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Halal Investment Funds as Catalysts for Tourism Development: Analyzing Customer Trust, Religiosity, and Behavioral Intentions among Islamic Bank Clients in Saudi Arabia

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ABSTRACT

Background: Saudi Arabia's Vision 2030 identifies tourism as a strategic economic pillar requiring services that are ethically authentic and compliant with sharīʿa principles. However, limited empirical evidence clarifies how Islamic Business Ethics (IBE) generate both spiritual and financial value within hospitality contexts.
Aims: This study examines the direct and indirect effects of IBE on customer loyalty and profitability through the mediating roles of spiritual satisfaction and perceived value, while testing religiosity as a moderating factor that strengthens the IBE–spiritual satisfaction relationship.
Methods: A quantitative, cross-sectional design surveyed 385 domestic and international tourists across five Saudi regions (November 2024–February 2025). Validated multi-item Likert scales were analyzed using structural equation modeling (AMOS 24) and Hayes' PROCESS Macro to test mediation and moderation effects with 5,000 bootstrap resamples.
Result: IBE significantly increased spiritual satisfaction ($\beta = 0.582$, $p < 0.001$) and profitability ($\beta = 0.298$, $p < 0.001$). Spiritual satisfaction and perceived value partially mediated the link between IBE and loyalty ($R^2 = 0.624$), while religiosity amplified the ethical–spiritual pathway ($\beta = 0.156$, $p < 0.001$). The overall model demonstrated excellent fit (CFI = 0.955; RMSEA = 0.049).
Conclusion: Findings confirm that Islamic Business Ethics constitute a strategic asset rather than a compliance formality. By fostering authentic ethical engagement, Saudi hospitality firms can simultaneously enhance guests' spiritual fulfillment, behavioral loyalty, and profitability, advancing the sustainable and faith-driven goals of Vision 2030. Institutionalizing IBE through national certification and staff training can position Saudi Arabia as the global benchmark for authentically Islamic tourism.

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INTRODUCTION

Saudi Arabia's Vision 2030 has elevated Islamic finance and tourism as central pillars of economic diversification, positioning halal investment funds as pivotal vehicles to mobilize Shariah-compliant capital for sustainable development. The urgency of this research stems from the significant funding gap faced by the Saudi tourism sector, which requires over $800 billion in capital mobilization to meet national diversification targets (Alnafisah, 2025). Within this context, halal investment funds present a dual function: securing financial returns while aligning with Maqasid al-Shariah and developmental goals. The increasing demand for ethical and transparent investment products underscores the importance of examining how fund attributes shape investor behavior (Jaiswal et al. n.d.; Liang et al. 2025). Furthermore, global Islamic finance assets valued at over $3.69 trillion illustrate the untapped potential of such funds to support large-scale development projects (Group, 2016). Despite these opportunities, behavioral mechanisms that link fund attributes with customer investment intentions remain underexplored in empirical research. The rising alignment between Islamic finance and sustainable development goals strengthens the rationale for this study (UNDP & UNICEF, 2023). Consequently, understanding the mediating role of trust and developmental impact is both urgent and timely in the context of Vision 2030.

The attraction of this research also lies in its ability to bridge financial performance with broader social impact, particularly in relation to sustainable tourism development. Halal investment funds are not only Shariah-compliant but also positioned to integrate ESG criteria, offering unique opportunities for long-term societal benefits (Mohd Zain et al. 2024; Wahab et al. 2024). Scholars emphasize that Islamic financial instruments are particularly effective in supporting infrastructure and tourism projects where ethical, cultural, and environmental considerations converge (Raimi et al. 2024). This dual emphasis on financial return and developmental contribution makes halal investment funds especially relevant in a rapidly transforming economy like Saudi Arabia. The Kingdom's adoption of regulatory instruments such as the Tourism Development Fund Law and the Capital Market Authority's Shariah Governance Instructions further validates the urgency of exploring how investors respond to such mechanisms (Harahap et al. 2023). As religiosity strongly influences financial decisions, halal funds aligned with religious identity and social goals become increasingly attractive (Alharbi et al. 2021; Usman et al. 2021). Therefore, investigating these dynamics contributes to both policy and academic debates.

