



# The moderating effect of religiosity on intention to use product financing

Mochamad Wildan Faiz, Fani Firmansyah

Department of Islamic Banking, Faculty of Economics, State Islamic University of Maulana Malik Ibrahim, Malang, Indonesia

## Article Info

### Article History

Received : 2024-05-15

Revised : 2024-06-09

Accepted : 2024-06-22

Published : 2024-06-24

### Keywords:

Financial literacy, Word of mouth, Religiosity, Intention to use financing products.

### DOI:

<https://doi.org/10.20885/AJIM.vol6.iss1.art5>

### JEL Classification:

G21, G23, G40

### Corresponding author:

Mochamad Wildan Faiz  
[mochwildanfaiz@gmail.com](mailto:mochwildanfaiz@gmail.com)

### Author's email:

[firmansyahfani@yahoo.co.id](mailto:firmansyahfani@yahoo.co.id)

### Paper type:

Research paper



Center for Islamic Economics Studies and Development, Faculty of Business and Economics, Universitas Islam Indonesia

## Abstract

**Purpose** – This study aimed to determine the effect of financial literacy and word of mouth on the intention to use financing with religiosity as a moderating variable in the BMT UGT Nusantara Capem Pujon.

**Methodology** – This study employs a quantitative approach using primary data collected through accidental sampling. A total of 104 respondents, members of BMT UGT Nusantara Capem Pujon, who use financing products, participated by completing a Likert-scale questionnaire. Data were analyzed using Partial Least Squares (PLS) with SmartPLS version 3.2.9.

**Findings** – The research findings indicate that financial literacy positively influences the intention to use BMT financing products. By contrast, word-of-mouth did not significantly affect this intention. Religiosity moderates the relationship between financial literacy and intention as well as between word-of-mouth and intention.

**Implications** – These findings have several implications for BMT. First, enhancing financial literacy among members can significantly increase their intentions to use financial products. Second, given that word-of-mouth is not a significant factor, BMT should focus more on educational programs rather than relying solely on customer referrals. Finally, integrating religiosity into financial literacy initiatives could further strengthen members' intention to use the BMT's financial products, aligning with their values and beliefs.

**Originality** – The novelty of this study lies in exploring how financial literacy, word of mouth, and religiosity collectively shape the intention to use financing products at BMT UGT Nusantara Capem Pujon, emphasizing the moderating role of religiosity in customized educational strategies to improve financial decisions within Islamic financial institutions.

### Cite this article:

Faiz, M. W. & Firmansyah, S. (2024). The moderating effect of religiosity on intention to use product financing. *Asian Journal of Islamic Management*, 6(1), 50-62. <https://doi.org/10.20885/AJIM.vol6.iss1.art5>

## Introduction

The rapid development of the Islamic economic sector can impact the performance of Islamic financial banks. The better the performance of Islamic banks, the more investors begin to observe their financial performance of Islamic banks (Ur Rehman et al., 2022). One of the factors that makes Islamic banks develop is the Sharia principles applied in conducting business by Islamic banks. The Sharia principles are in question, namely, usury, maysir, gharar, and things that are prohibited and not allowed to conduct transactions (Mutmainah and Apriliantika, 2023). In addition, the majority of Indonesia's population is Muslim, making Islamic banks a place to conduct oral financial transactions.

Indonesia has two financial institutions: bank and non-bank (microfinance). Both financial institutions have an important role, namely as an institution that can improve the quality of life of

the community. This is based on the official website of the Financial Services Authority ([Otoritas Jasa Keuangan, 2022](#)). As of December 2022, the number of microfinance institutions in Indonesia was 242 with a total asset distribution of IDR 553.72 billion (36.54%) for sharia MFIs and IDR 124.96 billion (8.25%) for conventional MFIs. In addition, the number of customers in the microfinance institutions was 171,993. 147,413 conventional borrowers and 24,580 Sharia borrowers. The large number of customers conducting transactions at microfinance institutions is due to the increasing business intention of customers, so there will be competition between financial institutions. Microfinance institutions will continue to evaluate and innovate products offered to attract customers ([Akpan 2023](#)). Microfinance institutions also provide loans to their customers; thus, to meet the needs of customers, MFIs provide loans amounting to 95.31 billion for conventional and 33.14 for Sharia MFIs. This result shows that public intentions in MFIs are very large.

This indicates that people need the services or products owned by each MFI. Humans have different needs and the extent to which each individual wants them. The number of activities carried out by each results in large desired needs, one of which is financial needs. Thus, people use the services of financial institutions to help meet financial needs in their lives. One of these MFIs is Baitul Maal wa Tamwil (BMT), which can provide loans to meet needs. Moreover, BMT is a financial institution that has been directly supervised by the Sharia Council and follows Sharia principles.

As an Islamic microfinance institution, Baitul Maal wa Tamwil (BMT) serves small and medium-sized communities in carrying out activities ([Otoritas Jasa Keuangan, 2022](#)). One of them is the BMT UGT Nusantara Capem Pujon, which provides services in the form of loan products to customers in need. Of course, BMT will always provide quality services and benefits that attract public attention. In making transactions at Baitul Maal wa Tamwil (BMT), a customer has certainly declared himself or herself to transact based on Islamic sharia. This is related to the attitude of religiosity, where a human being believes and explores religion and upholds religious values and compliance with the rules of religion itself. [Janah et al. \(2020\)](#) in their research reveal that religiosity affects the intention to use Islamic banks. Thus, religiosity can influence a person's intention to make transactions at an Islamic bank.

