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Digital Trust Formation and Generation Z Adoption of Islamic Financial Products: The Mediating Role of Brand Trust

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Abstract

The development of digital technology has changed the communication strategies of the financial industry, including Islamic financial institutions, in reaching Generation Z through digital platforms and social media. However, the adoption rate of Islamic financial products among Generation Z is still relatively low, so it is necessary to understand the factors that shape consumer trust in the digital environment. This study aims to analyze the influence of digital advertising, influencer endorsements, and e-WOM on the intention to adopt Islamic financial products among Generation Z, with brand trust as a mediating variable. The study used a quantitative approach with a survey method. Data were analyzed using PLS-SEM. The results showed that e-WOM has a positive and significant influence on brand trust and adoption intention, while digital advertising only has a significant effect on brand trust. Influencer endorsements do not have a significant effect on brand trust and adoption intention. In addition, brand trust is proven to be an important mediator in the relationship between e-WOM and digital advertising on adoption intention. This study emphasizes the importance of trust-based digital communication strategies and authentic consumer experiences in increasing the adoption of Islamic financial products among Generation Z.

Keywords

Adoption Intention, Brand Trust, Digital Advertising, Electronic Word of Mouth, Influencer Endorsements.

1. Introduction

The rapid expansion of digital technology has significantly reshaped the financial services industry, particularly regarding how institutions communicate with young consumers via online platforms and social media ecosystems (Gillpatrick, 2019). In Indonesia, this accelerated digital transformation has compelled Islamic financial institutions to increasingly adopt digital marketing strategies to expand their market reach and enhance consumer engagement (Zouari, 2021). Generation Z has emerged as a critically strategic market segment due to its profound digital orientation, high social media exposure, and expanding economic influence. Unlike preceding generations, Generation Z consumers tend to rely heavily on interactive digital environments when evaluating financial products and making consumption decisions.

Despite the massive proliferation of digital communication channels, the adoption of Islamic financial products among Generation Z remains relatively limited. Reports from the Financial Services Authority indicate that while Islamic financial assets continue to grow, participation among young consumers has not increased proportionally (Otoritas Jasa Keuangan, 2025). This phenomenon suggests that market expansion within the Islamic financial sector cannot depend solely on boosting digital visibility or promotion intensity. Instead, the primary challenge lies in understanding how trust is established within a dense digital environment where consumers are perpetually exposed to large volumes of commercial information, sponsored content, and competing financial narratives. This issue is highly critical in the context of Islamic financial products, where consumer decisions are deeply intertwined with institutional credibility, ethical perceptions, and compliance with Sharia principles. Given that Islamic financial services involve higher levels of perceived risk and intangible values than conventional consumer goods, trust serves as a central determinant of adoption intentions (Ali et al., 2022). The efficacy of digital marketing in Islamic finance is no longer evaluated merely through exposure or engagement metrics, but rather through its capacity to foster trust among younger consumers (Maksum & Muflih, 2025).

A number of prior studies have highlighted the growing importance of digital advertising, influencer endorsements, and Electronic Word-of-Mouth (e-WOM) in shaping consumer behavior within digital marketplaces (Huete-alcocer, 2017; Al-Assaf, 2024; Mukti & Dhewi, 2025). However, existing literature reveals a distinct research gap due to inconsistent findings. Several studies by Torres et al. (2019), Weismueller et al. (2020), and Aldweeri et al. (2026) report that influencer endorsements and digital advertising positively influence consumer intentions. Other research by Li (2025) indicates that younger consumers are becoming increasingly skeptical of firm-generated promotional communications. Generation Z, in particular, tends to value authenticity, transparency, and peer experiences more heavily than persuasive institutional messages. Furthermore, empirical research specifically examining how different digital communication mechanisms shape trust formation in Islamic financial services remains scarce (Morshed et al., 2025). The majority of existing studies merely emphasize the direct impact of digital marketing tools on consumer intentions, giving limited attention to comparing the roles of firm-generated and peer-generated communications in influencing trust and adoption behavior among Generation Z consumers (Kholkina et al., 2025).

This study argues that the mechanisms of trust formation among Generation Z consumers are undergoing a crucial shift. In the context of Islamic financial products, peer-generated communications such as e-WOM may play a more dominant role than traditional firm-driven promotional strategies because younger consumers increasingly prioritize authentic, experiential credibility when evaluating financial institutions (Naeem, 2019; Nuseir, 2019). Therefore, the objective of this study is to examine and analyze the effects of digital advertising, influencer endorsements, and e-WOM on Generation Z's adoption intentions toward Islamic financial products, utilizing brand trust as a mediating variable.

