



AI-driven personalization and purchase intention in modest fashion: Sharia compliance as moderator

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Abstract

Purpose – This study analyzes the effect of AI-based personalization on purchase intention in Pakistan's modest-fashion e-commerce market, emphasizing the moderating role of Sharia law compliance. Given the religious and cultural significance of modest fashion, this study explores how individual recommendations aligned with Islamic teachings influence consumer behavior.

Methodology – A quantitative method was employed using SmartPLS for structural equation modeling. Data were collected from 211 participants engaged in modest fashion e-shopping in Pakistan to test the direct effect of AI personalization on purchase intention and the moderating effect of Sharia compliance.

Findings – The findings show that AI-driven personalization enhances purchase intention through tailored recommendations that align better with consumer preferences. Moreover, Sharia compliance significantly moderates this relationship; consumers show greater trust and engagement with AI recommendations when they align with Islamic principles of modesty and ethical consumption.

Implications – This study identifies gaps in branding strategies targeting modest Muslim women that can be addressed through Sharia-compliant AI algorithms. Embedding ethical considerations into AI systems is essential to enhance user acceptance for e-commerce platforms operating in religiously sensitive regions.

Originality – This study contributes to the niche literature on AI in specific fashion markets by introducing Sharia compliance as a novel moderating variable. This study provides fresh insights into how modern technological tools intersect with religious values in online retail spaces.

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Introduction

The use of Artificial Intelligence (AI) in e-commerce has significantly changed the entire landscape of online shopping by allowing businesses to provide individual customers with product and service recommendations that cater to their specific needs. AI technologies have promoted user engagement, enhanced customer experiences, and impacted them on a broader scale (Hussain, 2025). AI personalization employs machine learning and other intelligence systems to analyze consumer information and shopping behavior and automate advertising strategies (Teepapal, 2025). Companies that have integrated AI personalization have claimed profit growths of 10-30%, showing how valuable AI is for business (Hussain, 2025). Cicek et al. (2025) noted that AI systems improve customer engagement by predicting user preferences, personalizing search results, and targeting users using time-sensitive offers. ASOS, Zara, and Amazon are examples of global fashion retailers who have harnessed the power of AI personalization to drive customer loyalty and sales

(Behare et al., 2025). While Western markets have adopted these systems, integrating AI-driven recommendation systems in culturally and religiously sensitive areas, such as the modest fashion industry, remains nearly non-existent.

This specialty market, which follows Islamic guidelines of modesty and at the same time keeps up with modern trends, is expected to reach \$375 billion by 2025 (Luu et al., 2025). The modest fashion industry mainly caters to Muslim clientele who wish to buy clothes that are appropriate according to their religious beliefs but modern in style (Pal et al., 2024). In Pakistan, the modest fashion e-commerce market is growing rapidly because of increasing access to the internet, higher disposable incomes, and a greater tendency to shop online (Rahima, 2025). Pakistan has over 82 million internet users along with a growing e-commerce market which is projected to hit \$5.9 billion in 2023, making it an ideal candidate for AI-based personalization in modest fashion retail (Hussain, 2025). The use of AI in such a market is highly sensitive to religious issues, especially those concerning Shariah-compliant principles.

Muslim consumers pay close attention to clothing brand morality, ethics, and guidelines, and any negative divergence may result in skepticism toward AI-driven suggestions (Ahmed, 2024). In Sharia, business ethics play a major role in the purchasing decisions of Somalia consumers and motivate responsibility concerning consumption modesty (Alijoyo et al., 2025). Studies show that the absence of an Islamic ethical consideration such as a branding AI suggestion, as well as platform identity marketing credibility, tends to decline the association of Muslim consumers with such branded platforms (Coelho & Imamovic, 2025). The interplay between AI personalization and purchase intention is more pronounced in non-religious fashion markets. In particular, interactions among Sharia compliance, AI-driven personalization, and Islamic ethical frameworks have received scant scholarly attention. Some studies have focused on AI's impact on user behavior and engagement with the content (Rahima, 2025) but neglected users' religious motivations for participating in such markets. This is problematic because these users are confronted with Sharia-compliant fashion options, in which consumer trust and purchasing choices align with compliance (Pal et al., 2024). Other scholars include Cicek et al. (2025), who commented on the ethics of AI from the perspective of fairness and transparency. There appears to be a gap regarding the engagement of religious Muslim consumers with AI systems that do not align with their faith.

