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Factors Affecting the Use of Islamic E-Wallets in Indonesia: A Technological Perspective

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Keywords

customer based corporate reputation dimension,
perceived risk,
perceived value,
customer product adoption proneness

Abstract

The study aimed to examine the causal relationship among those variables, entitled the factors influence on e-wallet Islamic platform in Indonesia. The object of the study was customers of e-wallet digital payment with the target respondents who were in the territory of Indonesia. The data collection method in this study used an online survey or questionnaire with the SmartPLS 3.0 application tool. Analysis of the effects on the e-Wallet Digital Finance uses a Structural Equation Model (SEM) with Partial Least Square (PLS) approach. PLS is a components or variants-based structural equation model. PLS is a powerful method analysis because it is not based on assumptions, so the data does not have to follow standard distribution, and the sample size also doesn't have to be large. The research results can be illustrated that Islamic e-wallets can be optimized through the Customer-Based Corporate Reputation Dimension; Perceived Risk; Perceived Value, and the Customer Product Adoption Proneness. From the Islamic e-wallet research result shows that Perceived Risk has no effect on Perceived Value and Perceived Risk becomes lower when the Customer-Based Corporate Reputation Dimension is well improved. These results can be advantaged for Islamic e-wallet to be introduced and recommended to wider society as the save e-wallet with lower risk.

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INTRODUCTION

Based on the Global Islamic Economy Report in 2019/2020, Indonesia is ranked fifth as a country with the best Islamic financial indicators in the world, from the data, Indonesia's Islamic financial indicators increased from 10th in 2018 to fifth. One of the main reasons is the strengthening of the halal economic sector in various fields which is strengthened through the Halal Economy Masterplan in 2019 to 2024. This progress in Islamic finance is supported by the largest Muslim population in Indonesia in the world, which is around 87% of the total population of Indonesia's population of 273 million people who can be a potential market for sharia-based products and services, including Islamic digital payment systems such as e-money or e-wallet products (BI, 2020a; BI, 2020b). Indonesia is moving towards a cashless society by increasing the use of digital payment systems to minimize cash transactions, as other countries have already done, allowing for simpler and more flexible payment transactions in daily activities. According to Bank Indonesia's official website, 51 companies issued electronic money in 2020, and the value of electronic money transactions in Indonesia from January to May 2020 reached IDR 15 trillion (Saripudin et al., 2020).

Electronic money (e-money) in Indonesia continues to experience rapid growth year after year. In 2020, e-money growth reached nearly 400%, quadrupling the previous year. This growth demonstrates that Indonesians are increasingly shifting from cash to electronic payment systems, as is the case in other countries (Saripudin et al., 2020). Data also shows that the majority of people, especially those living in large cities, have reduced their use of cash. Due to the growth of electronic money, Islamic finance sees this as an opportunity to spread Islamic economic teachings by issuing electronic money based on Sharia principles. The goal is to avoid the interest (riba) that still exists in conventional electronic money services (Aji et al., 2021). At the end of 2019, the first and only sharia-compliant electronic money payment service in Indonesia, namely LinkAja Syariah, was issued by a government-owned company to serve a sharia-compliant electronic money payment system (Aji et al., 2021). However, a survey by Ipsos Indonesia, an independent market research firm, shows that the LinkAja Syariah e-money payment system only has a 4% market share, significantly lower than other e-money services such as Gopay (58%), OVO (29%), and Dana (9%). One reason why users tend to be loyal to the service is because of promotions, cashback, and discounts. Therefore, this study will offer strategies to strengthen sharia-based digital wallets so they can compete and strengthen the non-cash payment system in Indonesia, while still complying with sharia provisions in accordance with the DSN-MUI Fatwa No. 116 of 2017 concerning Sharia Electronic Money (Ipsos, 2020).

Indonesia, as the country with the largest Muslim population in the world, has a great opportunity to increase economic growth by maximizing the potential of financial technology, including sharia-based electronic money as a payment system (Darmansyah et al., 2021). This phenomenon indicates that Indonesians are increasingly aware of and aware of usury (riba) in the use of electronic money. Based on this fact, recommendations can be made to the government to issue Sharia-compliant electronic money, which is currently available and will be discussed in this study. However, in addition to supporting data and previous research findings, this study aims to fill this gap by proposing several ideas to strengthen Indonesia's digital payment system, or Sharia-compliant e-wallet (Warlina & Damayanty, 2021).

