

# Digital Word of Mouth and Consumer Decisions in Islamic Banking: Unpacking the Mediating Role of Trust

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## Abstract

This study examines how electronic word-of-mouth (e-WOM) influences consumer purchase intention in Indonesia's Islamic banking sector, with trust positioned as a central mediating mechanism. Using survey data from 177 users of Islamic digital banking services and Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings reveal that while e-WOM significantly enhances consumer trust, it does not exert a direct effect on purchase intention. Instead, trust fully mediates the e-WOM–purchase intention relationship, indicating that digital social information becomes behaviorally relevant only after it is internalized as institutional and Sharia-based trust. This study offers a clear theoretical contribution by integrating the Information Adoption Model (IAM) and the Theory of Planned Behavior (TPB) within the context of Islamic banking, demonstrating that information credibility alone is insufficient to drive intention without trust-based evaluation. Empirically, the Indonesian context is particularly salient given the persistent gap between the country's large Muslim population and the relatively low market share of Islamic banking, highlighting trust as a critical psychological barrier. The findings extend digital marketing and Islamic finance literature by clarifying the conditional pathway through which e-WOM influences intention in high-risk, value-based financial services. Managerially, the results emphasize the importance of credible, transparent, and value-aligned digital communication strategies to cultivate trust.

## KEYWORDS

e-wom; trust; purchase intention; islamic banking.

## Introduction

Patterns of consumer decision-making in financial services have increasingly been shaped by electronic word-of-mouth (e-WOM), particularly in digital banking environments where information asymmetry and perceived risk are high (Rahman, 2025), (APJII Jakarta, 2024). In contrast to conventional marketing communications, e-WOM functions as a socially embedded information signal that influences trust formation prior to behavioral commitment, making it especially relevant in financial services that rely heavily on credibility and institutional integrity (Mukhsin, 2022), (Ismagilova et al., 2020), (S. M. Khan et al., 2022).

The global financial industry has seen particularly strong growth in Islamic banking and finance (Supiyadi et al., 2018), this rapid expansion is driven by the escalating consumer interest in products consistent with Sharia principles, regulatory advancements, increased participation from conventional investors, and the industry's ability to develop financial instruments that meet both individual and corporate needs, (S. M. Khan et al., 2022). According to the Islamic Finance Development Report 2024, the global Islamic finance sector recorded asset growth to nearly USD 4.9 trillion in 2023,

indicating an 11% year on year expansion (LSEG, 2024). According to the latest State of the Global Islamic Economy Report (2024-2025), global Islamic finance assets are projected to reach approximately USD 7.5 trillion by 2028, (DinarStandard, 2024).

Notably, this growth extends beyond Muslim-majority countries (Maulidia et al., 2024), reinforcing Islamic finance as an inclusive and sustainable global financial system (Putri et al., 2022), (Inahasari & Handayani, 2024), (Hafizah & Fadhlurrahman, 2024).

In Indonesia, this issue is particularly critical for Islamic banking. Despite representing approximately 87% of the population, Muslim consumers account for less than 7% of national banking market share held by Islamic banks (OJK, 2024). This disparity indicates not merely a demand-side limitation, but a persistent trust and intention gap, where religious alignment alone is insufficient to motivate adoption without confidence in institutional reliability and Sharia compliance (Wilson & Liu, 2022), (Mahmud, 2024), (Miftahuddin et al., 2022).

Research indicates that trust is a crucial psychological process that connects the role of e-WOM in shaping purchase intention (Khwaja et al., 2020), (Chen & Chang, 2023). Online suggestions are more readily accepted when the information source is evaluated as both reliable and socially significant (Erkan & Evans, 2018). In Islamic banking, trust encompasses moral integrity and commitment to Sharia rules in addition to faith in the system (Ali & Raza, 2023), (Karim, 2017). However, empirical studies examining the dynamic relationship among e-WOM, trust, and purchase intention in Islamic banking remain limited, particularly in Indonesia, (Rahman, 2025). Existing research predominantly focuses on e-commerce or halal consumer products, (Ismagilova et al., 2020), (Putri et al., 2022) rather than financial services, which involve higher risk, regulatory complexity, and consumer involvement, (Zeqiri et al., 2022).

Despite substantial advances in the digitalization of Islamic banking, most potential customers continue to rely on offline reputation or personal opinions rather than e-WOM, (OJK, 2024). This outcome is inconsistent with global evidence showing that online reviews are a primary predictor of purchase intention (Ismagilova et al., 2020). These observations prompt an important question: to what extent does e-WOM shape purchase intention for Islamic banking products, and how does trust mediate this relationship? The current literature on e-WOM predominantly examines consumer goods (e.g., fashion, electronics) rather than high-involvement, risk-laden financial services (Khwaja et al., 2020).

Although prior studies acknowledge the importance of electronic word-of-mouth and trust in shaping consumer intentions, existing empirical evidence remains fragmented and contextually limited. Most e-WOM research has been conducted in low-risk consumer goods and e-commerce settings, offering limited explanatory power for high-involvement financial services such as Islamic banking, where decisions are embedded in regulatory complexity, moral values, and heightened perceived risk. Moreover, previous studies rarely integrate information-adoption perspectives with behavioral intention theory to explain how digital information is cognitively internalized into trust and subsequently translated into purchase intention. As a result, the psychological mechanism through which e-WOM influences intention in Islamic banking—particularly in Indonesia—remains insufficiently explained.