The issue is further complicated by the privacy-personalization paradox, in which consumers oscillate between trust and suspicion regarding engagement with AI-driven tools (Coelho & Imamovic, 2025). However, the influence of Islamic culture on this paradox remains unexplored. Theoretical frameworks, such as Consumer Trust Theory (Gefen et al., 2003) and Regulatory Focus Theory (Higgins, 1997) have advanced the conversation on technology adoption, yet remain untested in modest fashion e-commerce, which requires a form of customization upheld by greater ethical boundaries. To date, no empirical research has investigated the moderating role of Sharia compliance on AI personalization in relation to purchase intention (Bhardwaj et al., 2025). Earlier studies did not consider the impact of Islamic filters on consumer trust and willingness to follow AI recommendations (Hamadou et al., 2024). Notably, the modest fashion market is expected to grow to \$402 billion by 2024, making it important to understand AI consumer behavior in this context (Rosário & Dias 2025).

This study seeks to address an important gap by exploring how AI personalization affects purchase intention in Pakistan's e-commerce fashion industry, focusing on the impact of Sharia compliance. Unlike other fashion e-commerce industries, where personalization is widely embraced as a norm, consumers in a modest fashion expect Sharia-aligned tech. Because of the need to integrate religious values with technological advancement, this study answers the question of the ethics of deploying AI systems into sensitive cultural settings. In examining the Sharia compliance moderating effect, the study adds to the literature and guides stakeholders who wish to build trust with consumers from Muslim dominated countries. With SmartPLS as the data analysis tool, the study collects responses from 211 Pakistani consumers, which offers a comprehensive model that can be applied to other Muslim dominated countries where religion plays an important role in buying decisions.

The remainder of this paper is organized as follows. In section two, I discuss the literature on AI-driven personalization, purchase intention, and Sharia compliance. In section three, I describes the research methodology and outlines the results in section four. Section five is a discussion of the findings and their implications for e-commerce platforms, while section six concludes the recommendations for further research.

Literature Review

Theoretical background

This study rests on four critical theories that describe the effects of AI-driven personalization on purchase intention in the modest-fashion e-commerce industry, with Sharia compliance as a moderating variable. The provided theories serve as a fundamental comprehension of consumer behavior, trust towards AI-driven recommendations, and the influence of religion on shopping behaviors. The Technology Acceptance Model (TAM) (Davis, 1989) is one of the most commonly used frameworks that attempts to explain the acceptance of new technological innovation. It states that personal adoption of a technology is related to its perceived usefulness and ease of use. The personalization of AI-assisted services improves consumer experience by providing personalized recommendations and increases productivity by making decision-making easier and less time-consuming (Shin & Yang, 2025). Nevertheless, in the modest fashion industry, the application of AI recommendations depends on congruence with cultural and religious values. When consumers postulate the usefulness of AI suggestions and their conformity to Islamic principles, it becomes easier for them to accept and utilize such suggestions (Teepapal, 2025).

The Theory of Planned Behavior (TPB) (Ajzen, 1991) modifies TAM by adding three more elements that directly affect purchase intention: attitude, subjective norms, and perceived behavioral control. Consumers' attitudes towards e-commerce AI consultancy in a modest fashion are informed by how they view compliance with Sharia. When AI-generated suggestions adhere to religious dress codes and morals, consumers are most likely to have positive attitudes and purchase intentions (Wijethilak et al., 2025). In addition, subjective peer endorsements and approval by authority figures, such as religious leaders, have additional effects on how AI-based personalizations are received in religious circles (Ülkü, 2024). The elements of trust are essential to the adoption of AI, particularly in the e-commerce domain. Trust Theory argues that consumers' trust is construed by three dimensions: ability (competence of AI), integrity (ethical considerations), and benevolence (concern about the consumer). AI personalization in modest-fashion e-commerce must demonstrate ethical integrity by observing religious values instead of making inappropriate suggestions (Sabbahatun et al., 2025). Consumers who trust the AI system to make Sharia-compliant suggestions stand the chance of accepting the recommendations and completing the purchase (Nasution et al., 2025).