Historically, the use of cash in transactions has been around for a long time, dating back to the 1860s, when Western Union initiated an electronic funds transfer system. Then, in the late 1990s, this system evolved with the introduction of electronic checks and smart cards for money transfers. In Indonesia, electronic money-based payment systems began to emerge in 2009, when Bank Indonesia issued regulations that still use chip technology (Forrester Research, 2017). Application- or server-based electronic money was first introduced in 2017 through a product called T-cash by Telkomsel, and in 2019 the product was renamed LinkAja. Electronic money is defined as monetary value stored electronically upon receipt of funds, and can be used to make payment transactions, whether stored on a card, device, or server (Forrester Research, 2017). In addition, specifically, an electronic wallet (e-wallet) is defined as cash stored on a card, mobile phone, or other electronic device, including prepaid cash. The term "wallet" is used because the card or mobile phone is considered a substitute for cash that is usually carried in a wallet. Forrester Research, an American market research company, defines a digital wallet as a cashless payment tool that allows customers to purchase items on smartphones or other devices using an electronic wallet, which digitally stores payment information (Alaros et al., 2023).

There are at least six main advantages of using e-wallets for users: first, e-wallets are a safer, cashless, and more efficient digital payment method. Second, e-wallets facilitate transaction tracking by providing a complete record of every purchase made by the user. Third, e-wallets provide an easy-to-use cash top-up feature, whether with cash, debit or credit cards, or bank transfers. Fourth, e-wallets are supported by a money-back guarantee system provided by the service provider, so users can make payments with greater confidence due to enhanced security protection. Fifth, e-wallets facilitate the process of transferring money, which can be used for various types of products and services. The extensive payment network of e-wallets makes the transaction experience more convenient and effective. Finally, e-wallet payment methods are also expected to support money transfers between users, thus enabling a smooth flow of funds within the e-wallet system. In this regard, it is also necessary to examine customer reactions to the products and services offered, product management by the company, the risks perceived by customers, the benefits received as consumers, and how customers accept these product innovations. Therefore, research is needed to analyze various factors that influence the use of e-wallet platforms in Indonesia (Putra et al., 2020).

This research was conducted due to the growth of digital payment systems in the financial and banking sector, which in Indonesia has two systems: conventional and Sharia-based digital payment systems. Theoretically, this research is also important because it provides information on the growing consumer awareness of digital payment platforms in Indonesia.

This study used a survey method using a questionnaire. The aim of this study was to examine the causal relationships between these variables, namely the various factors influencing the use of Islamic-based e-wallet platforms in Indonesia.

LITERATURE REVIEW AND DEVELOPMENT OF A HYPOTHESIS

The literature review below will outline reference sources related to the research problems and previous research findings, followed by the development of hypotheses and a conceptual framework. The literature review discusses the theoretical foundations used to analyze the research object.

Definition of Digital Wallets

A digital wallet is an application or platform that stores payment information, such as credit card, debit card, and e-money information, allowing users to make electronic transactions via mobile devices or computers. It enables payments without cash or physical cards, and can also store other items such as loyalty cards, tickets, and even cryptocurrency (Liu et al., 2015). An e-wallet is a type of cashless transaction that doesn't require a card and is conducted online. According to Bank Indonesia regulations, an e-wallet is a digital service used to store payment data and can also hold funds for online transactions. Digital wallets are a fast, secure, and economical payment method. Therefore, it can be concluded that an e-wallet is an electronic application that can be used to make online payments without using a card or cash. All transactions can be accessed through the user's mobile phone. With a digital wallet, users only need to enter information once and can use it at any time for payments. (Alaros et al., 2023).

Customer Based Corporate Reputation Dimension (CBRD)

Corporate reputation is a set of assessments of a company that are believed by the public outside the company to have a good name, unique characteristics, and a good image. Corporate reputation is the public's view of the company's identity and a summary assessment of the company's good performance in the past (Podnar & Golob, 2017). Corporate reputation is a collective assessment made by individuals or the wider community of a company, prioritizing their actual knowledge and prior experience. Corporate reputation is a specific and detailed concept based on the social expectations of stakeholders, assessed from their perspectives (Almeida & Coelho, 2019). Corporate reputation is the knowledge and appreciation of a company as a whole held by the general public and is a socially constructed concept of goodwill. Corporate reputation is a comprehensive component of developing a competitive strategy because customers seek information about a company's products and services before purchasing. Corporate reputation is a social construct based on the expectations formed by individuals or society towards the company (Kelley et al., 2019).

Customer based corporate Reputation dimension is the result of a customer's overall evaluation of a company based on its reaction to the customer orientation, services, reliable and Financially interactions with the company and/or its representatives or constituents (such as employees, management, or other customers) and/or known company activities (Walsh et al., 2018). The customer's perception of how appropriate or adequate the price of a service company is in relation to its offer and overall behavior in the market. It can be concluded that Customer Based Corporate Reputation Dimension is a customer assessment of the company's products that results in an interaction from customers to employees of the company (Walsh et al., 2018).

