efforts of individuals to others. Investment interest evolves due to the investment socialization provided by the Indonesia Stock Exchange (BEI). One of the factors influencing investment interest is the stimulation from their social environment, which aligns with their preferences in investment businesses, making it easier for individuals to develop interest (Nandar et al., 2018).

Therefore, every individual interested in investing is undoubtedly influenced by several factors, thereby committing themselves to invest in a particular investment in a manner they believe will lead to successful profit acquisition. Based on previous research on investment knowledge, celebrity endorsement, and word of mouth's influence on investment interest, the researcher hypothesizes that investment knowledge, celebrity endorsement, and word of mouth also affect investment interest in Shariah digital mutual funds.

H4: Investment Knowledge, Celebrity Endorsement, and Word of Mouth positively influence Investment Interest

RESEARCH METHOD

This research employs a quantitative approach to explore Generation Z's knowledge and interest in Langsa City regarding investment in Sharia-compliant digital mutual fund platforms. This study aims to provide a clear and in-depth understanding of how Generation Z in Langsa perceives and is interested in Shariah-compliant investments

Utilizing numerical data for research. Due to the unknown population of Generation Z in Langsa City, the sample size determination is based on the Cochran formula (Sugiyono, 2016, p. 36), resulting in a sample size of 110 respondents. Primary data was obtained through questionnaires, while secondary data was obtained from relevant books and articles. The data collection technique involved distributing Likert-scale questionnaires to measure respondents' attitudes, opinions, and perceptions, complemented by documentation.

The independent variables in this study include investment knowledge, celebrity endorsement, and word of mouth, while the dependent variable is investment interest. These factors form the basis for formulating the instrument items in the form of statements or questions.

Data analysis in this study employs multiple regression to reveal the relationships between investment knowledge, celebrity endorsement, and word of mouth, and the investment interest of Generation Z in Shariah-compliant digital mutual funds in Langsa. The initial stage to ensure data validity and reliability involves a series of rigorous tests. Validity testing uses Pearson's bivariate correlation with a significance level of 0.05, comparing the correlation values with table values (r table). Validity is achieved if the calculated r -value exceeds the table r -value. This approach ensures that each item in the questionnaire accurately measures what it is intended to measure, eliminating potential errors in data interpretation. Reliability testing uses Cronbach's alpha coefficient, calculated with the help of SPSS software, to ensure the internal consistency of the research instrument. High reliability indicates that the measurement tool is dependable across various situations and times (Priyanto, 2014).

After ensuring validity and reliability, the study proceeds with classical assumption tests. The normality test, using the Kolmogorov-Smirnov test, assesses data distribution. Results showing a significance value > 0.05 indicate normal distribution, while < 0.05 indicates non-normal distribution (Tri Basuki, 2016, p. 60). Normal distribution is a crucial prerequisite for the validity of regression results, although in some cases, non-normality can be addressed with data transformation or non-parametric statistical techniques.

The multicollinearity test examines the correlation among independent variables using the Variance Inflation Factor (VIF). A VIF value < 10 indicates no significant multicollinearity, ensuring that independent variables do not strongly influence each other, which could obscure regression results. The heteroskedasticity test is conducted to ensure the uniformity of residual variances among observations using the Glejser test. The criterion is that if the significance value between independent variables and the absolute residual is > 0.05 , then it can be concluded that the regression model does not exhibit symptoms of heteroskedasticity. It is crucial as undetected heteroskedasticity can lead to distortions in interpreting regression results, potentially affecting the validity of research findings (Tri Basuki, 2016, p. 63).

Hypothesis testing in this study involves several important steps to ensure the validity and robustness of the model used. First, the t-test evaluates the partial influence of each independent variable on the dependent variable. If the calculated t value is greater than the t value in the table (t table) and the significance level is less than 0.05, the null Hypothesis (H_0) is rejected, indicating that the independent variable significantly influences the dependent variable (Tri Basuki, 2016, p. 61).

Second, the F-test assesses the simultaneous influence of all independent variables on the dependent variable. If the calculated F value is greater than the critical value in the table (F table), it indicates that the independent variables collectively significantly influence the dependent variable. Lastly, the coefficient of determination (R^2) analysis is used to determine the percentage of the influence of independent variables on the dependent variable. If the R^2 value approaches one, it shows that the model can explain the relationships between the variables. Conversely, if R^2 approaches zero, the influence of the independent variables on the dependent variable is considered weak.