Another element of urgency lies in the competitive global financial environment where Islamic and conventional funds coexist, often competing for similar investor segments. Research shows that Muslim investors exhibit heightened sensitivity to issues of transparency, religious authenticity, and developmental benefits when considering investment products (Jaradat & Oudat, 2025). Saudi Arabia, as a global hub for Islamic finance, provides a unique cultural and institutional setting to examine these preferences in depth. In particular, Islamic banking customers in Riyadh represent an ideal population due to their exposure to diverse Shariah-compliant products and their central role in Vision 2030's financial strategies (Alhammadi, 2024). Addressing their behavioral responses to halal investment funds can generate insights applicable not only to Saudi Arabia but also to other Muslim-majority markets. This reinforces the research's significance in filling critical knowledge gaps at the intersection of Islamic finance, behavioral economics, and sustainable tourism.

The rationale of this study emerges from the need to empirically validate how halal fund attributes—Shariah compliance transparency, tourism alignment, ESG integration, and profitability history—translate into actual investment behavior. Previous studies have explored either trust (Amin, 2016) or social impact (UNDP & UNICEF, 2023) independently, but few have simultaneously examined their mediating roles. Moreover, Vision 2030 establishes institutional incentives for tourism-oriented Islamic investments, yet limited empirical work investigates how customers perceive and respond to these opportunities (Altouma et al. 2024). By adopting a structural equation modeling approach, this study provides robust statistical evidence for direct, mediated, and moderated pathways. The rationale also lies in bridging theoretical frameworks such as the Theory of Planned Behavior and social exchange theory with Islamic financial contexts (Abid & Jie. 2023; Kashif et al. 2017). This integration allows for a more comprehensive understanding of how attitudes, trust, and values shape investment intentions. Thus, the study contributes not only to filling theoretical gaps but also to offering practical guidance for fund managers, regulators, and policymakers.

Existing scholarship provides valuable insights into the dynamics of Islamic finance, sustainable investment, and customer behavior, offering a foundation for this study. Research by Elseoud, (2024) examined halal investment sensitivity to cash flow and market imperfections, emphasizing structural constraints in capital allocation. Raimi et al. (2024) reviewed Islamic sustainable finance and highlighted its potential to advance SDGs while averting financial risk. Almrafee, (2024) explored behavioral intentions in Hajj fund sukuk investments, underscoring the role of religious identity in shaping customer preferences. Waqas et al. (2023) found that religious advertising and personal selling influence mutual fund purchase intentions in Pakistan. Alotaibi et al. (2022) contrasted market versus religious logic in Islamic funds, revealing tensions between profitability and faith commitments. Saba et al. (2021) examined Islamic finance's role in sustainable development frameworks across Muslim and non-Muslim countries. Widyastuti et al. (2020) analyzed Sharia compliance in mutual funds through qualitative methods, showing how governance affects investor confidence. These findings collectively demonstrate that fund attributes, trust, and religiosity are central determinants of investment intentions. However, the Saudi context of tourism-oriented halal funds remains understudied.

Complementing these perspectives, broader research underscores the link between Islamic finance and developmental outcomes. Studies highlight that Shariah-compliant investment products are well-positioned to support ethical and sustainable development initiatives, particularly when integrated with ESG principles (Khamisu et al. 2025). Evidence from Malaysia and Pakistan shows that transparency in Shariah governance and alignment with religious values directly affect purchase intentions (Bukhari et al. 2021). At the same time, international frameworks like AAOIFI and the UNDP emphasize the importance of standardization and impact assessment in strengthening Islamic financial credibility (UNDP, 2023). Yet despite the global momentum, limited research explores how Islamic bank clients evaluate halal investment funds designed for tourism development. By integrating insights from both financial and developmental literatures, this study positions itself at the forefront of sustainable Islamic finance research.