Perceived Risk (PR)

Perceived Risk is a risk to consumer perception in the negative consequences that may occur in the purchase of a product (Tam, 2012). The risks that consumers feel may vary depending on their knowledge, past experience and acceptable level of risk (Tam, 2012). Perceived risk can be defined as the uncertainty consumers face when they are unable to foresee the potential consequences of a purchasing decision. Therefore, perceived risk can include not being able to predict long-term benefits, numerous losses or gains, inconvenience, or the product's inability to deliver the expected performance (Suryani, 2013). Perceived risk is

defined as the uncertainty faced by consumers when they cannot predict the consequences when making a purchasing decision (Masoud, 2013). Risk is the level of customer perception of the potential negative outcomes that may occur when conducting online transactions. Perceived risk is a consumer's negative perception of a number of activities based on the possibility of negative outcomes and the possibility that those outcomes will materialize. This is a constant problem for consumers and creates a state of uncertainty, for example, when consumers decide to purchase a new product (Kotler & Armstrong, 2018).

Perceived Value (PV)

Perceived value is the overall utility assessment or evaluation of a product based on the benefits and sacrifices customers make in acquiring the product. Perceived value can be a unique and different assessment made by each buyer of a product they purchase (Zeithaml et al., 2018).

Perceived value is the comparison between the value received and the costs incurred. Perceived value is a calculation consumers make when researching a product regarding its benefits and sacrifices before making an online purchase (Kotler & Armstrong, 2018). Perceived value is the balance felt by consumers between the benefits received and the sacrifices made when using a product. Perceived value is an assessment of the benefits obtained and the sacrifices made by consumers before deciding to make a purchase. (Solomon, 2018).

Perceived Value or profit value is the value that consumers generate for the benefits they receive and what they feel when using the product or service (Aw et al., 2019). Consumers will establish an attachment to the service when the service delivers value that meets their needs. Perceived value provides a competitive advantage, which ultimately leads to long-term success (Alaros et al., 2023).

Customer Product Adoption Proneness (CPAP)

Customer product adoption is a process of consumer stages in purchasing a product and using the product to assess whether it meets the desired criteria in its use. The new usefulness of product adoption in measuring consumer innovation suggests that the adoption of new products does capture elements of consumer innovation (Chao et al., 2012). Product adoption is the process by which users begin using a new product or service and integrate it into their daily routine. It is a crucial stage after acquisition, where users realize the product's value and make it a part of their daily routine, often measured by how actively they use the product to achieve their goals (Schlegelmilch, 2016). Product adoption, sometimes called user adoption, refers to the use of a product or feature that results in the achievement of the product's intended goals and the attainment of its intended benefits. Users may be new to the product or existing users of the product with new feature updates (Wilson et al., 2016). Product adoption is the process by which consumers become familiar with, try, and ultimately use a new product regularly. This process explains how a product is received by the market from its initial launch until it becomes part of consumer habits. (Kumar et al., 2019).

Influence Customer-Based Corporate Reputation Dimension on Perceived Risk

Customer Based Corporate Reputation is the customer's perception of a company that is built on their interactions and experiences with the company, including the quality of products

and services, innovation, governance, leadership, and overall performance of the company (Podnar & Golob, 2017). This is an assessment formed from the consumer's perspective of the company. Customer-Based Corporate Reputation refers to the customer's overall perception of the company based on their experience with the products and services they receive (Almeida & Coelho, 2019). Reputation serves as social capital that can increase customer trust and loyalty. This reputation is influenced by customer experience and customer expectations regarding the value provided by the company (Kelley et al., 2019). Previous research examining the influence of product reputation on risk perception found that product reputation and quality can negatively impact risk perception and increase purchase intention. A product with a good reputation can be a factor in reducing customer risk perception (Sabih & Mibody, 2024). The results of this study are in line with other studies that examine the company's reputation which can influence risk perception, the results of which conclude that customer-based company reputation can negatively influence risk perception and ordering habits in digital marketing (Kim & Lennon, 2013). The results of this study are also in line with other studies which state that a company's reputation based on customers can have a negative influence on risk perception (Oğuz & Karaca, 2023). Based on this description, the following hypothesis can be developed:

H1: There is a negative influence between Customer-Based Corporate Reputation Dimension (CBRD) on Perceived Risk (PR) by users of the e-wallet digital payment platform.

Influence Customer-Based Corporate Reputation Dimension on Perceived Value

The influence of customer-based corporate reputation (CBR) dimensions on perceived value shows that how customers view a company as a whole greatly influences customers' evaluation of the benefits and costs of the products or services offered (Podnar & Golob, 2017). The Customer-Based Corporate Reputation Dimension is a factor perceived by customers subjectively assessing the benefits received compared to the sacrifices made, which can increase the perceived value of the product. When customers perceive a company as having a strong reputation for quality, they will perceive the benefits received from its products or services as higher, even before they use them (Almeida & Coelho, 2019). The results of previous research that examined the influence of the Customer Based Corporate Reputation Dimension on perceived value concluded that the Customer Based Corporate Reputation Dimension can have a positive influence on perceived product value (Walsh et al., 2018). The results of this study are in line with other studies that examine the influence of customer-based company reputation on perceived value, the results of which state that customer-based company reputation can have a positive influence on perceived value of a product (Kartikasari et al., 2019). Based on this description, the following hypothesis can be developed:

H2: There is a positive influence between Customer-Based Corporate Reputation Dimension (CBRD) on Perceived Value (PV) by users of the e-wallet digital payment platform

Influence Perceived Risk on Perceived Value

Perceived risk is a concept that describes how an individual's perception of potential loss can influence their behavior or decisions. It is a subjective assessment of the likelihood and concern of a negative outcome from an action, and can differ from objective statistical risk assessments (Suryani, 2013). Perceived risk is a person's perception or view of the level of risk

that may arise when making a decision, especially in the context of purchasing a product or using a service (Kotler & Armstrong, 2018). Perceived risk is the level of uncertainty and potential loss experienced by consumers when considering purchasing a product or using a service. This perception is subjective, meaning it can vary from one individual to another, depending on their experience, information, and trust in the product or brand (Andriyas et al., 2019). Perceived risk influences whether consumers will proceed with or delay purchasing a product or service. The higher the perceived risk, the less likely consumers are to purchase unless the company can reduce the perceived risk (Solomon et al., 2023). The results of previous research which examined the influence of risk perception on value perception stated that risk perception can negatively influence value perception (Adnyani & Sukaatmadja, 2019). The results of this study are in line with other studies which state that risk perception can negatively influence value perception (Boyetey & Antwi, 2021). Based on this description, the following hypothesis can be developed:

H3: There is a negative influence between Perceived Risk (PR) and Perceived Value (PV) by users of the e-wallet digital payment platform

Influence Perceived Value on Customer Product Adoption Proneness

Perceived value is a consumer's subjective assessment of the benefits or worth of a product or service compared to the sacrifices they must make. Perceived value is a consumer's view of how much benefit they receive compared to the sacrifices they make (Zeithaml et al., 2018). This value determines whether consumers are satisfied and willing to repurchase a product. Perceived value drives purchase intention because it reflects the perceived benefits. Product adoption is the process by which consumers become aware of, evaluate, try, and ultimately decide to use or purchase a new product (Kotler & Armstrong, 2018). Product adoption describes the stages of consumer acceptance of a new product, from ignorance to becoming a regular user. Product adoption is part of the diffusion of innovation, where individuals go through several stages before accepting and using a new innovation. Product adoption is a multistep process where consumers learn about, evaluate, try, and ultimately accept a new product. This process is crucial for marketers to understand when and how consumers are ready to accept an innovation (Solomon, 2018). The results of previous research that examined the influence of perceived value on product adoption showed that customers' perceived value can positively influence product adoption received by customers (Saif et al., 2024). These results are in line with other studies which state that perceived value can have a positive influence on product adoption based on customer preferences (Salomo et al., 2025). Based on this description, the following hypothesis can be developed:

H4: There is a positive influence between Perceived Value (PV) on Customer Product adoption proneness (CPAP) by users of the e-wallet digital payment platform

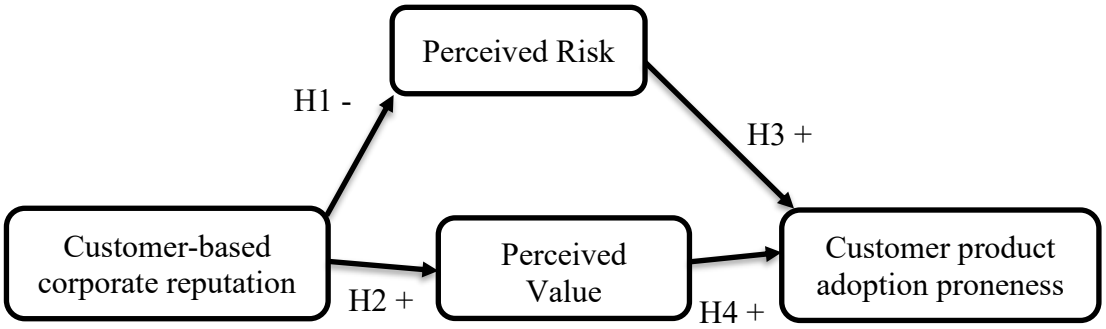

Figure 1. Research model
Source: (Walsh et al., 2018)

RESEARCH METHOD

Research Design

Analysis of the effects on the e-Wallet Digital Finance uses a Structural Equation Model (SEM) with Partial Least Square (PLS) approach. PLS is a components or variants-based structural equation model. PLS is a powerful method analysis because it is not based on assumptions, so the data does not have to follow standard distribution, and the sample size also doesn't have to be large (Suroso et al., 2018). In SEM analysis with PLS, there are two prerequisites that must be achieved, namely the outer and inner model.