Customer intentions for products and services are based on financial knowledge ([Huston 2010](#)). Financial literacy is a form of modelling the need for knowledge and forms of financial management. Financial literacy has several aspects that must be understood by someone they are about managing money and assets, and knowledge of financial products and services, which will have an impact on the decision-making process. A customer with good financial knowledge tends to understand and be careful when making transactions at financial institutions. A person's intention can also be influenced by marketing communication factors, one of which is word-of-mouth. Word of mouth is the process of word-of-mouth communication between individuals ([Ayuningsih and Maftukhah, 2020](#)). The act of word of mouth can convince someone to own a product because it can provide reviews and experiences of the product. Word of mouth arises from the experience gained by consumers of a product.

Previous research by [Akib et al. \(2023\)](#) analyzed the influence of Islamic branding on people's intention to become Islamic bank customers and found that financial literacy is an important factor influencing the intention to become Islamic bank customers. This refers to customers' knowledge and understanding of Islamic bank products and the Sharia principles that exist in them. This study finds that financial literacy has a positive effect on people's intention to become customers in Islamic banks. Other research conducted by [Lestari \(2020\)](#) related to the role of Islamic financial products in millennial financial decisions. The findings of this study indicate that financial literacy possessed by millennials can increase their intention to use Islamic financial products. Understanding high financial literacy can lead millennials to understand the principles of Islamic products. Millennial intention in Islamic financial institutions is based on an understanding of the practice of usury. The results of this study show that financial literacy has a positive effect on the intention to use financial institution products.

However, this is different from the research conducted by [Albaity and Rahman \(2019\)](#), who found that financial literacy does not affect the intention to use Islamic banks. The findings of his study explain that the higher the level of knowledge of a customer, the lower their intention to use Islamic finance. Although they know about the existing Sharia principles, they still have doubts about determining financial institutions. They consider that the products offered by Islamic banks are not significantly different from those offered by conventional banks.

Another factor that can influence the intention to use financing products is word-of-mouth. The results of research conducted by [Suparno et al. \(2023\)](#) show that word-of-mouth has a significant effect on the intention to use Islamic banks. The findings of this study explain that Generation Z's intention toward Islamic banks is influenced by the role of social media and the Internet. They obtain products offered by Islamic banks on word-of-mouth recommendations sourced from friends and influencers on social media platforms. This is not in line with research conducted by [Mahmudah and Rahmatika \(2021\)](#), who found that word of mouth does not affect customer intention to use mobile banking.

In connection with the research on financial literacy conducted by the author, there are several weaknesses and suggestions given by previous researchers. For example, [Akib et al. \(2023\)](#) use the independent variables of financial literacy, service quality, and Islamic branding. Therefore, researchers suggest adding variables related to religiosity, word of mouth, promotion, or contracts used by Islamic banks to create a kaffah Islamic bank.

This research is a development of several previous studies' contradictions related to financial literacy and word of mouth on the intention to use financing products. The researcher then conducts an extension by adding religiosity variables as moderation. This research is expected to contribute to academics, considering that little research has been conducted on these factors. In addition, agencies can provide information related to customer intentions to use financing products.

## Literature Review

### Theory of planned behavior

The theory of reasoned action (TRA) was used to explain human social behavior. In TRA, intention to perform or not perform behavior is influenced by two determinants: attitude and subjective norms ([Ajzen and Fishbein, 1980](#)). This theory explains why someone behaves as a certain behavior. A person's behavior is based on intention because behavior is voluntary and is under the control of intention. A behavior that requires intention to act and intention can be described cognitively from a person's readiness to perform a behavior, so that the best predictor of actual behavior is intention.

In 1991, Ajzen developed the theory of planned behavior (TPB), which aims to perfect the TRA because in this model, there are limitations in predicting consumer intention and behavior. This shows that doing something is not only determined by attitudes and subjective norms, but it is also necessary to add behavioral control as a source of belief in this control ([Boonroungrut & Huang, 2021](#)). Three indicators influence individual behavioral intentions; that behavior results from the intention factor to act, where the intention is determined by basic determinants, namely, related to personal and reflecting social influences. Personal factors can be interpreted as positive or negative assessments of individuals performing a behavior called attitude. A reflection of social influence is a person's perception of social pressure that will influence him or not engage in a behavior, which can be referred to as subjective norms. Behavioral control refers to the perception of ease and difficulty of acting. This is shown by the involvement of individuals in performing a behavior according to their beliefs about the possibility of internal and external factors that facilitate the behavior.

Some researchers who apply TPB to the intention to use Islamic banking products, such as research conducted by [Ibrahim et al. \(2017\)](#), identify the factors that influence Islamic home financing products with the level of knowledge as an exogenous variable. Other studies also explain that TPB has a role in the intention to use products, as [Abu-Taieh et al. \(2022\)](#) explain that the level of knowledge influences Islamic home financing products.

## Intention

Safari et al. (2022) defined intention as an individual's ability to take certain actions. Intention is the desire that arises in a person to learn something and aims to satisfy a need without coercion (Sakinah & Firmansyah, 2021). Purchase intention refers to a person's tendency to buy a product or service. Before a consumer is motivated to buy a product or service, they observe the product or service they want to buy. Anouze and Alamro (2020) expressed intention as continued use and acceptance of a product. When someone has the intention to use a product, they can consider these intentions, such as the need for sufficient information regarding product or service specifications and how added value is obtained from this service.