This research contributes to the literature in several ways. Structurally, it expands the discourse on digital marketing effectiveness within Islamic financial services by simultaneously comparing the influences of firm-generated and peer-generated communications. This study highlights brand trust as a pivotal psychological mechanism linking digital communication strategies to the adoption intentions of Generation Z consumers, while providing a broader understanding of evolving trust formation patterns in high-credibility sectors like Islamic finance. These findings offer strategic implications for Islamic financial institutions to transition from a focus on promotional visibility toward fostering authentic, user-centric digital engagement to effectively drive adoption among Generation Z consumers.

2. Literature Review and Hypothesis Development

2.1. The Effect of Electronic Word of Mouth

Electronic word-of-mouth (e-WOM) has increasingly been recognized as one of the most influential communication mechanisms in digital environments because it reflects real consumer experiences and social validation (Nair & Radhakrishnan, 2019). Compared with institutional advertising, e-WOM is generally perceived as more objective and capable of reducing uncertainty in consumer decision-making. Xiao and Li (2019) and Binh et al. (2025) stated that positive online reviews and peer recommendations contribute significantly to trust formation and behavioral intention, particularly among younger consumers who prioritize authenticity and experiential credibility. Within the digital ecosystem, these organic interpersonal exchanges act as a primary anchor for establishing corporate integrity and mitigating perceived risks.

In the specific context of Islamic banking and ethical financial services, peer-generated communications play a highly critical role. According to Abasimel (2023), services characterized by higher levels of uncertainty and significant ethical considerations tend to make consumers more selective when evaluating marketing information. Among Generation Z consumers, digital behavior is increasingly characterized by skepticism toward overly promotional communication and stronger reliance on authentic peer experiences (Fernandez et al., 2025; Ridwan et al., 2025). Favorable e-WOM directly strengthens the psychological assurance and institutional credibility required to foster brand conviction and stimulate product adoption.

H1: e-WOM has a positive effect on brand trust.
H2: e-WOM has a positive effect on Gen Z adoption intention for Islamic financial products.

2.2. The Effect of Digital Advertising

Digital advertising remains one of the most widely used communication strategies in financial marketing because it enables institutions to improve visibility and information accessibility through digital platforms (Maheswari et al., 2025; Susanti, 2025). When corporate messaging is designed transparently, it serves as a critical informative tool that outlines the functional benefits and compliance features of complex service offerings. According to Kothari et al. (2025) and Yee et al. (2025), informative and transparent advertising can strengthen institutional credibility and consumer trust by demonstrating corporate openness and structural reliability.

However, the efficacy of traditional digital advertising faces challenges due to evolving user mindsets. In Islamic financial services, marketing effectiveness is closely associated not only with promotional exposure but also with institutional trust and perceived credibility (Qaisi, 2020). According to Balaskas et al. (2025), younger consumers increasingly perceive digital advertisements as commercially motivated, making their influence on behavioral intention less direct. Therefore, while firm-generated advertisements are essential for establishing initial market presence, their capacity to drive actual adoption depends heavily on how effectively they cultivate underlying brand equity and institutional trust.

H3: Digital advertising has a positive effect on brand trust.
H4: Digital advertising has a positive effect on Gen Z adoption intention for Islamic financial products.

2.3. The Effect of Influencer Endorsement

Influencer endorsement has emerged as an effective digital marketing strategy due to its ability to foster audience engagement and create a sense of social closeness within online communities (Fang et al., 2025). By utilizing the credibility, social influence, and relatability of digital content creators, organizations can present a more approachable image and establish stronger connections with younger consumers. This approach transforms traditional one-way promotional communication into interactive and personalized messaging, enhancing brand familiarity and building consumer trust. According to Phatriscia and Nuvriasari (2025), influencer endorsements function not only as promotional tools but also as persuasive communication mechanisms that shape consumer perceptions, attitudes, and behavioral intentions toward products and services.