Population and Sample

The object of the study was customers of e-wallet digital payment with spondents who were in the territory of Indonesia. The data collection method in this study used *an online survey* or questionnaire with the SmartPLS 3.0 application tool. The population used in this study was customers in Indonesia who were familiar with and used Sharia-based digital payment services. The sample size for this study was 100 respondents.

Variables Operationalization

This study used exogenous and endogenous variables. The exogenous variables used in this study were Customer-based corporate reputation and Perceived Risk, while the endogenous variables were Perceived Value and Customer product adoption proneness. Variables in research can be measured using instruments in the form of indicators. The indicators for each variable are based on indicators from previous studies that are relevant to this research. For the operational variable table, see table 1.

Evaluation of Outer Model

The analytical method used in this study is Partial Least Squares (PLS). The data will be calculated using smartPLS 3.0 software. PLS is a robust analytical method because it does not require data to be measured on a specific scale or have a specific distribution. The evaluation of the measurement model aims to determine the validity and reliability of each item in reflecting its construct. Evaluation of the measurement model using convergent, discriminant,

and Average Variance Extracted (AVE) validity (Ghozali, 2021). Convergent Validity is a validity test for reflective indicators that can be conducted using the correlation between the indicator score and the score of its construct. Measurement with reflective indicators shows that there is a change in an indicator within a construct if other indicators within the same construct change. Discriminant Validity For reflective indicators, it is necessary to test the discriminant validity by comparing the values in the cross loading table. Average Variance Extracted (AVE) is a value that describes adequate convergent validity, meaning that one latent variable is able to explain more than half of the variance of its indicators on average. The reliability test aims to determine the extent to which the model meets the assessment procedures in its evaluation. The reliability tests used in this study were Composite Reliability and Cronbach's Alpha. (Hair et al., 2017).

Table 1. Operational variables

Variables	Indicators	Description
Customer Based Corporate Dimension (CBRD) Source: (Walsh et al., 2018)	Customer Orientation (CBRD1)	Perceived commitment to understanding and serving customer needs
	Product & Service Quality (CBRD2)	Consistency, reliability, and excellence in offerings
	Reliable & Financially Strong Company (CBRD3)	Stability, trustworthiness, and sound financial standing
Perceived Risk (PR) Source: (Tam, 2012)	Performance Risk (PR1)	Concern that a product or service may not deliver expected results
	Financial Risk (PR2)	Potential monetary loss from a purchase or investment
	Social Risk (PR3)	Anxiety about how others may judge or react to one's decision
	Privacy Risk (PR4)	Concern over misuse or unauthorized access to personal information
	Safety/Physical Risk (PR5)	Risk of physical harm or danger from using a product or service
Perceived Value (PV) Source: (Aw et al., 2019) and (Alaros et al., 2023)	Emotional Value (PV1)	Feelings or affective states evoked by the product (e.g., joy, nostalgia)
	Social Value (PV2)	Enhancement of social self-image or acceptance through product use
	Economic Value (PV3)	Perceived cost-effectiveness or value-for-money
Customer product adoption proneness (Salomo et al., 2025)	Innovativeness (CPAP1)	Willingness to try new products or technologies before others
	Risk Tolerance (CPAP2)	Comfort with uncertainty or potential failure in trying new products
	Need for Novelty (CPAP3)	Desire for new experiences and avoidance of routine

Evaluation of Inner Model

The inner model shows the interactions between the latent variables in the research model. The inner model, sometimes referred to as inner relations, structural models, and substantive theories, describes the relationships between latent variables based on substantive theory. The research model is reviewed using the R-square test for the dependent construct, the t-test, and the significance of the structural path parameter coefficients (Ghozali, 2021). Model assessment using PLS begins by examining the R-square for each dependent latent variable. Changes in the R-square value can be used to measure the influence of the independent latent variable on the dependent variable and determine whether it has a substantive influence. Using the R-square is useful for determining the strength of the independent variable in influencing the dependent variable. If the structural path parameter coefficient test is used to calculate the direction of the influence and the level of significance, the test is carried out using the bootstrapping step in smartPLS 3.0. (Hair et al., 2017).

RESULTS AND DISCUSSION

Data Analysis Research

This study use *Structural Equation Modelling (SEM)* method, which is used to determine the structure and magnitude of employee's performance as independent latent constructs (endogenous) through system quality, information quality, system use, and user satisfaction as dependent latent constructs (endogenous). The method is analyzed with *Partial Least Square (PLS)* which is processed with SmartPLS 3.0 software. Once the model is established with SmartPLS, the model feasibility test will be held with two phases, namely the *outer and inner model.*

Evaluation of Outer Model

The criteria and standardization to value evaluation of outer model can be seen in Table 2.

Convergent Validity

Convergent Validity value used to measure the level of interrelation indicator reflection. The reliability indicator reflected by loading factor, which reflects the strength of interrelation between the construct and its indicators.