## Financial literacy and intention to use financing products

Financial literacy is a form of awareness, knowledge, skills, attitudes, and behavior of a person in making good financial decisions to achieve financial well-being (Dinc et al., 2021). The ability to improve financial literacy is one of the main factors that affect economic growth and development. This has led many financial institutions to continue conducting education related to their customers' financial literacy. Anand et al. (2021) stated that financial literacy is a person's orientation toward saving, investing, and financial planning, such as managing money and making decisions on ownership of that money, as well as knowledge related to sharing financial products and calculation skills. Practicing financial literacy allows a person to understand the applicable, financially generated, and understood information that is relevant to decision-making (Karakara et al., 2022). There are four indicators for measuring financial literacy: general knowledge, savings and loans, insurance, and investment (Fystari and Kadarningsih, 2023).

The research conducted by Ilyana et al. (2022) show that financial literacy towards banking has a positive and significant effect on intention to use banking. Financial knowledge is very important for potential new Islamic bank customers, so Islamic bank management needs to plan and direct policies to increase public knowledge of Islamic banks and their products. Research conducted by Muslichah and Sanusi (2019) showed that financial literacy influences the intention to use Islamic bank products. Good public knowledge of Islamic banking can influence the intention to use Islamic banking products. Therefore, we propose the following hypothesis:

H<sub>1</sub> : Financial literacy has a positive effect on the intention to use financing products

## Word of mouth and intention to use financing products

Word of mouth is a form of marketing promotion, and word-of-mouth communication between communicators and recipients related to brands, products, and services is considered noncommercial (Khoo, 2022). Word of mouth is included in the category of marketing activities, carried out in the form of words or speech. Word of Mouth is also defined as representing information directly between humans through messages, chatting, or face-to-face relationships. Trusov (2009) argues that word of mouth is a marketing tool that has a great influence because it can shape and influence consumer behavior toward products and services (Aldiana et al., 2020). There are three indicators to measure word of mouth: volume, valance, and content.

Nuseir (2019), in his research entitled The Influence of Electronic Word of Mouth on Consumer Online Purchase Intentions in Islamic Countries, explains that e-WOM has a positive influence on purchase intentions. Word of Mouth is considered the most effective marketing medium for sharing opinions and reviews about products and services. Research conducted by Islam et al. (2023) explain that word of mouth has a significant positive effect on customer saving intentions. The influence of word of mouth on customers' intention to save is important and has a strong application for Islamic banks.

H<sub>2</sub>: Word of moult has a positive effect on intention to use financing products.

## Religiosity as moderation of financial literacy and world of mouth

Religiosity is defined as diversity from various sides and dimensions that do not focus on worship activities alone, but also on activities carried out based on supernatural powers. According to

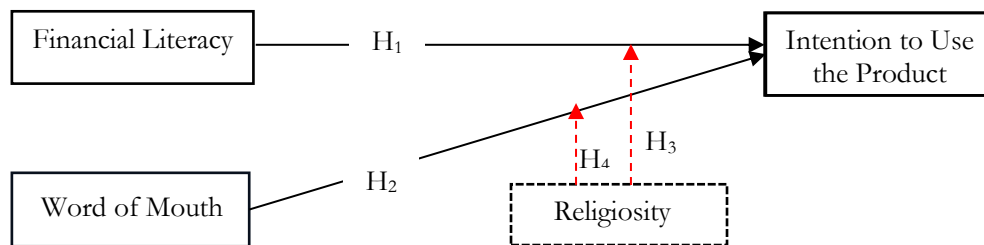
Firmansyah et al. (2019), religiosity refers to activities closely related to a person's religious experiences, beliefs, and rituals. Religiosity is a condition within a person that drives behavior based on religious observance. Building an attitude of religiosity is necessary because it can cognitively affect customer intention to use financing products (Mardiana et al., 2021). Religiosity is the degree of obedience and belief of an individual in religious law, which is believed and adhered to by a person through religious actions to achieve happiness in this world and the hereafter (Maulidya & Putra, 2023). According to Andini et al. (2021), there are five indicators of religiosity: ideological, practice in Islam, experiential, intellectual, and consequence.

Ahmad et al. (2008) in their research prove that religiosity can moderate knowledge of financing intentions. Supported by Rokhani and Nurkhin (2021), religiosity can moderate the influence of knowledge on students' savings intentions at Islamic banks. Abror et al. (2022) explain that religiosity strengthens the value of word-of-mouth's influence on financing. In line with Alsmadi (2024), word of mouth in this study is described as television advertising can be moderated by religiosity.

H<sub>3</sub>: Religiosity can moderate financial literacy on the intention to use financing products.