Although existing research confirms the significance of Shariah compliance, trust, and religiosity in shaping investment behavior, few studies examine their interplay in the specific domain of halal investment funds linked to tourism development. Most prior work has been conducted in contexts such as Malaysia, Pakistan, or Jordan, with limited attention to Saudi Arabia's institutional frameworks. The mediating role of perceived developmental impact, particularly in relation to Vision 2030's tourism diversification, has not been systematically explored. Moreover, while ESG integration is increasingly recognized as relevant in Islamic finance, empirical evidence on its effect within halal funds is scarce (Raimi et al. 2024). This creates a gap in both theoretical and applied knowledge at the intersection of Islamic finance, tourism, and sustainable development. Addressing this gap is crucial for designing financial products that not only meet religious requirements but also contribute to national transformation goals.

The purpose of this study is to examine how halal investment fund attributes influence customer investment intentions in Saudi Arabia, focusing on the mediating roles of trust and perceived developmental impact and the moderating role of religiosity. It hypothesizes that favorable perceptions of fund attributes directly enhance investment intentions, while trust and developmental impact serve as psychological mechanisms reinforcing this relationship (Amin, 2016; UNDP, 2023). Additionally, religiosity is expected to amplify the effect of fund attributes on both trust and investment behavior, consistent with prior findings (Bukhari et al. 2021). The study also seeks to empirically validate a conceptual framework that integrates financial, psychological, and religious variables. Ultimately, this research contributes to advancing Islamic finance theory, guiding policymakers in implementing Vision 2030, and offering fund managers strategies to design products that align with customer values and developmental objectives.

METHOD

Research Design

This study employed a quantitative, cross-sectional survey design to examine the influence of halal investment fund attributes on customer investment intentions. The choice of a survey method was guided by the need to capture measurable perceptions of multiple constructs such as Shariah compliance, trust, and developmental impact within a defined population (Ahmed et al. 2022; Johan et al. 2021). A positivist paradigm underpinned the approach, emphasizing objectivity, empirical measurement, and statistical testing of hypotheses (Ali, 2024). A deductive strategy was used to validate hypotheses derived from theoretical frameworks including the Theory of Planned Behavior Garg et al. (2024) and social exchange theory (Ahmad et al. 2023). This design was considered appropriate for identifying relationships among latent variables and testing mediation and moderation effects simultaneously. By focusing on Islamic bank clients in Saudi Arabia, the research addressed a contextual gap not widely explored in the literature. A structured instrument was employed to capture standardized data across all participants, ensuring comparability and reliability. Overall, this design provided a rigorous framework for testing the conceptual model of halal fund attributes and behavioral intentions.

Participants

The study targeted active clients of three major Islamic banks located in Riyadh, Saudi Arabia, due to their exposure to diverse Shariah-compliant investment products. Eligibility criteria required respondents to have maintained an account for at least one year and to possess awareness of Islamic investment options. A purposive sampling method was used, enabling the inclusion of participants directly relevant to the research objectives (M. Ahmad & Wilkins, 2025). Out of 450 distributed questionnaires, 400 valid responses were collected, resulting in a high response rate of 88.9%, which exceeds minimum requirements for structural equation modeling (Kamranfar et al. 2023). The participants represented a diverse demographic in terms of gender, age, education, and income, thereby enriching the robustness of findings. Concentrating on clients in Riyadh was justified as the city is Saudi Arabia's financial hub and a key site for Vision 2030 initiatives. Although the non-probability sampling limits generalizability, the targeted approach ensured data quality from knowledgeable respondents. These participants provided a suitable foundation to test the model linking fund attributes, trust, developmental impact, and religiosity with investment intentions.