On the other hand, Islamic Consumer Behavior Theory focuses on Muslim shoppers' purchasing patterns, highlighting the need for Sharia-compliant items, ethical fondos, and religioz decision-making. In modest-fashion e-commerce, consumers look for items that comply with Islamic values, which must incorporate AI recommenders to function efficiently (Jafar & Awaluddin, 2024). Fashion AI suggestions are more likely to positively affect purchase intentions if they recommend modest and ethically made apparel (Luu et al. 2025). This portion underscores the impact of Sharia law boundaries on AI-assisted personalization, since compliance with religion facilitates stronger consumer trust and purchase decisions.

Many of these aids refer to the facilitation of decision-making among consumers through AI personalization. Mohapatra et al. (2025) asserted that AI recommendations have a positive effect on purchase intentions because they heighten consumer interactions. Conversely, Huang et al. (2025) posited that a lack of trust tends to be a significant impediment toward AI utilization, especially in sensitive religious domains. Hamadou et al. (2024) noted that Sharia-based recommendations are the most sought after by Muslim consumers, providing further evidence of the importance of religious considerations in AI personalization. In addition, Coelho and Imamovic (2025) demonstrated that trust in Islamic e-commerce platforms is positively influenced

by admiration for religious and ethical marketing. Merging these concepts and backing them with data proof helps deepen the understanding of AI personalization effects on purchase intention in modest-fashion e-commerce, while observing the impact of Sharia compliance as the primary moderator.

AI-driven personalization and purchase intention

The use of AI for market segmentation is revolutionizing advanced technologies and transforming consumer behavior in the e-commerce industry (Ahmed, 2024). Algorithms use machine learning and artificial intelligence in conjunction with big data to make product recommendations, enhance the user interface, and improve customer interactions (Pal et al., 2025). Personalized AI systems have been shown to alter purchase behavior by eliminating irrelevant choices and providing appropriate customized interactions, which increases the relevant information to an individual's perceived value (Teepapal, 2025). Translation of the Technology Acceptance Model (TAM): The primary feature of AI-powered systems, which is personalization, serves to increase interaction. Davis (1989) suggested that the perceived usefulness and ease of AI-driven recommendations result in the acceptance of automated suggestions and promotion of purchase intention. There are boundaries to these claims, and consumers' data privacy and trust remain an issue (Vashishth et al., 2025). Zaman et al. (2025) argued that aligning AI systems with social responsibility and consumer anticipation results in increased purchase intention.

Personalization through AI works as a stimulus that drives customers' cognitive and affective responses toward an increase in their tendency to buy (Cicek et al., 2025). AI personalized recommendations enhance consumers' trust and commitment toward brands, enhancing their long-term buying behavior and engagement (Balcioglu, 2025). Ahmed (2024) observed that AI personalization during shopping improves perceived usefulness with regard to trust and purchase intentions. Behare et al. (2025) proved that AI personalization helps increase consumer participation and sales in buying clothes over the Internet. Nuri (2025) points out that AI adoption, especially in Islamic e-commerce, is moderated by religious and ethical implications. Thus, from both theoretical and empirical evidence, the following hypothesis was formulated:

H₁: AI-driven personalization has a significant positive impact on purchase intention in modest-fashion e-commerce.

Moderating role of sharia compliance

Here, Islamic ethical values affect the modest fashion consumption behavior of Muslim consumers within an e-commerce context (Rahima, 2025). In personalization, purchase intention may increase through the recommendation of a product, but the Sharia compliance level of the product may have a moderating effect on the purchasing decision process. According to the Theory Planned Behavior (Ajzen, 1991), purchase intention is dependent on one's beliefs and social expectations. The incorporation of ethical practices, including halal certification and transparency, is associated with the clinician's trust in AI-driven personalization, which results in higher purchase intention (Bhardwaj et al., 2025). Consumers have been shown to perceive brands based on their ethics and religion (Hamadou et al., 2024). When recommendations made by AI systems are in line with Islamic teachings, they build consumer trust and engagement, which increases their chances of purchase (Kismawadi & Irfan, 2025). Trust is the most important factor in online shopping (Teepapal, 2025). Personally identified Shari'ah compliant American-style AI automation fosters higher trust and reduces skepticism, reinforcing positive consumer behavior (Nuri, 2025).