H<sub>4</sub>: Religiosity can moderate word of mouth on the intention to use financing products

The research context framework can be described in Figure 1, as follows:



**Figure 1.** Research context framework  
Sources: Authors' own work

## Methods

This study uses a quantitative approach and primary data to distribute questionnaires. The sampling technique used to distribute this questionnaire was accidental sampling, meaning that anyone who is met by chance by the researcher can be used as a sample. Each member of the population does not have the same opportunity as a sample (Teguh, 2005). The items in this study were measured using a Likert scale ranging from one to five. The number 1 was chosen if the respondent tended to strongly disagree with the question, whereas the number 5 was chosen if the respondent tended to strongly agree with the question. The population in this study was members of the BMT UGT Nusantara Capem Pujon who used financing products. A sample of 100 respondents was used in this study. This follows the calculation of the Slovin formula, as follows:

$$n = \frac{N}{1 + Nd^2} = \frac{3748}{1 + 3748(0,1)^2} = 97,401$$

where n is the number of samples, N is the total population, and D is the percentage of tolerance for inaccuracy caused by sampling errors that are still acceptable (10%). Thus, the number of samples in this study was 97.401, but data were obtained from 104 respondents. The data were analyzed using Partial Least Squares (PLS) with SmartPLS version 3.2.9. The criteria for respondents to fill out the questionnaire were as seen in Table 1.

Table 1 shows that there are more female respondents than male respondents, namely, 55 female respondents and 49 male respondents. This shows that respondents in this study were predominantly female with an amount of with an amount of 52.9%. A total of 104 respondents were divided into five categories. The results of data collection showed that 28.8 age of respondents were 25-32 years old. This shows that the majority of the respondents were aged 25–32 years. shows that most respondents worked on the choice of traders. This is based on the largest

percentage, that is, traders as much as 37.5%, and a small percentage, that is, other choices of 37.5%. A small percentage (2.9 %) was the other choice.

**Table 1.** Respondent Criteria

Character	Category	Frequency	(%)
Gender	Male	49	47,1
	Female	55	52,9
Age	17-24	23	22,1
	25-32	30	28,8
	33-40	22	21,2
	41-48	29	27,9
	>49		
Occupation	Farmer	18	17,3
	Trader	39	37,5
	Private Employee	32	30,8
	Public Servant	12	11,5
	Other	3	2,9

Source: Data processed by researchers

## Results

Based on [Table 2](#), the weights or loading test show that the loading factor value of the financial literacy indicator ranges from 0.824 to 0.882, the loading factor value of the word-of-mouth indicator ranges from 0.834 to 0.894, the loading factor value of the intention to use the product indicator ranges from 0.749 to 0.834, and the loading value of the religiosity indicator ranges from 0.779 to 0.912. All indicators were declared valid when the loading factor was greater than 0.70. The standard loading factor describes the magnitude of the correlation between each measurement item (indicator) and its constructs. The expected value is  $> 0.70$ . [Ghozali and Latan \(2020\)](#) Outer loading values between 0.5 - 0.6 are considered sufficient to meet the requirements of convergent validity.

**Table 2.** Convergent Validity

Variable	Indicator	Loading
Financial literacy	I know the function of BMT	0.853
	I know the products BMT	0.882
	I always set aside some of my monthly money for savings	0.830
	Loans at financial institutions have a risk of bad debts	0.853
	I have health insurance, a motor vehicle	0.836
	I know the risks of investment	0.824
Word of mouth	I will comment on the products and services that I have had	0.877
	I get information on a product or service from people closest to me	0.894
	I know products or services from advertisements	0.834
Intention to use the product	I use BMT products or services because of my desire	0.822
	I will continue to use BMT products or services	0.832
	I will refer BMT to others	0.834
	BMT is my first choice in terms of finance	0.826
	I use BMT because it is free from intention or usury	0.831
	I feel benefit when using BMT products	0.749
Religiosity	I believe that Allah SWT created humans	0.845
	I always avoid something that is not clear in origin (gharar)	0.779
	I feel at peace when I leave usury behind	0.912
	I know that every transaction in BMT follows Islamic rules	0.838
	As Muslims, we must prioritize honesty in everyday life	0.859

Source: Data processed by researchers

Discriminant validity occurs if two different instruments measuring two constructs that are predicted to be uncorrelated produce uncorrelated scores. The parameters of the discriminant

validity method are used to compare the cross-loading factor value of the intended construct with the cross-loading factor value of the other constructs. Table 3 indicates that the cross-loading value for each variable was  $> 0.7$ .

Another parameter is to compare the value of the square root of average variance extracted (AVE) or the root of the AVE > latent variable correlation; the measurement value of the AVE root should be  $> 0.50$ . Average Variance Extracted (AVE) describes the amount of variance that can be explained by items compared to the variance caused by measurement error. The recommended AVE value is  $> 0.50$ ; therefore, the model has sufficient discriminant validity if the root AVE for each construct is greater than the correlation between the construct and other constructs in the model. Based on Table 4, the four variables are declared valid because they have an AVE value  $> 0.50$ , with the value of the financial literacy variable as X1 0.717, variable word of mouth as X2 0.779, variable intention as Y 0.666, and variable religiosity as Z 0.718.