Table 2. Criteria and Standardization of Evaluation of Outer Model

Criteria	Standard	Remark
Convergent validity	Loading Value > 0.50	Used to assess the indicators in reflecting the latent constructs. If the value of < 0:50, the indicator should be removed (Chin & Marcoulides, 1998)
Discriminant validity	Rated cross correlation indicator loading latent constructs to be greater than other latent constructs	Measuring accuracy of the model of reflection.
Composite reliability	$\rho c > 0.6$	Stability and internal consistency of a good indicator

In Table 2 shown that there are several indicators, which have not a smaller, loading factor value of 0.5. According to (Suroso et al., 2018), if the value of the loading factor is greater than 0.5, then it will not be eliminated from the model. However, to ensure whether the indicator should not be removed can be seen on the Validity Average Value (AVE). Table 3 shows that the value of AVE where Customer-Based Corporate Reputation Dimension (CBRD), Perceived Risk (PR), Perceived Value (PV), and CPAP variables are greater than 0.5 so that the indicator of loading factor is not eliminated. This figure shows that the value of the overall loading factor indicators matches the criteria of convergent validity.

Table 3. Convergent Validity

Indicators	*Loading Factor*	AVE
CBR1	0.758	
CBR2	0.874	0.671
CBR3	0.842	
CPA1	0.883	
CPA2	0.838	0.637
CPA3	0.755	
PR1	0.798	
PR2	0.910	
PR3	0.927	0.779
PR4	0.872	
PR5	0.919	
PV1	0.745	
PV2	0.884	0.715
PV3	0.896	

Source: SmartPLS output, 2025

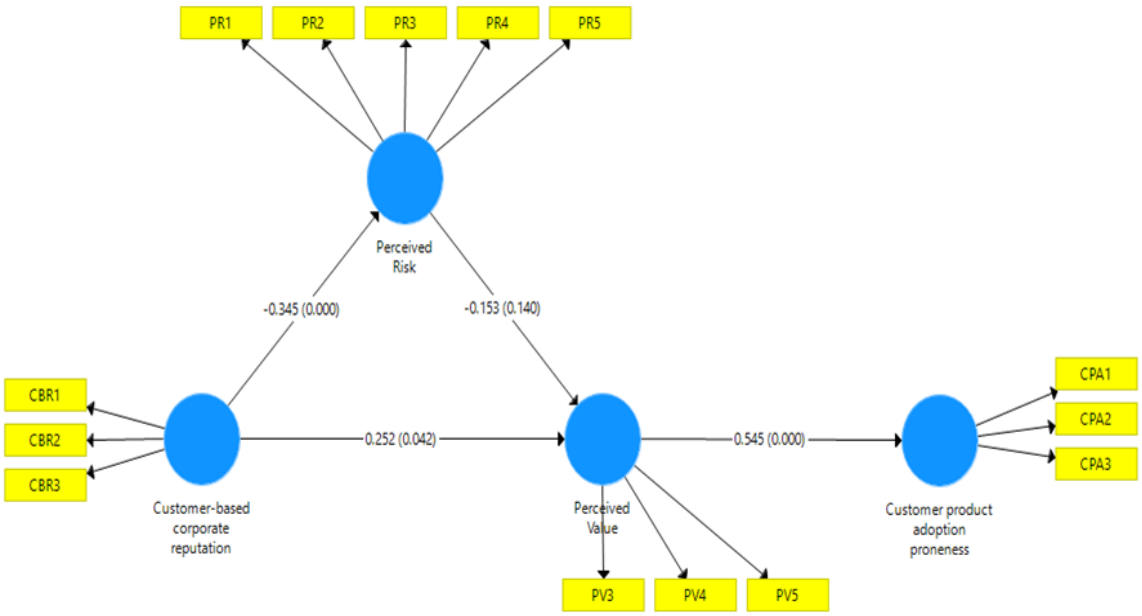

Figure 2. Value of Loading Factor Indicator

Source: SmartPLS output, 2025

Discriminant Validity

Discriminant Validity value employed cross loading factor that is useful to determine whether the construct has sufficient discriminant by comparing the certain loading value in latent construct with the other construct's loading value. If the quality indicators system illustrates the reflection of system quality, then the value of correlation indicators in system quality should be greater than the other latent variables.

The results of the analysis in Table 4 prove that the indicators that reflect constructs in this study are valid.

Composite Reliability

Composite Reliability is an index that indicates the reliability of a measure tool as appears on table 5.

In Table 5 the composite reliability values for each indicator in the study had values that greater than 0.60 which indicate a good indicator of stability and consistency. Reliability test can be enhanced by seeing the value of Cronbach 's Alpha. The expected value is greater than 0.60. From the test results on Table 4, the value of composite reliability and Cronbach 's Alpha value match model's criteria, so it can be declared as a good value for hypothesis testing.