The existing body of research on e-WOM and purchase intention is predominantly situated in e-commerce contexts, such as halal fashion, cosmetics, and digital marketplaces (Khwaja et al., 2020); (Chen & Chang, 2023). Nevertheless, empirical research focusing specifically on Islamic financial

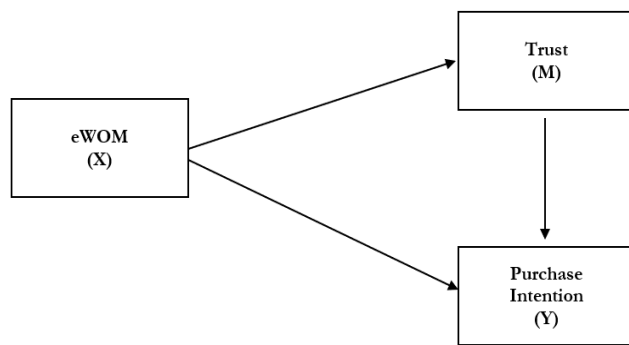
services remains limited (Ismagilova et al., 2020), (Zeqiri et al., 2022), (Miftahuddin et al., 2022). This limitation is consequential because financial services involve higher perceived risk, stronger reliance on institutional credibility, and greater information asymmetry than typical consumer goods, which may alter how e-WOM becomes behaviorally relevant. Consequently, the mechanisms through which consumers translate digital social cues into purchase intention in Islamic banking remain insufficiently explained.

Several studies indicate that trust is a key psychological mechanism linking e-WOM to purchase intention (Hafizah & Fadhlurrahman, 2024). However, the mediating role of trust has rarely been tested explicitly within Islamic commercial banks in Indonesia (Putri et al., 2022). Moreover, prior work rarely combines information-adoption perspectives with the Theory of Planned Behavior to clarify how exposure to digital word-of-mouth is internalized into trust and subsequently translated into purchase intention within Islamic financial (Kumar et al., 2023); (Bananuka et al., 2020); (Allah Pitchay et al., 2020). Addressing these gaps requires a theoretically grounded model that captures information credibility, cognitive adoption, and planned behavior within a value-based financial system.

This study contributes by developing and empirically testing an integrated e-WOM, trust, and purchase intention model grounded in the Information Adoption Model (IAM) and the Theory of Planned Behavior (TPB) within the context of Indonesian Islamic commercial banks (BUS). By positioning trust as a mediating mechanism, the proposed model captures both the direct and indirect pathways through which digital word-of-mouth influences purchase intention, thereby clarifying how digital information cues evolve into confidence and behavioral intention in the adoption of Islamic banking products and services. Drawing on empirical evidence from Indonesia, this study offers a contextually grounded contribution to e-WOM research in Islamic banking and enriches the Islamic marketing literature in the world's largest Muslim-majority country (Ismagilova et al., 2020).

Aligned with this theoretical agenda, the research focuses on Islamic commercial banks listed in the OJK Islamic Banking Statistics during the study period. The analysis centers on customers and potential customers who have been exposed to digital word-of-mouth related to Islamic commercial banking services and who actively engage with digital platforms, including mobile and internet banking services. The substantive scope of the study is limited to examining the relationships among digital e-WOM, trust, and purchase intention in Islamic banking services, without extending to institutional design, macro-regulatory frameworks, or financial performance. The spatial scope is confined to Indonesia; therefore, the findings primarily reflect behavioral dynamics within the domestic Islamic banking market.

Accordingly, this study examines how digital word-of-mouth shapes trust and purchase intention among Islamic commercial bank customers in Indonesia. Specifically, it investigates how the perceived quality, credibility, and usefulness of digital information influence trust in Islamic commercial banks and assesses the extent to which that trust drives purchase intention. Furthermore, the study explores whether trust mediates the effect of e-WOM on purchase intention, offering a comprehensive account of the psychological mechanisms that connect digital information exposure to behavioral intention. The findings are expected to advance e-WOM and Islamic marketing scholarship while providing managerial insights for Islamic commercial banks on designing effective, value-aligned digital communication strategies that foster trust and strengthen customer interest in Islamic banking products and services.



**Figure 1.** Conceptual Framework Linking e-WOM, Trust, and Purchase Intention

## Literature Review

### The Role of e-WOM in Consumer Decision-Making Across Digital Platforms

Electronic word-of-mouth represents a digital marketing communication process through which consumers disseminate experiences, evaluations, and recommendations about products or services via publicly accessible online platforms. (Ismagilova et al., 2020). In the financial services industry, particularly banking, e-WOM functions as a social signal that helps prospective customers reduce information asymmetry before making decisions (Chen & Chang, 2023). Previous studies show that customer trust and purchase intention are highly influenced by e-WOM's legitimacy, valence (positive or negative), and informational quality (Erkan & Evans, 2018), (Naveed & Mahmood, 2019), (Khwaja et al., 2020). Because it comes from actual customer experiences, information given by other users is seen as more genuine than corporate marketing messaging (Rosyid, 2023).

In Islamic banking, e-WOM extends beyond functional considerations by conveying moral, ethical, and spiritual values consistent with Sharia principles such as justice, trustworthiness, and transparency (Wilson & Liu, 2022), (Ali & Raza, 2023). Positive e-WOM from credible sources reinforces consumer confidence in a bank's Sharia compliance (Hardhianti et al., 2024), whereas negative e-WOM may create doubt and hinder purchase intention (Rahayu et al., 2023). The IAM (Information Adoption Model) framework, (Kumar et al., 2023); (Bananuka et al., 2020) proposes that the perceived quality and credibility of information sources condition users' usefulness judgments and their subsequent information adoption. The extent to which consumers adopt e-WOM information is reflected in trust formation and behavioral tendencies toward Islamic banking products.