**Table 3.** Discriminant Validity

Constructs	Items	Financial literacy	Word of mouth	Intention to use	Religiosity
Financial literacy	FL 1	0,853	0,630	0,703	0,733
	FL 2	0,882	0,745	0,763	0,779
	FL 3	0,830	0,634	0,682	0,692
	FL 4	0,853	0,709	0,734	0,702
	FL 5	0,836	0,689	0,751	0,738
	FL 6	0,824	0,737	0,721	0,683
Word of mouth	WM 1	0,736	0,877	0,689	0,740
	WM 2	0,704	0,894	0,631	0,684
	WM 3	0,722	0,876	0,662	0,691
Intention to use	INT 1	0,746	0,697	0,822	0,713
	INT 2	0,727	0,641	0,832	0,665
	INT 3	0,696	0,567	0,834	0,675
	INT 4	0,679	0,611	0,826	0,697
	INT 5	0,707	0,575	0,831	0,696
	INT 6	0,641	0,577	0,749	0,674
Religiosity	RE 1	0,746	0,669	0,724	0,845
	RE 2	0,710	0,631	0,685	0,779
	RE 3	0,785	0,776	0,800	0,912
	RE 4	0,703	0,665	0,681	0,838
	RE 5	0,658	0,637	0,663	0,859

Source: Data processed by researchers

Composite reliability is a test conducted to determine the appearance and consistency of measuring instruments when measuring research constructs. The composite reliability value was similar to Cronbach's alpha value. If the composite reliability value was  $> 0.7$ , and Cronbach's alpha value was  $> 0.7$ , the data had high reliability. Table 4 shows that the composite reliability of all variables has a value  $> 0.7$ ; thus, all variables show good reliability.

**Table 4.** Composite Reliability

Variable	CR	CA	AVE
Financial literacy	0,938	0,921	0,717
Word of mouth	0,914	0,858	0,779
Intention to use	0,923	0,899	0,666
Effect moderating to religiosity	1.000	1.000	0,718
Effect moderating to religiosity	1.000	1.000	0,718

Note: CR= Composite Reliability; CA= Cronbach's Alpha; AVE= Average Variance Extrated

Source: Data processed by researchers

Inner model testing serves to determine the relationship between variables, R-square value, and significance value of the research model. Inner model testing was measured using the R-Square on each day of the independent latent variable on the dependent variable. Based on [Table 5](#), it can be seen that the endogenous variables, namely financial literacy and word of mouth, can explain the exogenous variable, namely intention of 0.822 or 82.2%, and the remaining 17.8% is explained by other factors outside the research variables.

**Table 5.** R-Square

Variable	R-Square
Intention to use	0,822

Source: Data processed by researchers

The hypotheses can be tested by examining the t-statistic and p-value. In this test, the hypothesis criteria are accepted if the t-statistic value is  $> 1.96$  and applies otherwise. The criterion for acceptance of the hypothesis using the probability value was a p-value  $< 0.05$ .

**Table 6.** Hypothesis Test

Hypothesis	Coef	T-Stat	P-Value
Financial literacy → Intention to use the product	0,227	2.234	0,026
Word of mouth → Intention to use the product	-0,079	0,732	0,464
Financial literacy → Religiosity → Intention to use the product	-0,376	3.376	0,001
Word of mouth → Religiosity → Intention to use the product	0,227	2.388	0,017

Source: Data processed by researchers

[Table 6](#) shows that the first hypothesis explains the relationship between the effect of financial literacy on the intention to use financing products. Based on the results of the calculation financial literacy has a positive and significant effect on the intention to use financing products. This is obtained from the t-statistic of  $2.234 < 1.96$  and a p-value of  $0.026 < 0.05$ . So it can be said that financial literacy has a significant effect on the intention to use financing products at BMT. The results of this study are in line with [Ilyana et al. \(2022\)](#) that Islamic financial literacy has a positive and significant effect on the intention to use Islamic banks.

The second hypothesis is related to the effect of word-of-mouth relationships on the intention to use financing. Based on the results of the calculation, word of mouth had no significant effect on the intention to use financing products. This was obtained from the t-statistic of  $0.732 < 1.96$ , and p-value  $0.464 > 0.05$ . In this case, word-of-mouth does not berpengaruh signifikan terhadap niat using BMT financing products. This is not in line with research by [Nuseir \(2019\)](#), which explains that word of mouth affects consumers' online purchase intention in Islamic countries.

The third hypothesis is related to the relationship between religiosity-moderated financial literacy and the intention to use financing products. Based on the results of these calculations, religiosity can moderate financial literacy. This is obtained from the calculated t-statistic of  $3.376 > 1.96$  and a p-value of  $0.001 < 0.05$ . So it can be said that religiosity can moderate the relationship between financial literacy and the intention to use BMT financing products. This is in line with [Agustin and Hakim \(2022\)](#), in which religiosity can moderate the relationship between financial literacy and Islamic investment intentions.

The fourth hypothesis explains that religiosity moderates word of mouth on the intention to use financing products. Based on the calculation results, religiosity can moderate word-of-mouth. This is obtained from the calculated t-statistic of  $2.388 > 1.96$  and a p-value of  $0.017 < 0.05$ . So it can be said that religiosity can moderate the relationship between word of mouth and the intention to use BMT financing products. This research is in line with [Abror et al. \(2022\)](#), who found that religiosity can moderate the influence of word of mouth.



## Discussion

The results of this study indicate that  $H_1$  is accepted, implying that financial literacy has a positive effect on the intention to use financing products. The higher the financial literacy of a customer, the better is the customer's decision to choose a product. In the pre-research conducted by the author, it is known that the benchmark for customer literacy is customer knowledge related to the BMT institution itself, as well as the products and services offered. This knowledge can inform a customer's decision to use BMT financing products. The results of previous research that has been done by [Muslichah and Sanusi \(2019\)](#) that financial literacy affects the intention to use Islamic bank products. This is in line with the research of [Ilyana et al. \(2022\)](#), who show that financial literacy has a positive effect on the intention to use Islamic banks.