In more religiously oriented contexts, preventative focus consumers are skeptical about non-compliant AI suggestions (Rosário & Dias, 2025). When Sharia alignment is present, there is reduced uneasiness towards AI marketing and increased confidence in making purchases (Teepapal, 2025). Islamic consumers have been noted to exhibit more trust and e-engagement with e-commerce sites that adopt Sharia personalization strategies (Luu et al., 2025). His studies suggest that strong religious determination impacts the acceptance of AI technologies in digital commerce, where compliance becomes the dominant influencer of purchase decisions (Hussain, 2025). Sharia-

compliant AI personalization in the domain of halal fashion retail was found to increase brand loyalty and purchase intention (Behare et al., 2025). Based on these observations, the following hypothesis is formulated:

H₂: Sharia compliance positively moderates the relationship between AI-driven personalization and purchase intention in modest-fashion e-Commerce.

Figure 1 presents the conceptual framework of this study that examines the influence of AI-driven personalization on consumers' purchase intentions. The model also explored the moderating role of Sharia compliance in this relationship. This framework reflects the integration of emerging digital marketing strategies and ethical considerations. This served as the basis for hypothesis development and empirical analysis.

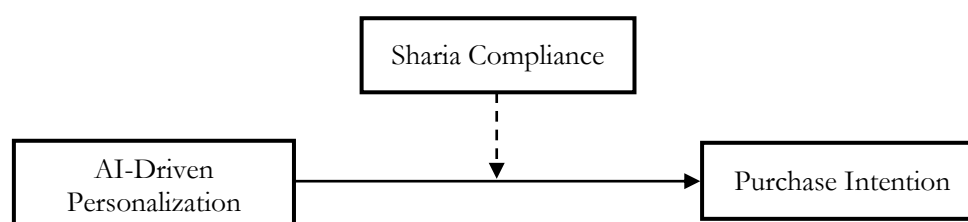


Figure 1. Conceptual framework

Source: Author's own work.

Methodology

This study employs a quantitative approach to assess the impact of AI-powered personalization on the purchase intention of consumers with modest fashion e-commerce in Pakistan, with Sharia compliance serving as a moderating variable. This research aimed to add value using an extensive literature review while providing deeper statically insightful contributions to understanding consumer behavior in a culturally and religiously sensitive context. The data were gathered from clients who shop on modest-fashion e-commerce sites, using AI-based personalization tools. These platforms were identified using modest regional fashion rankings and industry analysis reports. The selected platforms incorporate AI algorithms that analyze user data, such as past purchases and browsing history, and recommend Sharia-compliant garments such as Abayas and modest wear (Jafar & Awaluddin, 2024).

The respondents were selected through purposive sampling and were participants who had used AI-driven features on modest fashion platforms. Formally accepting the terms of the research, e-commerce platforms permitted researchers to administer questionnaires to customers. Clear statements were made regarding the participants, informing them that the study had set objectives that assured anonymity and confidentiality, and the voluntary nature of withdrawal at any point in the process. To minimize common method bias (Ahmed, 2024), two-phase data collection was employed with a 14-day interval between the phases. In the first phase, responses were collected using AI-driven personalization and Sharia compliance as moderators. This temporal partition minimizes the risk of bias stemming from the relationship between predictor and outcome variables. Among the 230 questionnaires distributed, 211 were validated, resulting in a remarkable response rate of 91.7%.

In accordance with Iqbal et al. (2025), to protect the authenticity of the data, the analysis was performed only on sealed and fully completed questionnaires. The sample comprised 54.5% females and 45.5% males, with the majority aged from 25 to 35 years, a well-known active online shopping cohort. The economically active population of 49.8% were undergraduates, while 32.1% were postgraduates. Data analysis was performed using SmartPLS 4.0 software, applying partial least squares structural equation Modelling (PLS-SEM) to the proposed research model, with Sharia compliance as a moderator. Confirmed through indicator loadings, composite reliability, and Cronbach's alpha along with AVE scores and established thresholds, measurement reliability and

validity were within the set parameters. As in [Iqbal et al. \(2025\)](#), the study ensured participants' ethical rights by maintaining confidentiality, informed consent, and impartial data manipulation.