Nevertheless, the operationalization of influencer campaigns within high-involvement sectors demands strict professional alignment. Moin et al. (2017) stated that in financial service contexts, consumers often place greater emphasis on institutional credibility and expertise than on influencer popularity. This issue becomes more relevant in Islamic financial services, where trust and ethical legitimacy play a central role in consumer evaluation. To effectively influence Generation Z, endorsements must transcend superficial reach and demonstrate genuine alignment with ethical values, thereby transforming social validation into deep-seated brand trust and tangible adoption intent.

H5: Influencer endorsement has a positive effect on brand trust.
H6: Influencer endorsement has a positive effect on Gen Z adoption intention for Islamic financial products.

2.4. The Effect of Brand Trust as Mediating Variable

Brand trust represents consumer confidence in the reliability, integrity, and credibility of financial institutions (Moin et al., 2016; Zou, 2023). In Islamic financial services, trust functions as an important mechanism for reducing uncertainty and strengthening consumer confidence in adoption decisions (Sari et al., 2025). According to Habib et al. (2024) and Yuan et al. (2025), stronger consumer trust positively contributes to behavioral intention and fosters long-term behavioral commitment. Without a solid foundation of trust, purely promotional messages fail to convert consumer attention into permanent financial adoption, particularly when engaging with skeptical demographics.

This study further argues that brand trust acts as a mediating mechanism connecting digital marketing strategies and consumer adoption intention. In high-credibility sectors such as Islamic finance, consumers may not directly respond to promotional communication unless trust toward the institution has first been established (Ashraf et al., 2015). Digital advertising, influencer endorsements, and e-WOM serve as initial communication touchpoints that shape the consumer's cognitive and emotional evaluation. Ultimately, these digital mechanisms must be successfully processed through the lens of institutional trustworthiness to meaningfully drive the behavioral intentions of Generation Z.

H7: Brand trust has a positive effect on Gen Z adoption intention for Islamic financial products.
H8: Brand trust mediates the influence of digital advertising on Gen Z adoption intention for Islamic financial products.
H9: Brand trust mediates the influence of influencer endorsement on Gen Z adoption intention for Islamic financial products.
H10: Brand trust mediates the influence of e-WOM on Gen Z adoption intention for Islamic financial products.

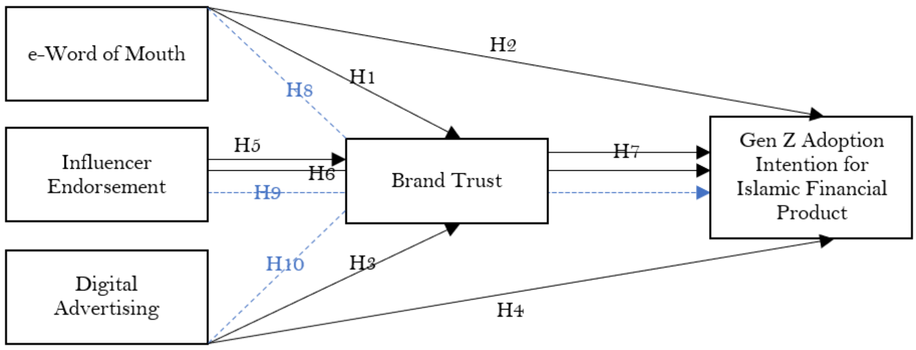

Figure 1. Conceptual Framework

Figure 1 proposes that e-WOM digital advertising and influencer endorsement serve as key antecedents of brand trust and Generation Z's adoption intention toward Islamic financial products. Specifically, e-WOM is expected to positively influence brand trust (H1) and adoption intention (H2), while digital advertising is hypothesized to positively affect brand trust (H3) and adoption intention (H4). Similarly, influencer endorsement is proposed to have a positive impact on brand trust (H5) and adoption intention (H6). Furthermore, brand trust is expected to positively influence Generation Z's adoption intention of Islamic financial products (H7). Beyond these direct effects, brand trust is also conceptualized as a mediating variable that transmits the effects of digital advertising (H8), influencer endorsement (H9), and e-WOM (H10) on adoption intention. The framework integrates both direct and indirect relationships to explain how digital marketing factors shape Generation Z's intention to adopt Islamic financial products through the development of brand trust.

3. Methods

This study employs a quantitative research design utilizing a survey-based data collection approach to examine the influence of digital communication strategies on Generation Z's adoption intentions toward Islamic financial products. This predictive and explanatory design focuses on evaluating the critical roles of digital advertising, influencer endorsement, and e-WOM in shaping brand trust and subsequent behavioral intentions within the contemporary digital financial ecosystem. By analyzing these empirical relationships through a structured framework, the research aims to uncover the shifting trust mechanisms unique to younger consumers interacting with high-credibility ethical services.