The results of this study also show that  $H_2$  is rejected, and word of mouth does not affect the intention to use financing products in BMT. Word of mouth is generally considered informal communication about a consumer's experience in using a product or service. Word of mouth is a form of promotion created between consumers with no intention of using a product or service. [Aditya et al. \(2024\)](#). In this study, word of mouth was determined using three indicators: volume, valance, and content. However, the content indicator explains how customers find out about products and services from social media and is fairly able to support word of mouth, whereas the impact of other indicators is less supportive for customers. This research is not in line with [Suparno et al. \(2023\)](#), who explain that word of mouth affects intention. However, other studies explain that word-of-mouth does not affect intentions.

Furthermore, Hypotheses  $H_3$  and  $H_4$  are accepted, meaning that religiosity as a moderating variable can have a positive influence on financial literacy and word-of-mouth. In this study, religiosity used five indicators: ideological dimensions, dimensions of practice in Islam, dimensions of experience, intellectual dimensions, and dimensions of consequences. This study found that religiosity has a positive and significant moderating influence between financial literacy and word of mouth on the intention to use financing products in BMT. Of the five indicators of religiosity, the experience dimension played a greater role than the other four indicators. However, this does not mean that the four indicators of religiosity cannot have an impact; it is not as large as the experience dimension. The higher the religiosity of the customer, the easier the decision to use financing products at BMT is affected by financial literacy and word of mouth. Research conducted by [Ahmad et al. \(2008\)](#) proved that religiosity can moderate Islamic literacy on the intention to finance. Supported by [Rokhani and Nurkhin \(2021\)](#), religiosity can moderate the influence of knowledge on students' intentions to save in Islamic banks. Research that says that religiosity can moderate word-of-mouth is as follows: [Abror et al. \(2022\)](#) explain that religiosity strengthens the value of the influence of word-of-mouth on financing. In line with [Alsmadi \(2024\)](#), word of mouth in this study is described as television advertising can be moderated by religiosity.

## Conclusion

This study examines the effect of financial literacy and word of mouth on the intention to use BMT financing products with religiosity as moderation, and finds that financial literacy and the moderating effect of religiosity variables have a positive effect on the intention to use financing products at BMT. These findings have implications for providing information about the intention of customers to use financing products at BMT UGT Nusantara Capem Pujon to assess and consider the level of literacy and word-of-mouth of BMT members. For example, BMT needs to approach its customers regarding BMT functions and products, and conduct online/offline promotions. The implication for the government is to conduct socialization related to financial literacy, such as workshops, webinars, and teaching and learning activities.

Researchers realize that this research is still imperfect, and there are limitations; namely, the independent variables used in this study are only financial literacy and word-of-mouth. Therefore, researchers hope that further research can add variables related to the intention to use financing products with religiosity as moderation, not only focusing on BMT products but also on other Islamic financial institutions, such as Islamic banks and BPRS.

## Author contributions

Conceptualization: Mochamad Wildan Faiz  
 Data curation: Mochamad Wildan Faiz  
 Formal analysis: Mochamad Wildan Faiz, Fani Firmansyah  
 Investigation: Mochamad Wildan Faiz  
 Methodology: Mochamad Wildan Faiz, Fani Firmansyah  
 Project administration: Mochamad Wildan Faiz  
 Supervision: Fani Firmansyah  
 Validation: Mochamad Wildan Faiz, Fani Firmansyah  
 Visualization: Mochamad Wildan Faiz  
 Writing – original draft: Mochamad Wildan Faiz  
 Writing – review and editing: Mochamad Wildan Faiz

## References

- Abror, A., Patrisia, D., Engriani, Y., Idris, I., & Dastgir, S. (2022). Islamic bank trust: The roles of religiosity, perceived value and satisfaction. *Asia Pacific Journal of Marketing and Logistics*, 34(2), 368–384. <https://doi.org/https://doi.org/10.1108/APJML-10-2020-0715>
- Abu-Taieh, E. M., AlHadid, I., Abu-Tayeh, S., Masa'deh, R., Alkhaldeh, R. S., Khwaldeh, S., & Alrowwad, A. (2022). Continued intention to use of m-banking in Jordan by integrating UTAUT, TPB, TAM and service quality with ML. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(3). <https://doi.org/10.3390/joitmc8030120>
- Aditya, M. Y., Jasfar, F., & Mariyanti, T. (2024). The effect of service , customer knowledge , and word of mouth on the growth of business finance in shara people's financing bank (BPRS) with religiosity as a moderation variable. *Migration Letters*, 8984, 1096–1108. <https://doi.org/https://migrationletters.com/index.php/ml/article/view/7936>
- Agustin, D. N., & Hakim, L. (2022). Peran religiusitas sebagai variabel moderating pengetahuan, persepsi produk bank syariah dan literasi keuangan terhadap minat investasi syariah. *Jurnal Pendidikan Akuntansi (JPak)*, 10(2), 106–116. <https://doi.org/10.26740/jpak.v10n2.p106-116>
- Ahmad, W. M. W., Rahman, A. A., Seman, A. C., & Ali, N. A. (2008). Religiosity and banking selection criteria among Malays in Lembah Klang. *Jurnal Syariah*, 16(2), 99–130. <https://ejournal.um.edu.my/index.php/JS/article/view/22766>
- Ajzen, I. & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Prentice-Hall.
- Akib, B., Nur, A., & Handayani, L. (2023). Analysis of the influence Islamic branding on the intention of the community in gowa district to become customers of bank Syariah Indonesia (BSI). *Journal of Waqf and Islamic Economic Philanthropy*, 1(1), 1–11. <https://doi.org/10.47134/wiep.v1i1.38>
- Akpan, E. F. (2023). Customer relationship management and performance of microfinance banks in Akwa Ibom State. *IRE Journals*, 7(3), 214–235. <https://doi.org/https://www.researchgate.net/publication/378203599%0ACustomer>
- Albaity, M., & Rahman, M. (2019). The intention to use Islamic banking: an exploratory study to measure Islamic financial literacy. *International Journal of Emerging Markets*, 14(5), 988–1012. <https://doi.org/10.1108/IJOEM-05-2018-0218>
- Aldiana, U., Adji, S., & Santoso, E. (2020). Pengaruh harga, kualitas produk dan WOM (word of mouth) terhadap kepuasan konsumen. *ASSET: Jurnal Manajemen dan Bisnis*, 2(2), 71–83. <https://doi.org/10.24269/asset.v2i2.2390>
- Alsmadi, A.A. (2024), Exploring the moderating role of religious orientation on Islamic Fintech adoption, *International Journal of Islamic and Middle Eastern Finance and Management*, 17(2),