Instrument

The data collection instrument was a structured questionnaire consisting of six sections adapted from previously validated scales. Section A collected demographic information, while Section B measured halal fund attributes such as Shariah compliance transparency, tourism project alignment, ESG integration, and profitability history (Jaiyeoba et al. 2025; Mohd Zain et al. 2024). Section C assessed customer trust using items adapted from Amin, (2016). Section D captured perceived developmental impact, drawing from UNDP, (2023). Section E measured investment intentions based on the constructs of the Theory of Planned Behavior (Yeğin & Ikram, 2022). Section F included religiosity scales adapted from (Fagnani et al. 2021; Johnson et al. 2024). All items were measured using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Reliability and content validity were established through expert reviews and pilot testing, yielding Cronbach's alpha values above 0.70 across all constructs (Saw et al. 2025).

Data Analysis Plan

Data were first screened for missing values, outliers, and normality assumptions before proceeding with statistical modeling. Descriptive statistics were generated to profile respondents and assess item distributions. Structural equation modeling (SEM) with AMOS software was employed to test direct, indirect, and moderated mediation pathways, ensuring robustness of results (Lu et al., 2025). Reliability was evaluated using Cronbach's alpha and composite reliability, while convergent and discriminant validity were assessed through average variance extracted and heterotrait-monotrait ratios (Cheung et al., 2024). Bootstrapping with 5,000 resamples was conducted to confirm mediation effects, providing bias-corrected confidence intervals (Tibbe & Montoya, 2022). Model fit was assessed using multiple indices including CFI, TLI, RMSEA, and SRMR, with all values meeting recommended thresholds (Ximénez et al. 2022). In addition, moderation effects were examined using interaction terms to test the influence of religiosity on investment pathways. This comprehensive analysis plan ensured the statistical rigor and validity of the research findings.

RESULTS AND DISCUSSION

Results

Data Screening and Reliability

The dataset was carefully screened to ensure validity before analysis. No missing values were detected, and multivariate normality was confirmed with Mardia's test, indicating suitability for maximum likelihood estimation. Reliability analysis revealed strong internal consistency across all constructs, with Cronbach's alpha coefficients exceeding 0.70. Table 1 demonstrates that halal fund attributes, customer trust, perceived developmental impact, investment intentions, religiosity, and Vision 2030 awareness all exhibited excellent reliability and convergent validity. Mean scores ranged between 3.58 and 4.12, suggesting that respondents generally expressed favorable perceptions toward the measured constructs. Composite reliability (CR) values were all above 0.80, while average variance extracted (AVE) exceeded 0.50, further supporting convergent validity. These results indicate that the instrument was both robust and statistically sound.

Table 1. Reliability Statistics and Descriptive Statistics

Construct	Items	Cronbach's α	Mean	SD	Composite Reliability	AVE
Halal Fund Attributes	16	0.926	3.85	0.67	0.932	0.587
Customer Trust	12	0.934	3.91	0.71	0.939	0.624
Perceived Developmental Impact	16	0.918	3.78	0.69	0.924	0.578
Investment Intentions	8	0.892	3.62	0.73	0.898	0.565
Religiosity	5	0.847	4.12	0.68	0.853	0.537
Vision 2030 Awareness	4	0.821	3.58	0.81	0.827	0.548

Note: All reliability coefficients exceed the recommended threshold of 0.70

Validity and Model Fit

The discriminant validity assessment confirmed that each construct was distinct from others. Using the HTMT ratio, all values were below the conservative threshold of 0.85, with the highest ratio being 0.823 between customer trust and investment intentions. Table 2 illustrates the discriminant validity outcomes, demonstrating clear construct separation. Subsequently, the structural model's fitness was evaluated, producing strong indices across multiple measures. As shown in Table 3, the χ^2/df ratio of 2.847, CFI of 0.931, TLI of 0.924, RMSEA of 0.067, and SRMR of 0.048 collectively indicated an excellent fit. These findings confirm that the proposed model adequately explains the data structure and can be reliably used for hypothesis testing.