The target population for this study comprises Generation Z consumers who are familiar with Islamic financial products and actively engage with digital platforms and social media networks. To ensure the collection of highly relevant data, a purposive sampling technique is applied based on strict criteria: respondents must belong to the Generation Z cohort, be active users of social media, and have previously accessed or been exposed to information regarding Islamic financial services through digital channels. This non-probability sampling approach guarantees that the final sample possesses the necessary experience and context to evaluate the digital communication mechanisms under investigation.

Primary data collection is executed through a self-administered online questionnaire distributed via various digital platforms and social media networks to maximize reach. The measurement scales use a five-point Likert scale, ranging from strongly disagree to strongly agree, to capture the nuance of respondent perceptions. The individual measurement items for the latent constructs are adapted from established prior literature concerning digital marketing communications, electronic word-of-mouth, influencer endorsements, brand trust, and consumer adoption intentions, with contextual modifications introduced to align precisely with the specific operational realities of Sharia-compliant financial services and the behavioral traits of younger demographics. Ethical considerations are strictly maintained as participation is entirely voluntary, with respondents assured of complete anonymity and the exclusive academic use of their data.

Data analysis is conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) executed via the SmartPLS software package (Hair et al., 2022; Hair & Alamer, 2022). This advanced multivariate method is chosen due to its high suitability for predictive applications, the exploration of complex structural relationships, and the rigorous testing of mediation models involving latent constructs. The systematic evaluation procedure encompasses an initial assessment of the measurement model (outer model) to verify convergent validity, discriminant validity, composite reliability, and Cronbach's alpha values. The structural model (inner model) is assessed by examining path coefficients, the coefficient of determination, and the statistical significance of the proposed direct and indirect hypotheses.

4. Results

The evaluation of the measurement model was conducted to verify the validity and reliability of the research constructs prior to examining the structural relationships. Convergent validity was assessed via factor loadings and Average Variance Extracted (AVE), while internal consistency was measured using Composite Reliability and Cronbach's Alpha. The results demonstrated that all indicator loadings exceeded the recommended thresholds, and all constructs achieved AVE values above 0.50, thereby confirming satisfactory convergent validity. The composite reliability and Cronbach's Alpha values surpassed the required criteria, indicating robust internal consistency among the measurement items. Discriminant validity was also confirmed, establishing that each latent variable is empirically distinct and captures a unique conceptual dimension within the model. The measurement model assessment confirms that the constructs are highly valid and reliable for further evaluating the relationships among digital advertising, influencer endorsement, e-WOM, brand trust, and Generation Z's adoption intentions toward Islamic financial products.

Table 1. Measurement Model Assessment

Construct	Item	Factor Loading	AVE	CR	Cronbach's Alpha
Digital Advertising	X1.1	0.780	0.670	0.910	0.877
	X1.2	0.835			
	X1.3	0.827			
	X1.4	0.823			
	X1.5	0.826			
Influencer Endorsement	X2.1	0.863	0.729	0.890	0.814
	X2.2	0.849			
	X2.3	0.849			
e-WOM	X3.1	0.822	0.708	0.906	0.862
	X3.2	0.805			
	X3.3	0.895			
	X3.4	0.842			
Brand Trust	M1	0.855	0.786	0.936	0.909
	M2	0.909			
	M3	0.889			
	M4	0.892			
Gen Z Adoption Intention for Islamic Financial Product	Y1	0.902	0.825	0.934	0.894
	Y2	0.923			
	Y3	0.900			

The assessment of the measurement model presented in Table 1 demonstrates that all latent constructs and their respective indicators satisfy the established validity and reliability criteria. Every individual indicator loading surpasses the standard 0.70 threshold, thereby establishing satisfactory indicator reliability. Furthermore, the Average Variance Extracted (AVE) for each construct exceeds the minimum requirement of 0.50, which statistically confirms adequate convergent validity. The internal consistency of the model is likewise supported, as both Composite Reliability (CR) and Cronbach's Alpha values systematically exceed the recommended 0.70 benchmark across all constructs. These empirical findings confirm that the operationalized constructs, namely digital advertising, influencer endorsement, e-WOM, brand trust, and adoption intention, possess sufficient psychometric properties to justify subsequent structural model evaluation.