All constructs were measured utilizing a 5-point Likert scale with “strongly disagree” at one end earning a value of one, while “strongly agree” at five. The measurement items were based on previous studies to ensure reliability and accuracy. AI-Driven Personalization was evaluated using eight items derived from earlier research on AI-systems system recommendations ([Ahmed al., 2025](#); [Ahmed, 2024](#)). These items determined the degree to which AI product recommendations were considered relevant, useful, and engaging. Sharia Compliance was measured using five items derived from studies on Islamic consumer behavior ([Rahima, 2025](#)). These items measured the extent to which AI recommendations were ascribed to Islamic dress codes, ethical business, and religious values. Three items taken from previous studies on online consumer behavior were used to measure buying intentions ([Vashishth et al., 2025](#)). These items deal with consumers' intentions to buy products recommended by AI systems. Other demographic characteristics such as sex, age, level of education, and how often a person shops online were also captured to assess their effect, if any, on AI personalization and buying intentions.

The initial version of the survey was in English because it is the most widely used language for academic purposes. Nonetheless, considering that the research focused on respondents in Pakistan, where Urdu is the primary mode of communication, a back-translation process was implemented to ensure its accuracy ([Rahima, 2025](#)). Two independent bilingual specialists translated the questionnaire from English to Urdu and subsequently from Urdu back to English, while ensuring that both meaning and clarity were preserved.

Validity and reliability of the data

The reliability and internal consistency of the constructs are listed in [Table 1](#). To assess reliability, Cronbach's alpha and composite reliability (CR) were verified, and both were expected to be greater than 0.70 ([Shin & Yang, 2025](#)). The test results confirmed all constructs with this criterion, indicating strong internal consistency. To test convergent validity, average variance extracted (AVE) was computed using SmartPLS with the governing threshold being 0.50 ([Fornell & Larcker, 1981](#)). The AVEs confirm that the measurement items account for a reasonable amount of variance in their constructs. Moreover, the outer loadings of all measurement items were greater than 0.70, guaranteeing strong indicator reliability.

Table 1. Results of confirmatory factor analysis

Constructs	Items	FL	CA	CR	AVE
AI-driven personalization	AI_P1	.72			
	AI_P2	.85			
	AI_P3	.83			
	AI_P4	.80			
	AI_P5	.77	.89	.91	.60
	AI_P6	.75			
	AI_P7	.70			
	AI_P8	.78			
Purchase intention	PI1	.81			
	PI2	.86	.85	.91	.73
	PI3	.89			
Sharia compliance	SC1	.75			
	SC2	.78			
	SC3	.79	.88	.91	.66
	SC4	.86			
	SC5	.84			

Note: AI_P = AI-driven personalization, PI = Purchase intention, SC = Sharia compliance, CR = Composite reliability, AVE = Average variance extracted.

Source: Author's own work.

Discriminant validity

Ülkü (2024) contends that the convergent validity of the study's data was confirmed when the AVEs and outer loadings were above the 0.50 threshold. For further assessment of discriminant validity, the heterotrait-monotrait (HTMT) ratio was calculated, and in line with Henseler et al. (2016), the values remained below 0.90. The results are presented in Table 2, which establish that discriminant validity is sufficient.

Table 2. Heterotrait-Monotrait Ratio (HTMT) results

Constructs	AI-driven personalization	Purchase intention	Sharia compliance
AI-driven personalization	0.3988		
Purchase intention	0.2056	0.5943	
Sharia compliance	0.1345	0.2967	0.4898

Note: AI-driven personalization = AI_P, Purchase intention = PI, Sharia compliance = SC.

Source: Author's own work.

Assessment of the structural model

The procedure set forth by Baron and Kenny (1986) was employed to analyze the moderation effect. The SmartPLS method was used to analyze the direct impact of AI-driven personalization as the independent variable and Sharia compliance as the dependent variable, along with the moderating effect of purchase intention. For additional statistical strength, bootstrapping with 5,000 resamples and 211 cases was performed (Iqbal et al., 2025). All the results of the structural model assessment are presented in Table 3, along with their supporting hypotheses.