### Trust as a Mediating Mechanism

Trust can be conceptualized as consumers' confidence that a provider will act reliably and with integrity, while also demonstrating benevolent intentions toward the customer, (Nadeem et al., 2020). In Islamic banking, trust encompasses moral and religious dimensions, emphasizing compliance with Sharia principles and alignment of spiritual values with customer expectations ((Ayub et al., 2024), (Ali & Raza, 2023). Previous studies confirm that trust mediates the relationship between various digital stimuli such as website quality, e-WOM, and perceived risk and purchase intention (Khwaja et al., 2020), (Miftahuddin et al., 2022).

Trust acts as an intermediary belief that transforms external stimuli into internal behavioral commitment (Mahmud, 2024). According to Trust Transfer Theory (Kim et al., 2019) and (Hajli et al., 2017), consumers can transfer trust from interpersonal sources (e.g., friends, online reviews, influencers) to financial institutions, provided the information is perceived as credible and consistent. In this context, e-WOM serves as a digital trust-transfer channel for Islamic banking (Liu, 2018), (Lee & Hong, 2019), (Gong, 2020).

### Purchase Intention in Islamic Financial Services

Purchase intention refers to an individual's conscious willingness to buy or use a product or service in the future (Paul et al., 2016). In Islamic finance, purchase intention manifests in customers' willingness to open accounts, apply for financing products, or use digital banking services. The Theory of Planned Behavior (TPB) (Kumar et al., 2023); (Bananuka et al., 2020); (Allah Pitchay et al., 2020), argues that behavioral intention arises from a combination of attitudinal evaluations, social norms, and perceived behavioral control.

Since banks are required to respect the ideals of trustworthiness and halal integrity in addition to providing efficient services, trust is crucial in the roles of consumer attitudes and social norms in Islamic banking, (Wilson & Liu, 2022). (Ali & Raza, 2023) discovered that Muslim consumers' intention to purchase Islamic banking products is strongly influenced by trust. Accordingly, the chance of conducting transactions increases with the degree of consumer confidence in a bank's legitimacy and adherence to Sharia law, (Rafiq et al., 2023).

### e-WOM, Trust, Purchase Intention, and Hypothesis Development

Consumer confidence in Islamic financial institutions is increased by reliable and superior e-WOM. Robust trust fosters feelings of security and confidence in an institution's integrity, thereby strengthening purchase intention. When trust operates as a mediating mechanism, the direct effect of e-WOM on purchase intention typically attenuates, implying that intention is driven more by internalized trust than by mere exposure to online information. Accordingly, this conceptual framework integrates the Theory of Planned Behavior (TPB) with the Information Adoption Model (IAM) to explain how digital information cues are evaluated, converted into trust, and ultimately translated into purchase-related intentions. Figure 1 presents the research framework illustrating the relationships among three key constructs: electronic word-of-mouth, trust, and purchase intention.

Building on prior research, four hypotheses are proposed: H1, e-WOM positively affects trust among Islamic banking customers; H2, trust positively influences purchase intention toward Islamic banking products and services; Although prior arguments emphasize mediation, the direct effect of e-WOM on purchase intention is retained to empirically verify whether trust operates as a full or partial mediator in high-risk Islamic financial services. H3, e-WOM directly affects purchase intention; and H4, trust fully mediates the e-WOM–purchase intention relationship.

## Methods

This study adopts a quantitative, explanatory design to investigate the relationships among electronic word-of-mouth (e-WOM), trust, and purchase intention in Indonesia's Islamic banking context. The proposed model integrates the Information Adoption Model (IAM) and the Theory of Planned Behavior (TPB), positioning trust as the central mediating mechanism. The hypotheses are tested using Partial Least Squares Structural Equation Modeling (PLS-SEM), an approach well suited for estimating latent-variable models and assessing complex mediation pathways (Hair et al., 2022). PLS-SEM was selected due to its suitability for exploratory mediation analysis, relatively small sample size, and the study's emphasis on prediction-oriented modeling rather than theory confirmation. Furthermore, the sample size of 177 respondents satisfies the minimum threshold recommended for PLS-SEM. Following Hair et al. (2022), a sample of at least ten times the maximum number of structural paths pointing to any latent construct is

**Table 1.** Variable Operationalization

Construct	Operational Definition	Measurement Indicators	Reference Sources
e-WOM (X)	Consumer impressions are influenced by user generated information, comments, and recommendations regarding Islamic banking services.	W1: Information credibility W2: Message quality W3: Content relevance W4: Positive view of services W5: Interest in using services	(Ismagilova et al., 2020) and (Khwaja et al., 2020)
Trust (M)	The extent to which consumers perceive Islamic banking institutions as reliable, ethically sound, and compliant with Sharia principles, while providing secure and transparent services.	TS1: Institutional reliability TS2: Compliance with Sharia principles TS3: Service security and transparency	(Ali & Raza, 2023) and (Wilson & Liu, 2022)
Purchase Intention (Y)	The tendency of customers to use Islamic banking products or services in the future based on trust and perception.	PI1: Desire to use products PI2: Willingness to recommend PI3: Intention to continue using services	(Paul et al., 2016) and (Zeqiri et al., 2022)

Source: Processed by the researcher, 2025

generally sufficient; given that no construct in this model receives more than two incoming paths, a minimum of 20 observations would suffice, meaning 177 respondents substantially exceeds this rule-of-thumb and provides adequate statistical power for the proposed mediation analysis (Hair et al., 2022).