RESULT AND DISCUSSION

Result

The data illustrates interesting insights into the demographic composition of the respondents. While the gender distribution seems relatively balanced, with 67% male and 33% female respondents, there's a notable skew towards respondents over 20 years, comprising 72% of the total. It suggests that most respondents are likely adults, potentially reflecting a more mature and financially independent demographic.

Furthermore, regarding education level, the highest proportion of respondents, at 65%, hold a bachelor's degree (S1), indicating a relatively high level of education among the sample population. Given the correlation between education and financial decision-making, it could imply a certain level of financial literacy and awareness of investment opportunities. Interestingly, despite the higher proportion of respondents with a bachelor's degree, a considerable number have a senior high school education, constituting 29% of the

total. This diversity in educational backgrounds could influence investment preferences and strategies, as individuals with different educational levels may have varying risk tolerance levels and financial understanding.

Regarding income, most respondents earn less than 500,000 IDR, accounting for 79% of the sample. It suggests that the surveyed population may comprise individuals with moderate to lower incomes, which could

impact their investment behavior and preferences. However, it's noteworthy that a significant proportion of respondents still fall within higher income brackets, with 16% earning between 500,000 and 1,000,000 IDR and 5% earning over 1,000,000 IDR. It indicates a diverse range of income levels within the sample, potentially reflecting varying levels of financial stability and investment capacity. as shown in Table 1

Table 1. The Characteristics of 110 Generation Z Respondents in Langsa City

Respondents' Characteristics	Respondent	Percent (%)
Gender		
Male	74	67
Female	36	33
Age		
≤ 20 years	31	28
> 20 years	79	72
Education Level		
Senior High School	32	29
Diploma	7	6
Bachelor (S1)	71	65
Income		
≤ 500.000 IDR	87	79
> 500.000 - 1.000.000 IDR	18	16
> 1.000.000 IDR	5	5

Description: The data is processed based on the responses to the questionnaire

The research repeatedly and rigorously examined the validity and reliability of each variable. Under the validity assessment involving a sample size of 110 respondents, the critical "r" value was determined utilizing the formula $df = N - nr$, where df represents the degrees of freedom ($df = 110 - 2 = 108$). Subsequently, referencing the table of significant coefficient values at a 5% significance level, the obtained "r" value was determined to be 0.187. These pivotal findings

are encapsulated in the validity test results showcased in the subsequent table 2.

The table delves into multiple facets of investment behavior, categorizing them into three primary groups: Investment Knowledge, Investment Knowledge, Word of Mouth, and Investment Interest. Within the Investment Knowledge, three items, namely IK1, IK2, and IK3, are outlined. Their R Count values range from 0.635 to 0.751, suggesting varying degrees of correlation among these items within the

factor. Despite the evident correlations, all items share an identical R Table value of 0.187. The computed Cronbach's Alpha coefficient for this factor stands at 0.887, signaling a commendable level of internal consistency among the items. Transitioning to the Investment Knowledge, the table presents five items: CE1, CE2, CE3, CE4, and CE5. Their R Count values oscillate between 0.592 and 0.719, highlighting diverse correlations within the factor. s above all items maintain an R Table value of 0 based on the re.187. The resulting Cronbach's Alpha coefficient for this factor amounts to 0.909, indicating robust internal consistency across the items. Under the Word of Mouth, five items are delineated, denoted as WM1, WM2, WM3, WM4, and WM5. Their

respective R Count values range from 0.512 to 0.659, showcasing varying correlations within the factor. By understanding the above statement, all items possess an R Table value of 0.187. The calculated Cronbach's Alpha coefficient for this factor registers at 0.913, underscoring a substantial level of internal consistency among the items. Lastly, the table encompasses the Investment Interest factor, encompassing items II1, II2, and II3. Their R Count values span from 0.664 to 0.789, showcasing distinct correlations within the factor. Similarly, all items exhibit an R Table value of 0.187. The resultant Cronbach's Alpha coefficient for this factor tallies at 0.881, substantiating robust internal consistency throughout the items.