Table 3. Structural model assessment with moderation

Hypotheses	B	M	SD	T-value	P-value	Status
AI-driven personalization>Sharia compliance	0.47	0.47	0.06	7.89	.0000	Supported
Moderating effect (Purchase intention>Sharia compliance)	0.25	0.25	0.08	3.75	.0002	Supported

Note: AI-driven personalization = Independent variable, Purchase intention = Moderator, Sharia compliance = Dependent variable.

Source: Author's own work.

Moderating effect of purchase intention

In this study, purchase intention acts as a moderator that is believed to be positively correlated with the integration of AI-driven personalization and Sharia compliance. It was found that, in a modest-fashion e-commerce environment, purchase intention increases the effectiveness of AI-driven personalization in ensuring Sharia compliance. The moderating effect was tested using SmartPLS with 5,000 bootstrapped samples. The results show that the interaction term has a positive impact on Sharia compliance with 0.25, while the effect of AI-driven personalization on Sharia compliance is 0.47. With average AI-driven personalization, Sharia compliance will still be 0.47. However, for those with higher purchase intentions, the effect changes to 0.72, which indicates a stronger relationship. On the contrary, with lower purchase intention, the effect of 0.47 will change to 0.22, which weakens the relationship making AI-driven personalization low in achieving Sharia compliance. To analyze this moderation effect in depth, a simple slope analysis was conducted using SmartPLS. Figure 2 reflects the moderation effect, showing that lower purchase intention weakens the relationship, while higher purchase intention strengthens it. The positive slope confirms that AI-driven personalization will have a huge impact on Sharia compliance, and that the impact will be higher after purchase intention.

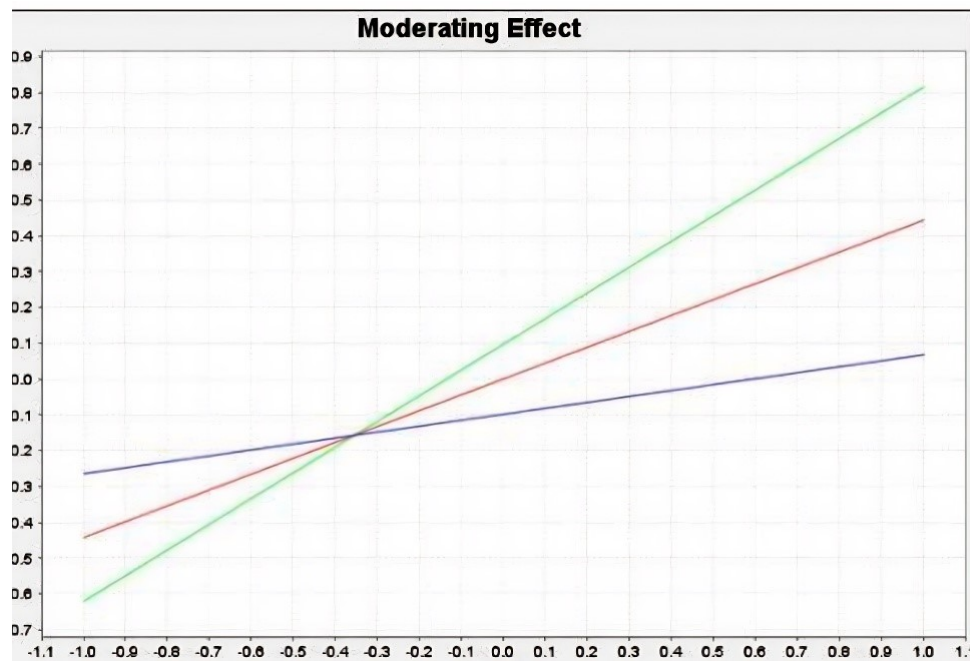


Figure 2. Simple slope analysis of PI
Source: Author's own work.