310-327. <https://doi.org/10.1108/IMEFM-09-2023-0315>

- Anand, S., Mishra, K., Verma, V., & Taruna, T. (2021). Financial literacy as a mediator of personal financial health during COVID-19: A structural equation modelling approach. *Emerald Open Research*, 2, 59. <https://doi.org/10.35241/emeraldopenres.13735.2>
- Andini, V., Akbar, D. A., & Maulana, C. Z. (2021). Pengaruh labelisasi halal terhadap keputusan pembelian dengan religiusitas sebagai variabel intervening pada usaha pempek di Kota Palembang. *Forum Bisnis dan Kewirausahaan*, 10(2), 137–148. <https://doi.org/https://doi.org/10.35957/forbiswira.v10i2.804>
- Anouze, A. L. M., & Alamro, A. S. (2020). Factors affecting intention to use e-banking in Jordan. *International Journal of Bank Marketing*, 38(1), 86–112. <https://doi.org/10.1108/IJBM-10-2018-0271>
- Ayuningsih, F., & Maftukhah, I. (2020). The influence of product knowledge, brand image, and brand love on purchase decision through word of mouth. *Management Analysis Journal*, 9(4), 355–369. <https://doi.org/10.15294/maj.v9i4.40796>
- Boonroungrut, C. & Huang, F. (2021), Reforming theory of planned behavior to measure money management intention: a validation study among student debtors, *RAUSP Management Journal*, 56(1), 24–37. <https://doi.org/10.1108/RAUSP-02-2019-0029>
- Dinc, Y., Çetin, M., Bulut, M., & Jahangir, R. (2021). Islamic financial literacy scale: an amendment in the sphere of contemporary financial literacy. *ISRA International Journal of Islamic Finance*, 13(2), 251–263. <https://doi.org/10.1108/IJIF-07-2020-0156>
- Firmansyah, F., Purnamasari, P. E., & Djakfar, M. (2019). Religiusitas, lingkungan dan pembelian green product pada konsumen generasi Z. *Iqtisoduna*, 15(1), 57–70. <https://doi.org/http://ejournal.uin-malang.ac.id/index.php/ekonomi/article/view/5779>
- Fystari, A. M. D., & Kadarningsih, A. (2023). Hubungan literasi keuangan dengan financial behavior pada mahasiswa ekonomi dan bisnis. *Akuntansi: Jurnal Riset Ilmu Akuntansi*, 2(4). <https://doi.org/https://doi.org/10.55606/akuntansi.v2i4.1290>
- Ghozali, I., & Latan, H. (2020). *Partial least square: Konsep, teknik dan aplikasi SmartPLS 3.0*. Badan Penerbit Universitas Diponegoro.
- Huston, S. J. (2010). Measuring financial literacy. *Journal of Consumer Affairs*, 44(2), 296–316. <https://doi.org/10.1111/j.1745-6606.2010.01170.x>
- Ibrahim, M. A., Fisol, W. N. M., & Haji-Othman, Y. (2017). Customer intention on Islamic home financing products: An application of theory of planned behavior (TPB). *Mediterranean Journal of Social Sciences*, 8(2), 77–86. <https://doi.org/10.5901/mjss.2017.v8n2p77>
- Ilyana, S., Purna, F. P., & Friantoro, D. (2022). Islamic financial literacy and its effects on intention to use Islamic Bank. *Ihtifaz: Journal of Islamic Economics, Finance, and Banking*, 4(2), 97–110. <https://doi.org/10.12928/ijiefb.v4i2.2622>
- Islam, D., Kurniawan, M. Z., & Masrunik, E. (2023). Pengaruh digital marketing, brand image, dan word of mouth (WOM) terhadap minat menabung nasabah di BPRS Lantabur Tebuireng Cabang Gresik. *Ekuivalensi Jurnal Ekonomi Bisnis*, 9, 155–169. <https://doi.org/https://ejournal.kahuripan.ac.id/index.php/Ekuivalensi/article/view/927>
- Janah, N., Medias, F., & Pratiwi, E. K. (2020). The intention of religious leaders to use Islamic banking services: the case of Indonesia. *Journal of Islamic Marketing*, 12(9), 1786–1800. <https://doi.org/10.1108/JIMA-01-2020-0012>
- Karakara, A.A.-W., Sebu, J. & Dasmani, I. (2022). Financial literacy, financial distress and socioeconomic characteristics of individuals in Ghana, *African Journal of Economic and*