Table 4. Cross Loading Value

Indicators	CBRD	CPAP	Perceived Risk	Perceived Value
CBR1	0.748			
CBR2	0.864			
CBR3	0.840			
CPA1		0.881		
CPA2		0.839		
CPA3		0.655		
PR1			0.797	
PR2			0.900	
PR3			0.929	
PR4			0.874	
PR5			0.909	
PV1				0.742
PV2				0.886
PV3				0.899

Source: SmartPLS output, 2025

Table 5. Composite Reliability Value

Variable	Composite Reliability	Cronbach's Alpha
CPA	0.838	0.732
CBR	0.859	0.765
PR	0.946	0.930
PV	0.882	0.800

Source: SmartPLS output, 2025

Table 6. Hypothesis Testing of Output

Influence Between Variables	*Original Sample* (O)	*P Values*	Conclusion
CBRD -> *PR*	-0.345	0.000	**H1 is** accepted, there is a negative influence between CBRD and *PR*
CBRD-> *PV*	0.252	0.042	**H2** is accepted, there is a positive influence between CBRD on *PV*
PR -> *PV*	-0.153	0.140	**H3** is not **accepted**, there is no influence between PR and *PV*
PV -> CPAP	0.545	0.000	**H4 is** accepted, there is a positive influence between *PV* on *CPAP*

Source: SmartPLS output, 2025

Table 7. R-Square and R-Square Values Adjusted

Test Results

Variable	*R-Square*	*R-Square Adjusted*
CPAP	0.297	0.290
PR	0.119	0.110
PV	0.114	0.096

Source: SmartPLS output, 2025

Evaluation of Inner Model

Hypothesis Testing

Hypothesis testing of output is done by analyzing the *bootstrapping* on coefficient path which appears on table 6 with a P value <.0.05, then the hypothesis is accepted.

Predictive Relevance (Q^2)

Structural model test conducted to examine the relationship between latent constructs. Inner structural models were evaluated using the values of R - Square (R^2) for the dependent latent variables. The R-square values can be shown on table 7.

In addition to calculate the R^2, structural model test is also done by calculating the value of Q^2. Q - Square predictive relevance is used to measure how well the observed values generated by the model and parameter estimation. The formula for calculating the value of Q^2 are:

$$Q2 = 1 - (1 - R12)\,(1 - R22).\,(1 - Rp2)$$

$$Q2 = approaches\ to\ 1.00$$

From the calculation above, it can be concluded that the value $Q^2 > 0$, the approaches value of 1, so it can be stated that the model has predictive value relevance. this result shows that the value studied has been well constructed (Ghozali, 2021).

Effect of Customer-Based Corporate Reputation Dimension (CBR) on Perceived Risk by users of the Sharia e-Wallet platform

Based on the results of statistical tests conducted that *Customer-Based Corporate Reputation Dimension* (CBR) has a positive and significant effect on *Perceived Risk* by users of the Sharia e-Wallet platform. The use of many Sharia e-Wallet provides many advantages for users in making transactions. One of the benefits that many users feel is the benefit in the form of promotion provided by providers through applications that are given to users. So that the higher the perceived benefits, the higher the use of Mobile Payments (Isrososiawan et al., 2019).

In addition to the benefits obtained by Sharia e-Wallet users, the products also get a comfortable feeling that gives attractiveness to the use of the Sharia e-Wallet. Convenience that is felt when making transactions without having to move around Sharia e-Wallet users can also use this anywhere and anytime by paying attention to the availability of merchants who use this as a means of transaction. With the use of the Sharia e-Wallet, it can also affect efficiency and time savings in the form of cutting transaction time so that it can speed up the service process and transactions carried out. The e-Wallet provides excellent benefits in carrying out its operations because it is affiliated with many *merchants* that offer various advantages in its use(Liébana-Cabanillas et al., 2017)

Effect of Customer-Based Corporate Reputation Dimension on Perceived Risk by users of the Sharia e-Wallet platform

Based on the results of statistical tests conducted that *Customer-Based Corporate Reputation Dimension* has a positive and significant effect on *Perceived Risk* by users of the Sharia e-Wallet platform. The use of sharia platform provides many advantages for users in making transactions. One of the benefits that many users feel is the benefit in the form of promos provided by providers through applications that are given to users. So that the higher the perceived benefits, the higher the use of Mobile Payments. In addition to the benefits obtained by Sharia e-Wallet users, Sharia e-Wallet products also get a comfortable feeling that gives attractiveness to the use of the Sharia e-Wallet Convenience that is felt when making transactions without having to move around Sharia e-Wallet users can also use Sharia e-Wallet anywhere and anytime by paying attention to the availability of merchants who use Sharia e-Wallet as a means of transaction. With the use of the Sharia e-Wallet, it can also affect efficiency and time savings in the form of cutting transaction time so that it can speed up the service process and transactions carried out(Seetharaman et al., 2017) The Sharia e-Wallet provides excellent benefits in carrying out its operations because it is affiliated with many *merchants* that offer various advantages in its use (Liébana-Cabanillas et al., 2017).