Table 2. Results of the Validity Test

Variable	Item Code	R Count	R Table	Cronbach's Alpha
Investment Knowledge Factor	IK1	0.672	0,187	0,887
	IK2	0.635	0,187	
	IK3	0.751	0,187	
Celebrity Endorsement Factor	CE1	0.716	0,187	0,909
	CE2	0.658	0,187	
	CE3	0.719	0,187	
	CE4	0.652	0,187	
	CE5	0.592	0,187	
Word of Mouth Factor	WM1	0.659	0,187	0,913
	WM2	0.512	0,187	
	WM3	0.623	0,187	
	WM4	0.582	0,187	
	WM5	0.592	0,187	
Investment Interest	II1	0.789	0,187	0,881
	II2	0.664	0,187	
	II3	0.664	0,187	

Source: Data processed using SPSS version 21

The results of the classical assumption tests provide crucial insights into the adequacy of the data employed in the analysis. Firstly, regarding normality, the Kolmogorov-Smirnov test indicates that the data are normally distributed, with a Z value of 0.694 and a

significance level of 0.721, signifying no significant deviation from normal distribution. This assertion is pivotal as it confirms that the data may be considered representative of the population under the fundamental assumptions of statistical analysis.

Secondly, concerning multicollinearity, the variance inflation factor (VIF) values for each variable factor demonstrate the absence of multicollinearity issues, with all VIF values below the threshold of 10. It indicates the absence of strong relationships among the independent variables, which is crucial for avoiding distortions in parameter estimation.

Thirdly, the significance tests reveal the absence of heteroscedasticity issues concerning heteroscedasticity, with all significance values

above 0.05 based on the Glejser test. It suggests that the residual variance is not dependent on predictor values, thereby validating the assumption of homoscedasticity in regression analysis. Overall, the results of the classical assumption tests provide additional confidence in the reliability and validity of the statistical analysis, thereby reinforcing the basis for interpreting the findings obtained from this research.

Table 3. Classical Assumption Test Results

Classical Assumption Test	Criteria	Result	Decision
Normality			
Kolmogorov-Smirnov Z	Z and Sig. > 0,05	0,694	Normally Distributed
Asymp. Sig. (2-tailed)		0,721	
Multicollinearity			
Investment Knowledge Factor	VIF < 5	2,513	No Multicollinearity
Celebrity Endorsement Factor		4,219	
Word of Mouth Factor		4,588	
Heteroscedasticity			
Investment Knowledge Factor	Sig. > 0,05	0,612	No Heteroscedasticity
Celebrity Endorsement Factor		0,835	
Word of Mouth Factor		0,854	

Source: Data processed using SPSS version 21

These multiple regression analysis results provide fascinating and critical insights into the dynamics influencing investment interest. The first Hypothesis (H1) posits that Investment Knowledge (IK) has a positive effect on Investment Interest (II). With a coefficient of 0.498, a T statistic of 5.894 (far exceeding the critical value of 1.659), and a significance level of 0.000 (well below 0.05), this Hypothesis is strongly supported. It indicates that investment knowledge substantially enhances an individual's interest in investing, underscoring the importance of financial education in investment decision-making. The second Hypothesis (H2) asserts that Celebrity Endorsement (CE) positively affects Investment

Interest (II). With a coefficient of 0.248, a T statistic of 3.705, and a significance level of 0.000, the statistical evidence robustly supports this Hypothesis. Although the previous table incorrectly noted this Hypothesis as "Not Supported," a critical review corrects this error. Celebrity endorsement exerts a significant positive influence, illustrating how social power and celebrity influence can motivate investment interest. The third Hypothesis (H3) evaluates the impact of Word of Mouth (WM) on Investment Interest (II). With a negative coefficient of -0.019, a T statistic of only -0.269 (well below the critical value of 1.659), and a significance level of 0.788 (well above 0.05), this Hypothesis is rejected. These results indicate

that word of mouth does not significantly affect investment interest, possibly due to the variability in the quality of information

received from informal sources and the lack of trust that ensues.

Table 4. Results of Hypothesis Testing through T-test Coefficients

Hypothesis	Relationship	Coefficient	SE	T statistic	Significance	Decision
H1	IK -> II	0,498	0,084	5.894	0,000	Supported
H2	CE -> II	0,248	0,067	3.705	0,000	Not Supported
H3	WM -> II	0,019	0,071	-0.269	0,788	Supported

Notes: SE: Standard Error

Source: Data processed using SPSS version 21

This multiple regression analysis provides profound insights into the relationships among the observed variables. Hypothesis H4 examines the combined influence of all independent variables on the dependent variable. With an impressive F Statistic value of 78.134, significantly exceeding the critical F Table value of 2.457, and a remarkably low significance level of 0.000 (well below 0.05), this Hypothesis is strongly supported. The results show that at least one independent variable significantly affects the dependent variable. The high F Statistic value emphasizes the regression model's strong explanatory power in explaining the variability

in the dependent variable. The Adjusted R Square, at 0.680, indicates that approximately 68% of the variability in the dependent variable is explained by the independent variables in the regression model, signifying its adequacy in fitting the observed data. A higher adjusted R square value suggests a greater proportion of variance than the independent variables explained. Thus, the high Adjusted R Square value reaffirms the regression model's substantial explanatory power, validating its relevance in delineating the relationship between independent and dependent variables.