Table 2. Fornell-Lacker Discriminant Validity Test

Variable	BT	IE	DA	e-WOM	GAIIFP
Brand Trust (BT)	0.886				
Influencer Endorsement (IE)	0.736	0.854			
Digital Advertising (DA)	0.805	0.800	0.818		
e-WOM	0.781	0.744	0.769	0.841	
Gen Z Adoption Intention for Islamic Financial Product (GAIIFP)	0.816	0.717	0.743	0.790	0.908

The Fornell-Larcker criterion analysis for discriminant validity is detailed in Table 2. The empirical findings demonstrate that the square root of the Average Variance Extracted (AVE) for each latent construct consistently exceeds its respective correlation coefficients with all other constructs in the model. Brand trust exhibits a square root AVE value of 0.886, which is distinctly higher than its correlation with influencer endorsement, digital advertising, e-WOM, and adoption intention. This statistical pattern is uniformly observed across all remaining variables. These results confirm that the measurement model possesses adequate discriminant validity, establishing that each operationalized construct is empirically distinct and accurately captures its intended conceptual dimension without multicollinearity concerns.

Table 3. Structural Model Assessment

Endogenous Variable	R^2	Adjusted R^2
Brand Trust	0.725	0.721
Gen Z Adoption Intention for Islamic Financial Product	0.707	0.701

The structural model evaluation results are detailed in Table 3. The coefficient of determination (R^2) for brand trust is 0.725, establishing that digital advertising, influencer endorsement, and e-WOM collectively account for 72.5% of the variance in this endogenous construct. Concurrently, the R^2 value for adoption intention is 0.707, indicating that brand trust, in conjunction with the specified exogenous variables, explains 70.7% of the variance in consumer adoption intent. These empirical findings demonstrate that the proposed structural framework possesses robust explanatory power, as the independent variables substantially contribute to predicting the target endogenous outcomes within this study.

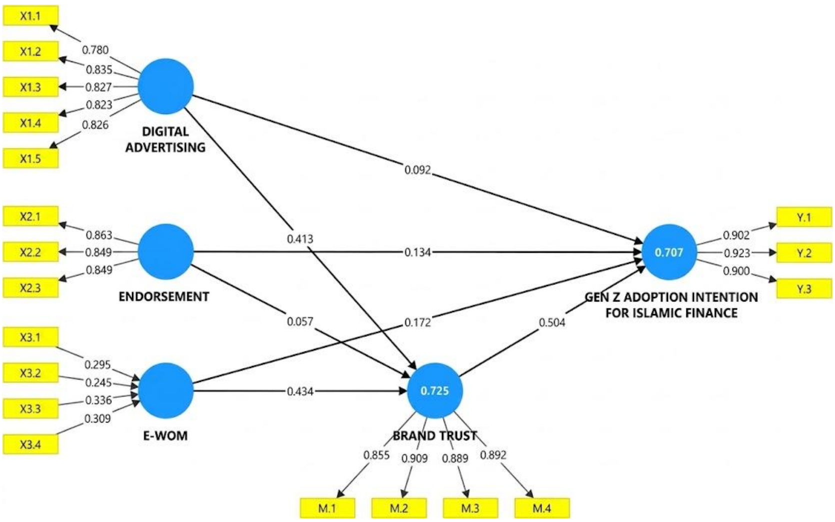

Figure 2. Structural Model

Figure 2 illustrates the PLS-SEM structural model evaluating the impact of digital communication strategies on Generation Z's adoption intentions toward Islamic finance, with brand trust operating as a mediating variable. Structurally, the framework demonstrates robust explanatory power, yielding an R^2 value of 0.725 for brand trust and 0.707 for adoption intention. Regarding direct structural pathways, electronic word-of-mouth exerts the most substantial direct effect on brand trust ($\beta = 0.434$), closely followed by digital advertising ($\beta = 0.413$), whereas influencer endorsement exhibits a negligible impact ($\beta = 0.057$). Crucially, brand trust emerges as the most dominant direct predictor of adoption intention ($\beta = 0.504$), underscoring its pivotal role as a primary psychological mechanism that translates digital marketing stimuli into actual consumption intentions among Generation Z consumers.