The Effect of Perceived *Risk* on *Perceived Value* by users of the Sharia e-Wallet platform

Based on the results of research conducted on *perceived risk* variables, there was no negative influence between Perceived *Risk* and *Perceived Value* by users of the Sharia e-Wallet platform. These results are not in line with previous studies that the value of risk has a negative influence on the view of consumer value on a product (Snoj et al., 2004) These results show that consumers views on the level of risk in using small fund applications so that they do not affect consumers' views in assessing Sharia e-Wallet. In this study, it indicates that the level

of risk felt by service users is not the main consideration in influencing the view of value towards the Sharia e-Wallet (Ting et al., 2016). This can happen due to the minimal risk felt by consumers in using the Sharia e-Wallet (Isrososiawan et al., 2019).

Effect of *Perceived Value* on *Customer Product Adoption Proneness* by users of the Sharia e-Wallet platform

The results of the fourth hypothesis in this study show that there is a positive and significant influence in the relationship of the influence of *Perceived Value* on *Customer Product Adoption Proneness* (CPAP). These results are in line with other studies where the perceived value of consumers has a positive and significant effect on the level of consumer use of a product. These results are also in line with other studies where the perceived value of online music is a significant factor in predicting buyers' intentions to enjoy music *online*. Other studies have also explained that consumers' perceived value has a significant influence on usage intentions. Consumer views regarding the perceived value of the Sharia e-Wallet greatly affect consumer intentions in buying and using a product. Sharia e-Wallet as a digital wallet application in Indonesia has a very good value in the eyes of consumers. This is because the quality of services applied by Sharia e-Wallet has a variety of payment services that can be used by consumers (Zhao et al., 2017); (Chu & Lu, 2007); (Snoj et al., 2004).

Managerial Implications

Some implications that can be given to companies in increasing product adoption based on customers are as follows:

1. The company is expected to be able to create digital wallet service products that understand and serve customer needs by improving service quality and being responsive to customer complaints.
2. Companies can create digital wallet service products that are consistent, reliable, and offer superior service to customers by continuously innovating and developing digital wallet service products..
3. Companies can create stable and reliable digital wallet service products by developing products that meet customer expectations and are tailored to the company's healthy financial condition..
4. Companies must ensure consistent product and service quality to reduce concerns that a product or service may not deliver the results customers expect.
5. Companies must maintain product quality and reliability standards and strengthen a positive image in the eyes of consumers to reduce potential monetary losses from purchases or investments.
6. Companies can develop security in digital wallet service products to reduce concerns about misuse of unauthorized access to customers' personal information.
7. Companies can create service products that can provide strong feelings or affective states caused by the product to customers.

8. Companies can enhance branding that evokes positive emotions and increases social self-image or acceptance through product use.
9. Companies can develop products according to perceived expectations regarding cost effectiveness or value for money.

CONCLUSIONS

Based on the results and discussion in the previous description, the following conclusions can be drawn:

1. The Customer-Based Corporate Reputation Dimension has proven to have negative and significant effect on the Perceived Risk. This shows that H_1 is proven, or The Customer-Based Corporate Reputation Dimension has negative and significant influence on the Perceived Risk.
2. The Customer-Based Corporate Reputation Dimension has proven to have a positive and significant effect on the perceived value. This shows that H_2 is proven, The Customer-Based Corporate Reputation Dimension has positive and significant influence on the Perceived Value.
3. Perceived Risk has no proven to have negative and significant effect on the Perceived Value. This shows that H_3 is not proven, or Perceived Risk has no proven to have negative and significant enfluence on the Perceived Value.
4. Perceived Value has proven to have a positive and significant effect on the Customer Product Adoption Proneness. This shows that H_4 is proven, or Perceived Value has proven to have a positive and significant enfluence on the Customer Product Adoption Proneness.
5. From the Islamic e-wallet research result shows that perceived risk has no effect on perceived value and Perceived Risk becomes lower when the Customer-Based Corporate Reputation Dimension is well improved, Therefore, these results can be advantaged for Islamic e-wallet to be introduced and recommended to wider society as the save e-wallet with lower risk.

Research Limitations

A limitation of this study is the limited sample size of 100 respondents. The sample comprised customers of Islamic digital wallets in Indonesia. The exogenous variables used in this study are Customer-Based Corporate Reputation Dimension, Perceived Risk, and Perceived Value, while the endogenous variables are Customer product adoption proneness.

Suggestions

Suggestions based on this research are for companies to create products that understand and serve customer needs, are consistent, reliable, have advantages offered to customers, are stable, trustworthy, have good security, and are of good quality. In addition, companies can maintain product quality standards and improve the company's reputation or branding based on customers, honesty, service, and emotional relationships so that the reputation in the eyes of customers remains positive. For further research, it can be developed by adding other variables related to product adoption based on customers such as brand image and product quality.

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