The study focuses on 14 fully fledged Islamic commercial banks operating in Indonesia, as documented in the Islamic Banking Statistics published by the Financial Services Authority (OJK) during the period of analysis. Islamic commercial banks institutions were selected because: (1) they account for the largest share of assets and market penetration in the Islamic banking industry, making them more representative of national-level customer behavior; (2) they possess advanced digital infrastructure (mobile banking, internet banking, and other digital ecosystems), enabling more intensive and measurable e-WOM flows; (3) their regulatory characteristics, operational scale, and product portfolios are relatively homogeneous, reducing heterogeneity compared to Islamic rural banks (BPRS) or Islamic business units (UUS), which often exhibit local orientation and varying digital penetration; and (4) trust and purchase intention mechanisms in Islamic commercial banks are more relevant for analyzing high-credence financial services operating in both retail and corporate markets.

Data were obtained from 177 current and prospective customers of Islamic banks in Indonesia who engage with digital financial services, including mobile banking, internet banking, and Islamic e-wallet platforms. A purposive sampling strategy was employed based on predefined eligibility criteria: (1) respondents aged 18 years or older, and (2) respondents who have received or read online reviews related to Islamic banking services. The survey was conducted online, ensuring respondent anonymity to maintain ethical validity. Data were analyzed using SmartPLS 4.0. The measurement instruments were adapted from established prior research and rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), the operationalization of variables is presented in Table 1. Measurement items for e-WOM were adapted from validated scales in previous studies (Ismagilova et al., 2020) and (Khwaja et al., 2020), trust from (Ali & Raza, 2023) and (Wilson & Liu, 2022) and purchase intention from (Paul et al., 2016) and (Zeqiri et al., 2022). The instruments were subjected to expert evaluation and a pilot study involving 30 respondents to ensure clarity and contextual suitability for Islamic banking. The results of validity and reliability assessments showed Cronbach's alpha and composite reliability values exceeding 0.80, along with average variance extracted (AVE) values above 0.50, thereby

confirming robust internal consistency and convergent validity.

The analytical procedure followed a two-step approach. The first step involved assessing the measurement model to establish convergent validity and reliability by examining indicator loadings, average variance extracted (AVE), and composite reliability. The second step focused on evaluating the structural model to analyze the relationships among constructs using path coefficients, associated significance levels, and measures of explanatory power ( $R^2$ ) and effect size ( $f^2$ ). A bootstrapping procedure was applied to generate multiple resamples from the original dataset, enabling robust estimation of the sampling distribution of the path coefficients.

By generating bias-corrected confidence intervals for the estimated coefficients, this procedure enhances the robustness of stability and significance assessments. To ensure reliable hypothesis testing, the study employed a bootstrapping approach with 5000 resamples, producing t-values and p-values used to evaluate the statistical significance of both direct and indirect effects (Hair et al., 2022). This method guarantees the validity and reliability of the results by allowing a thorough evaluation of proposed correlations and mediation effects. Every research process complied with social research ethics, which include respondent confidentiality, voluntary participation, and the use of data only for academic purposes.

## Result and Discussion

The structural relationships were examined using Partial Least Squares Structural Equation Modeling (PLS-SEM) with a bootstrapping procedure involving 5,000 resamples. This approach was applied to evaluate the hypothesized associations among e-WOM, trust, and purchase intention within Indonesia's Islamic banking context. Figure 2 illustrates the outer measurement model of the e-WOM construct in Islamic banking.

Table 2 summarizes the measurement results, indicating that the model exhibits an acceptable overall fit. All indicator loadings exceed the recommended threshold of 0.70, and Variance Inflation Factor (VIF) values remain below 5, suggesting no multicollinearity concerns. In addition, Cronbach's alpha and composite reliability values are consistently above 0.80, while average variance extracted (AVE) values surpass 0.50. Collectively, these results support satisfactory internal consistency and convergent validity for all constructs (Hair et al., 2022).

The coefficient of determination indicates that trust achieves an  $R^2$  value of 0.320, demonstrating that e-WOM