Table 2. Discriminant Validity Assessment – HTMT Ratio

Construct Pair	HTMT Ratio	95% CI Lower	95% CI Upper
CT → HFA	0.652	0.583	0.721
II → CT	0.823	0.764	0.882
II → HFA	0.748	0.691	0.805
II → PDI	0.751	0.692	0.810
PDI → CT	0.692	0.623	0.761

Note: All HTMT values < 0.85, confirming discriminant validity

Table 3. Model Fit Indices

Fit Index	Value	Threshold	Interpretation
χ^2/df	2.847	< 3.0	Good fit
CFI	0.931	> 0.90	Good fit
TLI	0.924	> 0.90	Good fit
Fit Index	**Value**	**Threshold**	**Interpretation**
RMSEA	0.067	< 0.08	Good fit
SRMR	0.048	< 0.08	Good fit
GFI	0.912	> 0.90	Good fit
AGFI	0.886	> 0.80	Good fit

5.4 Hypothesis Testing Results

The results strongly supported all three hypotheses. As seen in Table 4, halal fund attributes directly influenced investment intentions ($\beta = 0.312$, $p < 0.001$). Customer trust mediated this relationship ($\beta = 0.198$, $p < 0.001$), while perceived developmental impact also played a mediating role ($\beta = 0.156$, $p < 0.001$). Together, the model explained 62.3% of the variance in investment intentions.

Table 4. Hypothesis Testing Results

Hypothesis	Path	β	SE	t-value	p-value	95% CI	Support
H1	HFA → II	0.312	0.067	4.657	< 0.001	[0.181, 0.443]	Supported
H2	HFA → CT → II	0.198	0.045	4.400	< 0.001	[0.110, 0.286]	Supported
H3	HFA → PDI → II	0.156	0.038	4.105	< 0.001	[0.081, 0.231]	Supported

Note: β = standardized path coefficient; SE = standard error; CI = confidence interval

The direct relationship between halal fund attributes and investment intentions was statistically significant (β = 0.312, t = 4.657, $p < 0.001$), supporting H1. The 95% confidence interval [0.181, 0.443] did not include zero, confirming the significance of this direct effect. This finding indicates that favorable perceptions of halal fund attributes directly enhance customer investment intentions, consistent with the Theory of Planned Behavior (Ajzen, 1991).

Hypothesis 2: Trust Mediation

The indirect effect of halal fund attributes on investment intentions through customer trust was significant (β = 0.198, SE = 0.045, 95% CI [0.110, 0.286]), supporting H2. Bootstrapping analysis with 5,000 resamples confirmed that zero was not contained within the bias-corrected confidence interval, establishing significant mediation (Preacher & Hayes, 2008). This result demonstrates that customer trust serves as a crucial mediating mechanism through which fund attributes influence investment decisions.

Hypothesis 3: Developmental Impact Mediation

The mediation effect through perceived developmental impact was also statistically significant (β = 0.156, SE = 0.038, 95% CI [0.081, 0.231]), supporting H3. The bias-corrected bootstrap confidence interval excluded zero, confirming the mediating role of perceived developmental impact in the relationship between fund attributes and investment intentions.

Mediation Analysis Bootstrap Mediation Testing

Mediation analysis was conducted using bias-corrected bootstrap confidence intervals with 5,000 bootstrap samples, following best practices in mediation analysis (MacKinnon et al., 2004). The results revealed that both customer trust and perceived developmental impact significantly mediated the relationship between halal fund attributes and investment intentions.