Table 4 summarizes the results of hypothesis testing in the structural model. The findings reveal that e-WOM positively and significantly affects both brand trust ($\beta = 0.434$; $p < 0.001$) and adoption intention ($\beta = 0.172$; $p = 0.020$). Likewise, digital advertising has a significant positive influence on brand trust ($\beta = 0.413$; $p < 0.001$), although its direct effect on adoption intention is not significant ($\beta = 0.092$; $p = 0.125$). On the other hand, influencer endorsement does not significantly influence either brand trust or adoption intention, as indicated by p-values above 0.05. In addition, brand trust significantly enhances adoption intention ($\beta = 0.504$; $p <$

0.001), suggesting that stronger consumer trust toward the brand leads to higher intention to adopt the product or service.

Table 4. Hypothesis Testing

Relationship	β	t-statistics	p-value	Result
e-WOM → Brand Trust	0.434	4.614	0.000	Supported
e-WOM → Gen Z Adoption Intention for Islamic Financial Product	0.172	2.060	0.020	Supported
Digital Advertising → Brand Trust	0.413	4.728	0.000	Supported
Digital Advertising → Gen Z Adoption Intention for Islamic Financial Product	0.092	1.152	0.125	Not Supported
Influencer Endorsement → Brand Trust	0.057	0.580	0.281	Not Supported
Influencer Endorsement → Gen Z Adoption Intention for Islamic Financial Product	0.134	1.494	0.068	Not Supported
Brand Trust → Gen Z Adoption Intention for Islamic Financial Product	0.504	5.527	0.000	Supported
Digital Advertising → Brand Trust → Adoption Intention	0.208	3.242	0.001	Supported
Influencer Endorsement → Brand Trust → Gen Z Adoption Intention for Islamic Financial Product	0.028	0.606	0.272	Not Supported
e-WOM → Brand Trust → Gen Z Adoption Intention for Islamic Financial Product	0.219	3.498	0.000	Supported

The indirect effect analysis further demonstrates that brand trust serves as a significant mediating variable in the relationship between digital advertising and adoption intention ($\beta = 0.208$; $p = 0.001$), as well as between e-WOM and adoption intention ($\beta = 0.219$; $p < 0.001$). These results imply that digital advertising and e-WOM can more effectively encourage adoption intention when they are capable of strengthening consumers' trust in the brand. However, the mediating role of brand trust in the relationship between influencer endorsement and adoption intention is not significant ($\beta = 0.028$; $p = 0.272$), indicating that influencer endorsement fails to build sufficient trust to drive consumers' adoption intention.

Table 5. Effect Size Test

Variable	Brand Trust	Adoption Intention
Brand Trust		0.239
e-WOM	0.194	0.024
Influencer Endorsement	0.003	0.018
Digital Advertising	0.180	0.007

Table 5 presents the effect size (f^2) results, showing that e-WOM ($f^2 = 0.194$) and digital advertising ($f^2 = 0.180$) have moderate effects on brand trust, while influencer endorsement has only a negligible effect ($f^2 = 0.003$). In relation to Gen Z adoption intention for Islamic financial products, brand trust demonstrates a moderate effect size ($f^2 = 0.239$), indicating its important role in influencing consumers' intention to adopt the product or service. Meanwhile, e-WOM ($f^2 = 0.024$), influencer endorsement ($f^2 = 0.018$), and digital advertising ($f^2 = 0.007$) exhibit relatively small effects on adoption intention. The findings suggest that brand trust is the strongest predictor of adoption intention, whereas e-WOM and digital advertising contribute more substantially to strengthening brand trust compared to influencer endorsement.

5. Discussion

The structural model analysis reveals that electronic word-of-mouth exerts a positive and significant influence on both brand trust and Generation Z's adoption intentions toward Islamic financial products. These findings indicate that peer-generated communication plays a far more critical role in establishing trust within digital environments than formal institutional promotions. This phenomenon occurs because Generation Z consumers tend to be highly skeptical of institutional marketing messages, choosing instead to prioritize transparency and social validation derived from the authentic experiences of other users. Within the Islamic financial industry, which is deeply intertwined with ethical considerations and adherence to religious principles, organic online reviews provide a sense of psychological safety that effectively mitigates perceived financial risks. This empirical evidence directly aligns with the arguments of Yilmas (2019), who asserted that peer-based communication offers stronger reassurance due to its minimal commercial bias. Furthermore, these results support the studies conducted by Abedin et al. (2021), Siddiqui et al. (2021), and Guzzo et al. (2022), all of whom confirmed that e-WOM possesses a superior persuasive effect within the digital consumer behavior landscape owing to the perceived authenticity of the information shared.