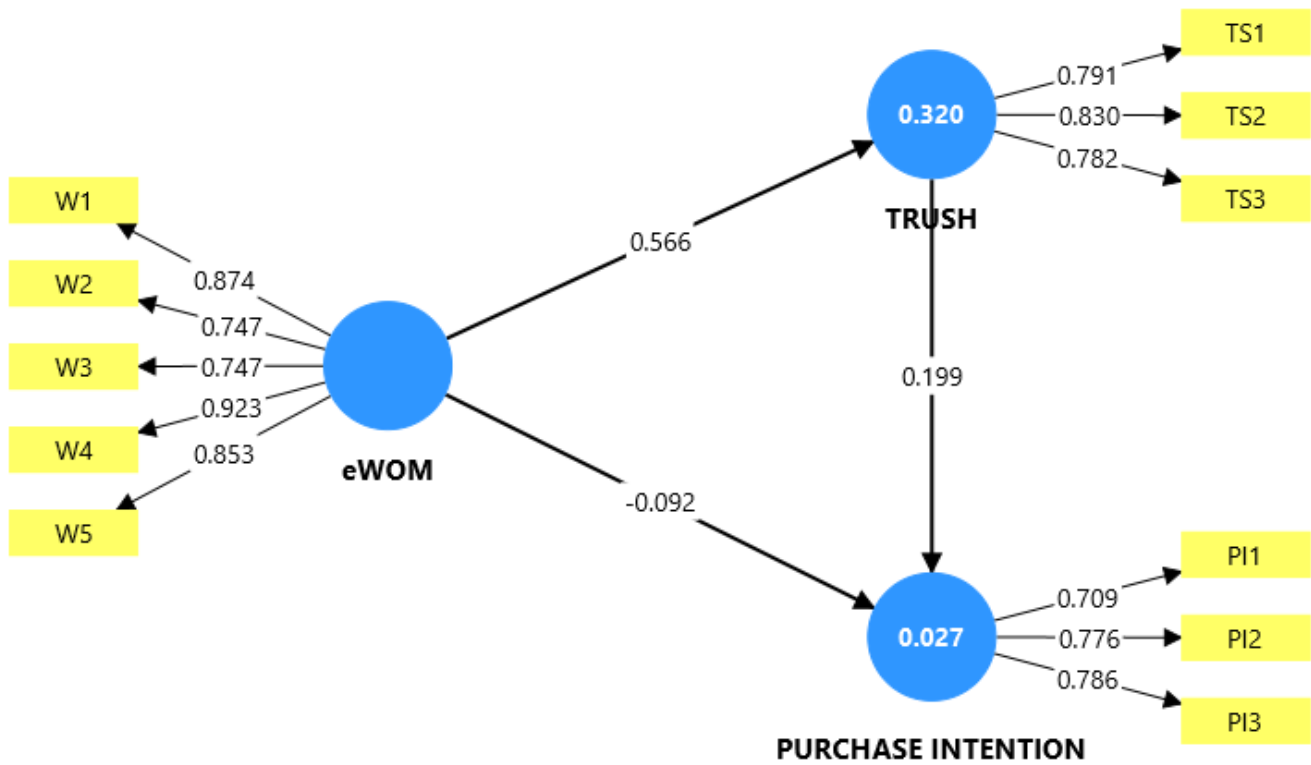


Figure 2. Outer Measurement Model of e-WOM in Islamic Banking

Table 2. Results of Validity and Reliability Tests

Construct	Item	Measurement Indicators	FL	VIF	CA	CR	AVE	R <sup>2</sup>
e-WOM (X)	W1	Information credibility	0.874	1.200	0,89	0,91	0,68	
	W2	Message quality	0.747	1.404				
	W3	Content relevance	0.747	1.256				
	W4	Positive perception of services	0.923	1.320				
	W5	Interest in using services	0.853	1.603				
Trust (M)	TS1	Information credibility	0.791	1.457	0,83	0,86	0,64	0,320
	TS2	Message quality	0.830	2.790				
	TS3	Content relevance	0.782	2.446				
Purchase Intention (Z)	PI1	Positive perception of services	0.709	3.894	0,82	0,85	0,61	0,027
	PI2	Interest in using services	0.776	3.587				
	PI3	Information credibility	0.786	2.558				

Source: Processed data, 2025

Table 3. Evaluation of Discriminant Validity Using the Fornell-Larcker Criterion and HTMT

	Purchase Intention	Trust	eWOM
<b>Fornell-Larcker Criterion:</b>			
Purchase Intention	0.758		
Trust	0.146	0.801	
eWOM	0.020	0.566	0.832
<b>Heterotrait-Monotrait Ratio (HTMT)</b>			
Purchase Intention			
Trust	0.217		
eWOM	0.120	0.704	

Source: Processed data, 2025

accounts for 32% of the variance in customers' trust toward Islamic banks. In contrast, purchase intention exhibits a substantially lower R<sup>2</sup> value of 0.027, implying that the joint influence of e-WOM and trust explains only 2.7% of the variance in purchase intention. This pattern suggests that while e-WOM plays a substantial role in shaping trust, its direct contribution to purchase intention is limited, thereby underscoring trust as a pivotal mediating mechanism.

The low explained variance for purchase intention (R<sup>2</sup> = 2.7%) constitutes an important limitation of the proposed model. This finding suggests that while trust derived from e-WOM is a necessary psychological mechanism, it is insufficient as a standalone predictor of intention in Islamic banking. Purchase intention in high-risk financial services is likely driven by additional determinants such as religiosity, perceived value, service quality, and prior institutional relationships.

As reported in Table 3, discriminant validity is supported by the Fornell-Larcker criterion, whereby the square root of the AVE for each construct exceeds its corresponding inter-construct correlations. This conclusion is further reinforced by HTMT ratios below the recommended threshold of 0.90, confirming that each construct captures greater variance in its own indicators than in those of other constructs.

Table 4 reports the effect sizes (f<sup>2</sup>), which further substantiate the preceding results. The e-WOM → trust pathway exhibits a large effect (f<sup>2</sup> = 0.471), indicating that e-WOM contributes substantially to trust formation. In contrast, the trust → purchase intention relationship shows only a small-to-moderate effect (f<sup>2</sup> = 0.028), while the direct e-WOM → purchase intention effect is negligible (f<sup>2</sup> = 0.006). Collectively, these estimates imply that e-WOM has limited explanatory relevance for purchase intention through a direct route,

**Table 4.**  $f^2$  Matrix Value

	Purchase Intention	Trus	eWOM
Purchase Intention			
Trust	0.028		
eWOM	0.006	0.471	

Source: Processed data, 2025

**Table 5.** Model Fit with SRMR

	Saturated model	Estimated model
Saturated model	0.091	0.091

Source: Processed data, 2025

consistent with the absence of a statistically significant direct effect.

The structural model demonstrates good fit and adequacy, with no multicollinearity issues detected. All internal VIF values are below 5, and The SRMR value of 0.091 indicates an acceptable, though marginal, model fit, suggesting that while the model adequately captures the structural relationships, further refinement may enhance explanatory power, a visual representation is provided in [Figure 2](#), as presented in [Table 5](#), a visual e-WOM and Trust: Information Credibility as the Foundation of Trust

The analysis of the Islamic banking e-WOM model presented in [Table 6](#) reveals that e-WOM exerts a significant positive influence on Trust ( $\beta = 0.566$ ;  $t = 10.211$ ;  $p = 0.000$ ). This finding underscores that consumers' perceptions of online information quality, source credibility, message relevance, and the valence of other users' opinions directly enhance trust in Islamic banking institutions.