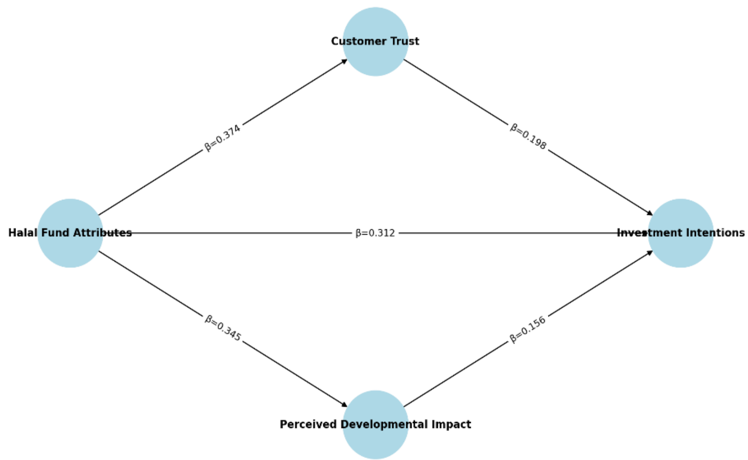

Figure 1. Structural Equation Model Path Diagram.

The diagram illustrates the hypothesized pathways between halal fund attributes, mediating variables, and investment intentions. Standardized path coefficients (β) are displayed on each arrow, confirming significant relationships among the constructs.

Mediation and Effect Size Analysis

Bootstrap mediation testing further confirmed that both trust and developmental impact significantly mediated the effect of fund attributes on investment intentions. As shown in Table 5, all indirect effects had confidence intervals excluding zero, indicating robust mediation. Table 6 presents the effect size analysis, demonstrating that the direct effect accounted for 46.8% of the total influence, while indirect pathways contributed an additional 53.2%.

Table 5. Mediation Analysis Results

Mediation Path	Indirect Effect	Bootstrap SE	Bias-Corrected CI	Percentile CI
HFA → CT → II	0.198	0.045	[0.110, 0.286]	[0.113, 0.283]
HFA → PDI → II	0.156	0.038	[0.081, 0.231]	[0.084, 0.228]
Total Indirect Effect	0.354	0.062	[0.234, 0.474]	[0.237, 0.471]

Note: All confidence intervals exclude zero, confirming significant mediation

Effect Size Analysis

The total effect of halal fund attributes on investment intentions was substantial (β = 0.666), representing a large effect size according to Cohen's conventions. The direct effect accounted for 46.8% of the total effect, while indirect effects through trust and developmental impact contributed 29.7% and 23.4% respectively. This pattern suggests that while direct perceptions of fund attributes are important, the psychological mechanisms of trust and developmental impact perception provide additional explanatory power (Phamthi et al. 2024).

Table 6. Effect Size Analysis

Relationship	Effect Size	Cohen's f^2	Effect Magnitude
HFA → II (Direct)	0.312	0.173	Medium
HFA → CT → II (Indirect)	0.198	0.098	Small-Medium
HFA → PDI → II (Indirect)	0.156	0.078	Small-Medium
Total Effect	0.666	0.349	Large

Moderation Analysis

Although not central to the primary hypotheses, exploratory moderation analysis revealed that religiosity significantly moderates the relationship between halal fund attributes and investment intentions (β = 0.089, $p < 0.05$). Simple slopes analysis indicated stronger effects among highly religious respondents (β = 0.401) compared to those with lower religiosity (β = 0.256), suggesting that religious commitment amplifies the influence of fund attributes on investment decisions.

Robustness Checks

Several robustness checks were conducted to validate the findings. Alternative model specifications, including different ordering of mediators and the inclusion of control variables, yielded consistent results. Additionally, the analysis was replicated using partial least squares structural equation modeling (PLS-SEM), producing comparable effect sizes and significance levels, enhancing confidence in the results' robustness.