Discussion

Sharia compliance has a moderating role, in which AI personalization and intention to purchase are concerned with modest fashion e-commerce, as described by this study's findings. These outcomes suggest that AI-driven personalization features have a great impact on purchase intention, which supports prior research on the effectiveness of personalization through recommendation systems (Ahmed, 2024). Users of AI recommendation systems are more likely to express a higher intent-to-purchase when the recommendations are suitable for their religious and ethical boundaries. Additionally, the study validates Sharia compliance as a moderator of the AI parameter personalization effect on purchase intention, supporting earlier studies on ethical consumerism and Islamic marketing. Evidence suggests that Muslim consumers are more inclined to interact with brands and sites that project Islamic values, as they affect their buying and engagement behavior (Teepapal, 2025). Our analysis supports these findings by showing that Sharia-compliant AI-driven personalized recommendations generate higher levels of trust and purchase intention among consumers. This is in line with studies that show that trust in Islamic fintech and Sharia-compliant services fuel participation in digital transactions among consumers (Iqbal et al., 2024). Furthermore, the contributions of e-commerce personalization scholarship are added to these findings.

Previous research has consistently maintained that the use of AI technology in personalization increases customer involvement and satisfaction (Hussain, 2025). On the other hand, compliance with Sharia is a major point of discussion, claiming that the use of AI technology in personalization is most impactful when it meets the corresponding religious and cultural aspects. This is evidenced by studies on Islamic branding, where some scholars contend that such consumers' decision-making is strongly affected by social ethics and religion (Ülkü, 2024). Additionally, this study strengthens the existing literature on the acceptance of technology in Islamic contexts. Research on Islamic e-commerce and halal e-services suggests that there is greater acceptance of technology among Muslim consumers when it is designed within the framework of religious teachings (Jafar & Awaluddin, 2024). The moderating role of Sharia compliance in this study corroborates the evidence that Muslim consumers tend to view religiously oriented services as more credible and dependable, thereby increasing their involvement and purchase decisions (Behare et al., 2025). In a broader context, this study addresses the issues of Islamic marketing, AI-enabled personalization, and ethical consumerism by presenting a case in which Sharia compliance

was shown to improve the effectiveness of AI-driven recommendations in modest fashion e-commerce. These findings affirm earlier studies that called for personalization based on values, where AI Systems need to be designed with consideration of cultural and religious norms to fully utilize the trust and involvement of consumers.

This study adds to the fusion of AI-powered personalization, consumer behavior, and Islamic marketing by adopting Sharia compliance as a moderating variable in modest-fashion e-commerce. While prior research suggests that AI-driven personalization fosters consumer engagement (Zaman et al., 2025), this study furthers scholarship by adding a religious and ethical aspect, showing that Sharia-compliant AI personalization greatly increases purchase intention. In addressing ethical consumption, Wijethilak et al. (2025) do outstanding work in suggest the religious component as a factor in consumer choice. This study adds to the literature by proving that religious compliance is a moderating factor in AI adoption, thus reinforcing value-driven personalization and deep suspicion of technology. Ülkü (2024) has attempted to combine these ideas with digital transformation. This implies that Muslim consumers prefer to interact with AI personalization if it is within the Islamic ethical framework that guides their behavior. This is in line with the models for the acceptance of technology in that Sharia compliance becomes a sociocultural and behavioral moderating variable for the phenomenon of online shopping. The results confirm previous research that indicates trust as a significant factor in AI adoption (Rahima, 2025). The study demonstrates the contrary by showing that AI recommendations are more readily accepted when they bear religious values, thereby making the case for trust-based AI personalization approaches to faith markets.