These findings align with the Information Adoption Model (IAM) put out by ([Kumar et al., 2023](#)); ([Bananuka et al., 2020](#)); ([Allah Pitchay et al., 2020](#)). The structural relationship among variables is presented in [Figure 3](#), which asserts that perceived source legitimacy and message quality are two factors that influence information acceptance in digital contexts. Credibility is assessed in the context of Islamic banking using moral and spiritual factors in addition to technical accuracy, making sure that the data is truthful, open, and compliant with Shariah.

The three e-WOM indicators that have the greatest influence on trust are W1 (information credibility), W2 (message quality), and W3 (positive perception of services). Stronger trust in Islamic banking is largely dependent on high-quality internet communication, such as testimonials about service dependability, instructive content on Shariah contracts, and favorable customer reviews. These results support earlier study by ([Ismagilova et al., 2020](#)) and ([Khawaja et al., 2020](#)), which claims that e-WOM is a more potent reputation indicator than traditional advertising tactics in the digital age. Additionally ([Mahmud, 2024](#)), highlights that e-WOM in Islamic banking serves as a contemporary da'wah tool, instructing society on moral business conduct consistent with Shariah principles.

Indonesia, a religious but increasingly digital society, views trust as a form of social currency that influences consumer behavior ([Wilson & Liu, 2022](#)). Islamic banks actively cultivate credible e-WOM through verified testimonials, collaborations with halal influencers, and informative content on Islamic finance. These measures provide a considerable trust benefit. This study not only verifies the IAM framework, but also applies it to Islamic finance, where information credibility is combined with moral and spiritual values to create a holistic trust paradigm.

#### Trust and Purchase Intention: From Belief to Behavioral Intention

The empirical results indicate that trust exerts a statistically significant positive influence on purchase

intention ( $\beta = 0.199$ ;  $t = 1.742$ ;  $p = 0.041$ ), underscoring the pivotal role of trust in converting consumers' cognitive and affective assessments into behavioral commitment within Islamic banking ecosystems. This evidence is consistent with the Theory of Planned Behavior (TPB), which emphasizes the importance of attitudinal and cognitive factors in shaping intentional behaviors ([Kumar et al., 2023](#)); ([Bananuka et al., 2020](#)); ([Allah Pitchay et al., 2020](#)), It states that beliefs and perceived control are the primary drivers of behavioral intention. In this context, trust goes beyond financial dependability to include commitment to the spiritual and ethical ideals that drive Sharia compliant practices. This multidimensional trust boosts confidence in institutional integrity, increasing consumers' propensity to engage in future transactions and suggest services to their social networks.

Key trust indicators TS1 (institutional reliability), TS2 (compliance with Sharia principles), and TS3 (service security and transparency) emerge as critical antecedents of purchase intention. Customers who perceive Islamic banks as consistently upholding ethical norms and avoiding usurious practices exhibit a higher propensity to open accounts, utilize Sharia financing, and advocate for the institution through positive e-WOM. However, the observed  $f^2$  value of 0.028 indicates a small to moderate effect size, indicating that trust, while necessary, is insufficient as a standalone predictor of behavioral intention. This complexity emphasizes the significance of complementing categories such as perceived value, service convenience, and religion, which all contribute to the translation of trust into tangible economic activity.

These findings are consistent with prior research ([Ali & Raza, 2023](#)) and ([Zeqiri et al., 2022](#)), which found that Islamic banking customers make financial decisions using both rational and spiritual criteria. Aside from religious considerations, buyers value economic benefits, digital accessibility, and experiential excellence. As a result, Islamic banks must strike a strategic balance between communicating ethical values and driving technological innovation. To strengthen trust and maintain a competitive edge, digital transformation initiatives such as mobile banking and AI-driven customer care should be supplemented with transparent Sharia governance structures.

From a theoretical perspective, this study emphasizes trust's mediating role as a link between perception and psychological activity. Trust serves as a cognitive filter, converting moral and spiritual values into measurable economic decisions and therefore connecting normative ideas to behavioral outcomes. Practically, these findings demand for a multifaceted trust-building strategy that includes institutional credibility, compliance assurance, and service openness. This technique not only increases purchase intent but also promotes positive e-WOM, which is critical in extending market penetration and building long-term consumer loyalty in an increasingly digitalized financial world.

#### Transcending Information Effects: e-WOM and the Formation of Purchase Intentions

Empirical evidence suggests that the direct influence of e-WOM on purchase intention fails to reach statistical significance ( $\beta = -0.092$ ;  $t = 0.582$ ;  $p = 0.280$ ) highlights an important detail in consumer decision-making in high-risk service contexts such as Islamic banking. Unlike low-risk physical products, where positive online reviews frequently result in fast behavioral responses, financial services include complex trust dynamics. Exposure to positive information alone does not elicit intention; rather, it serves as a precursor to trust formation, which then mediates behavioral outcomes.