Table 5. Results of Hypothesis Testing through the F-Test and Determination (R²) Test

Hypothesis	F Statistic	Significance	Adjusted R Square	Decision
H4	78,134	0,000	0,680	Supported

Source: Data processed using SPSS version 21

Discussion

This multiple regression analysis provides profound insights into the factors influencing investment interest and their implications for investment decision-making. Firstly, the results affirm that investment knowledge significantly impacts individual investment interests, underscoring the importance of a strong understanding of financial markets and investment instruments in shaping investment interest. It highlights the

necessity of enhancing financial literacy among Generation Z in Langsa City to empower them to make better investment decisions, given that investment knowledge is fundamental for minimizing risks and maximizing investment returns. These findings are consistent with studies by Kurniawan (2021) and Novia et al. (2023), indicating a significant positive influence of investment knowledge on investment interest.

Secondly, celebrity endorsement has also been found to significantly influence investment interest. It suggests that social influence and public image can motivate individuals to invest. However, it is crucial to remember that investment decisions should not solely rely on celebrity endorsements but also careful fundamental and financial analysis. Therefore, investors and financial practitioners must critically evaluate information sources and factors influencing investment decisions. Although the research subjects were Generation Z in Langsa, the findings support studies by Aisya (2023) and Anas & Sudarwanto (2020), demonstrating the significant impact of public figures on investment interest. It underscores the need for a holistic approach to investment portfolio management and psychological, social, and fundamental factors.

On the other hand, the finding that word of mouth does not significantly affect investment interest is intriguing. While word of mouth is often considered a factor influencing consumer decisions, its impact on investment seems overshadowed by the quality of information and trust in the information source. It suggests that individuals trust more reliable information sources, such as financial advisors or market analysts, in investment decision-making. The results are consistent with Ulfa & Susanti (2023), indicating a positive role of Electronic Word of Mouth (E-WoM) in investment decision-making, and Innayah et al. (2022), showing that E-WoM has a positive and significant effect on investment intention through brand image. However, this suggests that E-WoM does not directly influence investment intention.

Furthermore, the results of the Hypothesis testing the combined influence of all independent variables indicate that the regression model significantly explains the

variation in investment interest overall. It underscores the importance of considering various factors in designing effective investment strategies. The implication is the need for a holistic investment portfolio management approach, considering psychological, social, and fundamental factors. Overall, these findings provide a deeper understanding of the factors influencing investment interest and offer critical insights into how the implications of these results can shape more effective and sustainable investment policies and practices.

CONCLUSION

Investing in Shariah digital mutual funds not only presents a promising option to achieve long-term financial goals under Islamic principles but also holds significant relevance for Generation Z in Kota Langsa, who are under the influence of Islamic Shariah law. Findings from this research underscore the importance of investment knowledge in shaping individual investment interests, especially among Generation Z.

The implication is the necessity for increased financial literacy among them to help minimize risks and maximize investment returns. Additionally, celebrity endorsement influences investment interest, although decisions should not solely rely on it. Thorough fundamental and financial analysis is crucial. These findings provide valuable insights for more effective and sustainable investment policies and practices. However, in the context of investment decision-making, word of mouth surprisingly does not significantly impact investment interest among Generation Z in Kota Langsa. It indicates that more reliable sources of information, such as financial advisors or market analysts, may be relied

upon more by individuals in making investment decisions.

Nevertheless, this underscores the need to consider various psychological, social, and fundamental factors in designing effective investment strategies. Moreover, the presence of other undisclosed factors in this study implies the importance of further research to gain a deeper understanding of the factors influencing investment interest among Generation Z in Shariah digital mutual funds. Thus, further research is expected to uncover additional factors not revealed in this study to provide a more holistic understanding of investment interest among Generation Z.

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