In contrast, digital advertising is found to have a positive effect on brand trust but does not significantly influence Generation Z's adoption intentions through a direct pathway. This suggests that while exposure to informative advertisements is effective in enhancing institutional visibility and credibility, such messaging cannot directly stimulate actual consumption behavior among younger cohorts without being channeled through trust. In the contemporary digital ecosystem, firm-generated advertisements function primarily as initial educational tools that outline product features. The significant mediating relationship identified in this model proves that brand trust acts as the primary psychological bridge transforming advertising stimuli into tangible adoption intentions. This mechanism is highly consistent with the conceptualizations of Ashraf et al. (2015), who emphasized that within high-credibility financial sectors, consumers will not directly respond to marketing communications until a firm foundation of institutional trust has been established. This central role of trust is also strongly reinforced by the findings of Sari et al. (2025), who stated that consumer reliance on institutional integrity serves as the most dominant predictor in accelerating adoption decisions for Sharia-compliant products.

Furthermore, the structural analysis confirms that brand trust serves as a critical psychological mechanism that differentially mediates the pathways from digital communication channels to Generation Z's adoption intentions. The indirect effects of both digital advertising and e-WOM on adoption intention through brand trust are positive and statistically significant, revealing that digital communications require a foundational layer of credibility to successfully influence actual consumer behavior. These significant mediation pathways are highly consistent with the framework of Emini (2026), who argued that in high-credibility sectors like Islamic finance, digital marketing stimuli fail to trigger direct behavioral responses unless they are first translated through a trusted brand lens. This mechanism is also supported by Madondo et al. (2024), who observed that digital outreach becomes structurally potent only when it successfully mitigates user uncertainty and risk.

The most compelling finding of this study is the inability of influencer endorsement to significantly influence either brand trust or the adoption intentions of Generation Z, both directly and indirectly through mediation. The social popularity of a digital content creator proves ineffective when applied to the Islamic financial services sector, which inherently requires long-term commitment and high-involvement decision-making. Generation Z consumers have become increasingly selective and tend to doubt sponsored content driven by commercial motives, particularly when the endorser is perceived to lack specialized financial expertise or a valid track record in Islamic finance. This outcome mirrors the analysis of Moin et al. (2017) and Singh et al. (2025), who discovered that in financial decision-making, consumers prioritize technical competence and ethical legitimacy over the mere popularity of the communicator. Moreover, this growing skepticism toward paid promotions among younger demographics is further validated by Yang and Wei (2025), who demonstrated that celebrity-driven persuasion rapidly loses its efficacy when consumers detect overly transparent commercial motives behind the message, rendering the indirect path via brand trust statistically non-significant as well, a limitation that closely aligns with the findings of Aldweeri et al. (2026).

6. Conclusion

This study concludes that e-WOM serves as the most consistent and dominant digital communication mechanism in shaping both brand trust and the adoption intentions of Generation Z toward Islamic financial products. In contrast, digital advertising yields no direct effect on adoption intentions, requiring full mediation through brand trust, while influencer endorsement demonstrates no significant influence within the structural model. This phenomenon indicates a critical shift in the trust formation patterns of younger consumers, who increasingly prioritize transparency and authentic peer-generated experiences over institution-driven promotional intensity or public figure popularity. Within a high-credibility industry like Islamic finance, brand trust is empirically proven to be the primary psychological anchor that reduces consumer uncertainty and mitigates perceived risks prior to the formation of adoption choices.

Islamic financial institutions are advised to pivot their digital marketing orientation away from strategies that merely chase superficial visibility or influencer popularity metrics toward a trust-centric approach. This objective can be achieved by facilitating credible user-discussion forums, optimizing transparent digital experiences, and fostering authentic consumer advocacy within social media ecosystems. Despite offering important theoretical contributions, this study is constrained by its cross-sectional design and a geographically limited sample of Generation Z respondents. Future research should therefore expand the demographic scope, employ longitudinal methods to capture behavioral dynamics over time, and integrate complementary variables such as Sharia financial literacy, digital platform preferences, or a comparative analysis with conventional financial sectors.

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