This result aligns with ([Mahmud, 2024](#)) and ([Wilson & Liu, 2022](#)), who argue that Muslim consumers' decisions are contingent upon both informational credibility and value congruence with Sharia principles. The implication is that e-

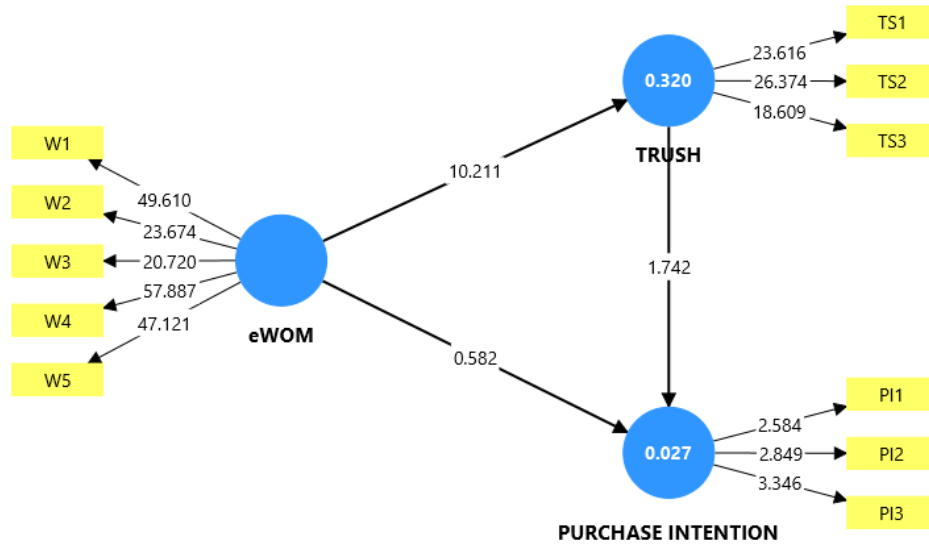


Figure 3. Inner Measurement Model of e-WOM in Islamic Banking

Table 6. Hypothesis Testing Results

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics	P Values	Result
eWOM -> Trust	0.566	0.572	0.055	10.211	0.000	Supported
Trust -> Purchase Intention	0.199	0.211	0.114	1.742	0.041	Supported
eWOM -> Purchase Intention	-0.092	-0.095	0.159	0.582	0.280	Not Supported

Source: Processed data, 2025

Table 7. Indirect Effect of the e-WOM Model in Islamic Banking

Relationship Path	Cofisien (β)	t-statistic	p-value	Interpretation
e-WOM → Trust	0,566	10,211	0,000	Strong and significant effect
Trust → Purchase Intention	0,199	1,742	0,041	a significant positive effect
e-WOM → Purchase Intention	-0,092	0,582	0,280	Not significant
e-WOM → Trust → Purchase Intention	0,112	1,658	0,049	Full mediation
Conclusion	Trust serves as a complete mediating mechanism linking e-WOM to purchase intention			

Source: Processed data, 2025

WOM operates effectively only when it fosters dual dimensions of trust: cognitive trust, which reflects rational confidence in institutional competence, and affective trust, which conveys emotional assurance regarding ethical compliance. In this regard, the Information Adoption Model (IAM) requires theoretical extension. While IAM traditionally posits that information quality and source credibility drive adoption, our findings suggest that these factors do not directly translate into behavioral intention without psychological mediation. Trust emerges as a “gateway mechanism” that transforms passive awareness into active intention, reinforcing the argument that information credibility is necessary but insufficient for action, detailed indirect effect coefficients and mediation interpretations are presented in Table 7.

This revelation has far-reaching ramifications for Islamic banks' digital marketing efforts, according to management. Simply promoting nice material on social media may enhance visibility but does not ensure conversion. Institutions must prioritize authenticity and source verification by utilizing mechanisms such as verifiable customer testimonies, collaborations with Sharia supervisory boards (e.g., DSN-MUI), and transparent ethical performance reporting. These actions not only improve perceived integrity, but they also minimize

ambiguity, boosting cognitive and affective trust. Furthermore, incorporating interactive digital platforms that enable real-time engagement with Sharia scholars has the potential to strengthen value congruence and institutional legitimacy, resulting in a comprehensive trust ecosystem.

Theoretically, this study adds to the field by linking e-WOM research to trust-based behavioral models in Islamic banking. It contradicts the linear relationship between information exposure and intention, pushing for a conditional pathway in which trust serves as a vital intermediary. Future research should look into moderating variables including religiosity, perceived risk, and cultural orientation to better understand how trust formation differs across consumer segments. Furthermore, longitudinal designs could capture the temporal evolution of trust and intention, providing more detailed insights into the dynamics of digital persuasion in high-risk service situations.

From e-WOM to Intention: Trust as the Key Psychological Pathway

This study highlights trust as a pivotal psychological mechanism through which electronic word-of-mouth (e-WOM) is translated into purchase intention, particularly within the context of Islamic banking. The empirical evidence shows that

trust fully mediates this relationship, implying that e-WOM alone is insufficient to impact customer behavior without first establishing credibility and reliability. This finding is theoretically significant because it reframes the conventional understanding of digital influence mechanisms: informational cues, while necessary, do not automatically translate into behavioral outcomes unless they are filtered through trust-based evaluations.

Trust operates as a cognitive-affective construct that transforms informational signals into actionable intentions. This aligns with the Trust Transfer Theory (Kim et al., 2019) and (Hajli et al., 2017), which posits that trust can migrate from interpersonal sources—such as peer recommendations—to institutional entities when congruence in values and perceived credibility exists. In digital environments, where physical interaction is absent, trust becomes the linchpin for reducing uncertainty and perceived risk. For Islamic banking customers, trust is not merely transactional; it is deeply intertwined with ethical and spiritual considerations. Positive e-WOM, therefore, serves as a proxy for institutional integrity, enabling consumers to reconcile financial decisions with religious and moral obligations.