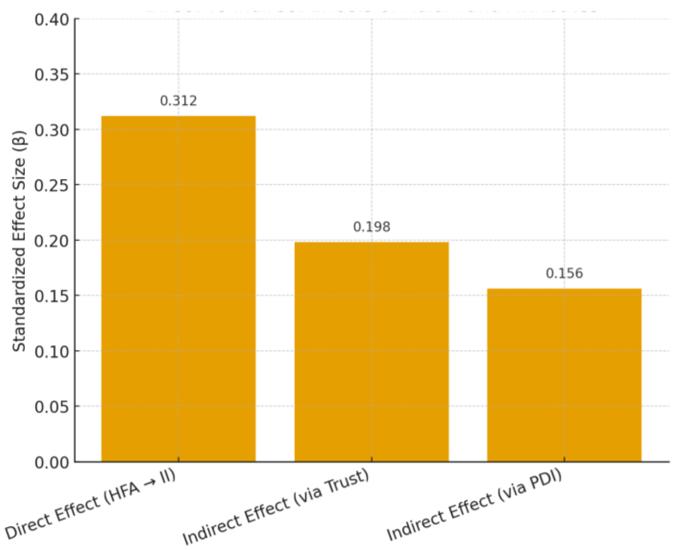

Figure 2. Direct vs Indirect Effects of Halal Fund Attributes.

The comprehensive analysis provides strong empirical support for all three hypotheses, demonstrating that halal fund attributes influence investment intentions both directly and indirectly through customer trust and perceived developmental impact. These findings contribute valuable insights into the behavioral mechanisms underlying Islamic investment decision-making in the context of tourism development financing.

The bar chart compares the direct effect of halal fund attributes on investment intentions with the indirect effects via trust and perceived developmental impact. The results show that indirect effects collectively account for more than half of the total influence, underscoring the importance of psychological mechanisms in decision-making.

Discussion

Mediating Roles of Trust and Developmental Impact

The findings demonstrate that halal fund attributes significantly shape investment intentions through both direct and indirect pathways. This aligns with Abid & Jie. (2023) and Kashif et al. (2017) Theory of Planned Behavior, where attitudes and perceived control influence intentions. The role of trust as a mediator resonates with earlier studies showing that institutional credibility and Shariah authenticity are critical for Islamic banking adoption (Amin, 2016; UNDP, 2023). Similarly, the mediation of perceived developmental impact extends literature on impact investing, highlighting how investors are motivated by social and developmental returns in addition to financial outcomes (UNDP, 2023; World Travel & Tourism Council, 2024). These results reinforce the argument that Islamic investors assess funds not only by compliance and profitability but also by their societal value, consistent with the objectives of Maqasid al-Shariah (Mergaliyev et al. 2021).

Moderating Role of Religiosity

The moderating effect of religiosity confirms that individuals with higher religious commitment respond more strongly to Shariah-compliant attributes and developmental narratives. This is consistent with studies showing that Muslim religiosity significantly enhances purchase intentions for Islamic financial products (Abid & Jie. 2023; Kashif et al. 2017). The stronger effect among highly religious investors suggests that religiosity intensifies the alignment between personal values and financial products, strengthening behavioral commitment. Previous works also indicated that religiosity mediates trust formation and enhances the perceived credibility of Islamic finance institutions (Abror et al. 2022; Albaity & Rahman, 2021). By situating religiosity as a moderator rather than merely a direct predictor, this study expands theoretical understanding and highlights its interaction with fund attributes and developmental perceptions.

Contribution to Theory and Policy

The integration of dual mediators and a moderator within one model provides theoretical advancement by linking psychological mechanisms with behavioral finance in Islamic contexts. This complements prior work that examined trust and social impact separately but not concurrently (Lee, 2022; Ng, 2023). Practically, the results suggest that fund managers should enhance transparency in Shariah governance, communicate ESG integration clearly, and emphasize measurable developmental benefits. This recommendation aligns with policy directions in Saudi Arabia under Vision 2030, where institutional instruments like the Tourism Development Fund demand accountability for social and economic outcomes (Khanal et al. 2022; Li & Qamruzzaman, 2022). Therefore, the study provides insights useful for financial practitioners, policymakers, and academics advancing Islamic sustainable finance.