The findings offer important directions to stakeholders in retail and policy-making seeking to promote Sharia-compliant e-commerce, including fashion AI technologies or modest apparel designers. E-commerce sites need to add an AI component that recommends Sharia-compliant products. Instead, AI models must be built to exclude non-compliant products, so consumers receive recommendations that correspond with their values and religion. Online merchants should make an effort to disclose the use of AI-driven personalization. Demonstrating Sharia compliance in the personalization provided helps to gain trust, which helps Muslim consumers use AI shopping platforms more actively. The Islamic fashion market is expected to increase considerably (Khan et al., 2025; Khan et al., 2023). Sharia-compliant AI personalized items can create an advocate market that will be loyal because they are ethical and religious considerations when making purchasing decisions. Islamic political economies should focus on enhancing compliance with Sharia AI regulations and e-commerce affairs. Policies for AI-based personalization in halal industries should incorporate Islamic principles to enable the advancement of the digital economy (Hussain, 2022). Modest fashion brands are encouraged to adopt AI systems that identify users' religious attributes while ensuring user anonymity. Personalization must be self-controlled to enable a faith-based shopping experience that is effortless. The integration of AI personalization with Sharia compliance delineates a novel aspect of ethical consumer participation in the arena of modest-fashion e-commerce (Hussain et al., 2022). The incorporation of religious tenets into digital personalization underscores the gap in the literature regarding the influence of religious practices, while the practicality of the contribution provides a doorway for companies seeking to establish consumer trust and loyalty in the Islamic fashion industry.

Conclusion

This study investigates the effect of AI-powered personalization on purchase intention for modest-fashion e-commerce, with special consideration of its moderation by compliance with Sharia law. These findings demonstrate that the effectiveness of AI-driven personalization is particularly notable when integrated with ethical Islamic values. This illustrates the growing need for faith-based AI marketing solutions for Muslims. With the inclusion of Sharia compliance as a moderating variable, this study contributes to the discourse on the ethics of AI, technological trust, and consumer behavior in Islamic societies. The data obtained in the study show that people are more willing to accept AI suggestions when they consider them to be religiously appropriate. This strengthens the influence of ethical AI in digital transformation and marks the possibility of modest

fashion brands increasing consumer trust and loyalty. This study expands the scope of the existing literature on Islamic marketing, AI-driven personalization, and ethical consumerism, illustrating the intersection of technology and faith in e-commerce. The findings call for attention from sharia-compliant fashion merchants, AI solution providers, and legislators, who wish to broaden their market coverage within the international Islamic economy while conforming to religious and ethical obligations.

The examination of Pakistan posed one of the greatest issues in the reliability of this study. Attitudinal functionalism and Sharia compliance are likely to differ in other multicultural and economically developed societies. Other cultures have a different perception of AI-driven personalization, and thus the economic context matters. The sample of 211 respondents is insightful, but further research could benefit from sampling a wider range of people stratified by age, income, and education level. The study focuses on modest fashion e-commerce, and the results may not be generalizable to other Sharia-compliant sectors, such as halal food, Islamic banking, or even ethical technology. More Islamic markets must be studied to analyze AI-driven personalization. This study does not consider other aspects of AI, such as machine learning algorithms, chatbot interaction, or augmented reality try-on systems, which might shape consumer trust and adoption in modest-fashion e-commerce. This study is based on cross-sectional data, capturing consumer attitudes at one point in time and offering limited insights. Understanding how the processes of personalization through AI and Sharia compliance affect purchase behavior requires attention over a longer period.

Further research should look into broadening the study's limitations by expanding the scope to include other Muslim-majority nations such as Malaysia, Indonesia, UAE, and Turkey as well as Muslim-minority markets like the UK, USA, and Europe to examine the differences in the adoption of AI-driven personalization. This includes determining the effect of AI transparency, data privacy, and explainability on consumers' trust in Sharia-compliant personalization, which ensures ethical AI deployment in Islamic e-commerce. Assessing the broader impact of Sharia compliance on digital consumer behavior is possible by examining AI-driven personalization in other halal industries, such as Islamic banking, halal travel, and ethical technology. Understanding the role of gender, religiosity, income, and digital literacy in relation to consumer reactions to AI-driven personalization in Islamic markets requires further investigation. In the realm of modest fashion, analyzing the effects of sophisticated AI tools, such as machine learning and generative AI, as well as AR/VR shopping technology, on consumer engagement and purchase intentions is also important. As AI perpetually restructures the digital marketplace, the incorporation of Sharia-compliant personalization offers firms the ability to build trust, engagement, and loyalty among consumers in the modest fashion industry. These observations need to be investigated further while ensuring that AI solutions remain respectful of ethical and religious aspects within the context of innovation in Islamic markets.

Author contributions

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Investigation: Zahid Hussain

Methodology: Zahid Hussain

Project administration: Zahid Hussain

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