- Management Studies*, 13(1), 29-48. <https://doi.org/10.1108/AJEMS-03-2021-0101>
- Khoo, K. L. (2022). A study of service quality, corporate image, customer satisfaction, revisit intention and word-of-mouth: evidence from the KTV industry. *PSU Research Review*, 6(2), 105–119. <https://doi.org/10.1108/PRR-08-2019-0029>
- Lestari, D. (2020). Millennial and Islamic financial products. *Li Falah: Jurnal Studi Ekonomi dan Bisnis Islam*, 5(1), 1. <https://doi.org/10.31332/lifalah.v5i1.1755>
- Mahmudah, & Rahmatika. (2021). Pengaruh persepsi kegunaan, kemudahan penggunaan, kepercayaan, kualitas layanan, dan word of mouth terhadap minat penggunaan mobile banking 2020 (Studi kasus nasabah BRI Kc Semarang). *Jurnal Masharif Al-Syariah: Jurnal Ekonomi dan Perbankan Syariah*, 6(2), 419–441. <https://doi.org/http://103.114.35.30/index.php/Mas/article/view/6989>
- Mardiana, E., Thamrin, H., & Nuraini, P. (2021). Analisis religiusitas terhadap minat menabung di bank syariah kota Pekanbaru. *Jurnal Tabarru': Islamic Banking and Finance*, 4(2), 512–520. [https://doi.org/10.25299/jtb.2021.vol4\(2\).8309](https://doi.org/10.25299/jtb.2021.vol4(2).8309)
- Maulidya, M., & Putra, R. (2023). The effect of perceptions of profit sharing, islamic financial literacy, and e-banking on customer interests in using bank syariah Indonesia (BSI) services religiosity as a moderating variable. *JESI; Jurnal Ekonomi Syariah Indonesia*, 13(2), 225. [https://doi.org/10.21927/jesi.2023.13\(2\).225-244](https://doi.org/10.21927/jesi.2023.13(2).225-244)
- Muslichah, I., & Sanusi, S. (2019). The effect of religiosity and financial literacy on intention to use Islamic banking products. *Asian Journal of Islamic Management*, 1(2), 85–92. <https://doi.org/10.20885/ajim.vol1.iss2.art>
- Mutmainah, I., & Apriliantika, A. (2023). The mediating effect of Islamic ethical identity disclosure on financial performance. *Asian Journal of Islamic Management*, 5(1), 69–82. <https://doi.org/10.20885/ajim.vol5.iss1.art5>
- Nuseir, M. T. (2019). The impact of electronic word of mouth (e-WOM) on the online purchase intention of consumers in the Islamic countries – A case of (UAE). *Journal of Islamic Marketing*, 10(3), 759–767. <https://doi.org/10.1108/JIMA-03-2018-0059>
- Otoritas Jasa Keuangan. (2022). Laporan perkembangan keuangan syariah Indonesia. <https://ojk.go.id/id/kanal/syariah/data-dan-statistik/laporan-perkembangan-keuangan-syariah-indonesia/Pages/Laporan-Perkembangan-Keuangan-Syariah-Indonesia-2022.aspx>
- Rokhani, S., & Nurkhin, A. (2021). Pengaruh pengetahuan dan karakteristik bank terhadap minat menabung mahasiswa di bank syariah dengan religiusitas sebagai variabel moderasi. *Business and Accounting Education Journal*, 2(2), 235–243. <https://doi.org/10.15294/baej.v2i2.50651>
- Safari, K., Bisimwa, A., & Buzera Armel, M. (2022). Attitudes and intentions toward internet banking in an under developed financial sector. *PSU Research Review*, 6(1), 39–58. <https://doi.org/10.1108/PRR-03-2020-0009>
- Sakinah, N., & Firmansyah, F. (2021). Kualitas produk dan harga terhadap keputusan pembelian dengan purchase intention sebagai variabel intervening. *Jurnal Ilmiah Manajemen dan Bisnis*, 22(2), 192–202. <https://doi.org/10.30596/jimb.v22i2.7100>
- Suparno, D., Tjahjowulan, I., Martodiryo, S., Anshary, A. H., Mulyono, Badrian, Indrariansi, E. A., & Suwondo, T. (2023). The influence of financial literacy, digital literacy, digital marketing, brand image and word of mouth on the Z generation's interest in Islamic banks. *International Journal of Data and Network Science*, 7(4), 1975–1982. <https://doi.org/10.5267/j.ijdns.2023.6.015>
- Teguh, M. (2005). *Metodologi penelitian ekonomi*. PT Raja Grafindo Persada.

Trusov, M. (2009). Effects of word-of-mouth versus traditional marketing: Findings from an internet social networking site. *Journal of Marketing*, 73(5), 90–102. <https://doi.org/https://doi.org/10.1509/jmkg.73.5.90>

Ur Rehman, A., Aslam, E., & Iqbal, A. (2022). Intellectual capital efficiency and bank performance: Evidence from Islamic banks. *Borsa Istanbul Review*, 22(1), 113–121. <https://doi.org/10.1016/j.bir.2021.02.004>