This study advances theoretical integration by combining the Information Adoption Model (IAM) and the Theory of Planned Behavior (TPB) within a unified mediation framework. In this model, credible digital word-of-mouth (e-WOM) contributes to trust formation, which subsequently strengthens consumers' purchase intention. IAM highlights how information quality and source credibility shape information adoption, whereas TPB explains intention formation through attitudes, subjective norms, and perceived behavioral control. Integrating these perspectives, the study positions trust as the key conduit linking cognitive appraisal of information credibility with affective alignment rooted in value congruence. This dual-pathway account challenges the notion that financial decisions are purely rational, showing that perceived integrity and ethical fit are consequential drivers of consumer intentions in Islamic banking.

While the structural model supports trust as a full mediator between e-WOM and purchase intention, the relatively low explained variance in purchase intention ( $R^2 = 2.7\%$ ) suggests that the proposed framework accounts for only a limited share of customers' intentions to adopt Islamic banking products. This result is not entirely surprising given that purchase intention in high-involvement and high-risk financial services is typically driven by multiple determinants beyond e-WOM and trust alone. Factors such as religiosity, perceived value, perceived service quality, digital user experience, perceived risk, and customers' prior relationships with the bank may exert a stronger and more direct influence on intention. Therefore, the findings should be interpreted as evidence that trust derived from e-WOM is a necessary but not sufficient condition to form purchase intention in Islamic banking; it operates as one important psychological mechanism among many other contextual and relational drivers that were not included in the present model.

From a managerial perspective, the findings underscore the strategic importance of value-oriented communication approaches. Islamic banking organizations should encourage storylines that highlight trustworthiness, contractual openness, and compliance with digital ethics. Such tactics elevate e-WOM from an informational tool to a relational instrument that fosters trust and loyalty. For example, using authentic client testimonies, emphasizing Sharia compliance, and maintaining clarity in digital contracts can all help to promote trust perceptions. Furthermore, institutions should actively monitor and manage their online reputation, since poor e-WOM can erode trust and thus purchase intention.

In an age of information overload and distrust of digital content, authenticity emerges as a major factor of trust.

Consumers are increasingly relying on heuristic indicators like verified reviews, influencer credibility, and social proof to determine the trustworthiness of online content. The ethical aspect of financial transactions adds to Islamic banking's reliance. Institutions must thus establish stringent norms for content vetting and transparency in digital communication. Failure to do so undermines not only trust, but also institutional legitimacy in a competitive market.

The mediation results make substantial theoretical contributions. First, they establish trust as the main psychological relationship between digital information trustworthiness and value-driven economic decisions. Second, they demonstrate the application of IAM and TPB in situations where ethical and spiritual issues are crucial. Third, they provide a sophisticated perspective of customer decision-making in Islamic banking, emphasizing the interaction of cognitive and emotive processes. This viewpoint encourages future research to investigate additional mediators—such as perceived risk, religiosity, and brand authenticity—that may enrich the trust-intention nexus.

Despite its contributions, this study has several limitations. Reliance on self-reported measures may introduce social desirability bias, particularly in contexts where ethical compliance is salient. Future research could employ experimental or longitudinal designs to more rigorously assess the causal pathways proposed in this study. Furthermore, while this study focuses on Islamic banking, the proposed mediation framework may have broader applications in areas where trust and ethical congruence are crucial, such as healthcare, education, and sustainable finance. Comparative research across cultural and institutional contexts could shed light on the boundaries of trust-mediated relationships.

This study shows that trust is not only an incidental factor, but a core psychological mechanism that allows e-WOM to impact purchase intention. Islamic banking organizations must cultivate trust through authentic, value-driven communication in order to maintain consumer engagement and institutional legitimacy. As digital ecosystems expand, the strategic integration of trust-building activities will remain a key source of economic advantage in ethical markets.

## Conclusion

This study demonstrates that trust is a necessary but not sufficient mechanism linking e-WOM to purchase intention in Indonesia's Islamic banking system. While credible and authentic e-WOM can boost consumer confidence, positive information alone will not enhance intention unless there is faith in the bank's integrity and devotion to Sharia values. These findings indicate that Sharia compliant consumer decisions integrate rational evaluation of digital information with ethical and spiritual concerns, where trust operates as the psychological conduit from perception to intention. The research advances Islamic marketing scholarship by synthesizing the Information Adoption Model (IAM) with the Theory of Planned Behavior (TPB), emphasizing trust as the psychological channel through which credible digital messages influence behavioral intention.

This study is subject to several limitations. The cross-sectional research design and reliance on self-reported measures constrain causal inference and may introduce response bias, while the Indonesia-specific context limits the generalizability of the findings. Furthermore, the model focuses solely on three constructs, leaving out significant determinants such as religion, perceived risk, perceived value, digital service quality, and digital experience. Future research should employ longitudinal or experimental approaches, expand the analysis across nations, and include additional factors and digital dimensions. Big data tools, such as social media sentiment analysis, may potentially provide more insight into how e-WOM

fosters trust and influences purchase intent in Islamic banking. From a policy perspective, Islamic banks should institutionalize verified digital testimonial systems and strengthen the visibility of Sharia supervisory oversight in online platforms to reduce perceived uncertainty and reinforce trust formation.

## Author contributions

All authors contributed substantially to the conception, design, execution, and refinement of this systematic literature review. The first author was primarily responsible for formulating the research objectives, designing the systematic review protocol, conducting the literature search, screening and quality appraisal of studies, and drafting the initial manuscript. The second author contributed to the development of the theoretical

framework, critical interpretation of the synthesized findings, and refinement of the discussion and conclusion sections. Both authors jointly reviewed and revised the manuscript, approved the final version, and agree to be accountable for all aspects of the work.

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