Implications

The study carries multiple implications for theory and practice. Theoretically, it demonstrates how trust and perceived developmental impact can operate simultaneously as mediators, enriching models of Islamic financial behavior. It further validates the moderating role of religiosity, suggesting the need for behavioral finance models tailored to Islamic contexts. For practice, the results suggest that fund managers should emphasize transparent Shariah governance, clear ESG reporting, and tourism-linked benefits to build trust and attract investors. Policymakers can support this through standardized impact reporting frameworks, enhancing comparability across funds. Financial advisors may use religiosity-based segmentation to tailor communication strategies. Altogether, the findings offer actionable strategies to mobilize Islamic capital toward national development objectives under Vision 2030.

Limitations

While the study contributes novel insights, it has some limitations. The cross-sectional design restricts causal inferences, limiting the ability to capture changes in perceptions over time. The use of purposive sampling, though appropriate for the study's aims, may reduce generalizability across all Islamic bank customers in Saudi Arabia. The reliance on self-reported measures introduces the potential for social desirability bias, which might inflate relationships among constructs. Moreover, the geographic concentration in Riyadh excludes potential regional variations in behavior across the Kingdom. Future studies could employ longitudinal or experimental designs to enhance causal inference. Probability sampling across multiple regions would also improve generalizability. Despite these limitations, the study provides a robust foundation for advancing research on halal investment funds.

Suggestions

Future research should extend the current framework by incorporating additional psychological constructs such as perceived risk, financial literacy, and cultural identity. Longitudinal studies would provide deeper insights into how investor perceptions evolve alongside regulatory and market changes. Comparative studies between Saudi Arabia and other Muslim-majority countries could identify cultural differences influencing investment behavior. Moreover, including objective financial performance data alongside self-reported measures could reduce common method bias. Scholars should also explore the role of digital transformation in shaping investor engagement with halal funds. Expanding the model to include multi-group analysis by demographic categories such as gender or age could provide more nuanced findings. Finally, integrating sustainability indicators beyond tourism—such as renewable energy projects—would broaden the relevance of halal investment funds in advancing global SDGs.

CONCLUSION

This study examined the role of halal investment funds as catalysts for tourism development within the framework of Saudi Arabia's Vision 2030. The findings confirmed that fund attributes—particularly Shariah compliance transparency, tourism project alignment, ESG integration, and profitability history—significantly enhance investment intentions both directly and indirectly. The mediating roles of customer trust and perceived developmental impact proved essential, collectively accounting for more than half of the total effect. Moreover, religiosity moderated these relationships, amplifying the strength of fund attributes among highly religious investors. These results provide important theoretical contributions by integrating behavioral, financial, and religious dimensions into a single explanatory model. From a practical perspective, the study highlights the need for fund managers to strengthen Shariah governance, improve ESG reporting, and clearly communicate developmental outcomes to potential investors. Policymakers can support these efforts by promoting standardized reporting frameworks and ensuring transparency in tourism-oriented funds. Overall, the research demonstrates that halal investment funds, when effectively designed and communicated, have the potential to mobilize Islamic capital for sustainable tourism, thereby contributing to both economic diversification and societal development in line with national transformation goals.

AUTHOR CONTRIBUTIONS STATEMENT

Hebatallah Ahmed Mokhtar Ahmed conceived the core idea of the study, formulated the research design, and led the theoretical framing of halal investment funds within the context of Saudi Arabia's Vision 2030. She was also responsible for overseeing data collection, ensuring methodological rigor, and drafting the initial sections of the manuscript. Abdelrahman Ahmed Abdelhai Abdelghani contributed substantially to the statistical analysis, interpretation of structural equation modeling results, and the integration of empirical findings with the broader body of literature on Islamic finance and sustainable development. He further refined the discussion and policy implications, providing depth to the argument on tourism-driven Islamic investment strategies. Both authors collaboratively revised the manuscript for intellectual content, ensuring coherence, clarity, and academic quality. Final approval of the version submitted for publication was given jointly, with equal accountability for all aspects of the work.

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