Trends and dynamics of islamic invesment decision factors: A bibliometric analysis and comprehensive literature review

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ABSTRACT

Investment as part of economic development affects macroeconomi indicators, including the level of economic growth as measured by Gross Domestic Product (GDP). Indonesia as a country with an Islamic majority continues to experience an increase in the development of Islamic investment. This shows the strong role of Islamic investment in the formation of Islamic capital market capitalisation which has a major impact in encouraging Indonesia's economic growth. This study aims to map the factors associated with Islamic investment decisions on 829 publications articel in a period of 12 years starting from 2012 to 2023. This research method uses quantitative methods through Vosviewer Bibliometric Analysis and qualitative methods through literature studies. The results showed that 5 clusters with a total of 161 topic. Based on the keywords used, research trends indicate that sharia investment, motivation, and financing are the most frequently occurring terms. The implications of this research can help practitioners to design more effective investment strategies, and provide insight to future researchers in finding research novelty. In addition, for policy makers, this research provides a foundation to develop more effective regulations and policies to support Islamic investment as a driver of economic development.

1. Introduction

Investment is one of the main pillars in economic activity that plays a vital role in efforts to enhance economic development in Indonesia. According to Muttaqin & Ayuningtyas (2022) investment not only impacts the individual or corporate level but also has a very significant effect in driving Indonesia's overall economic development. Investment functions as a catalyst that drives the economy, creates jobs, and increases national productivity. An increasingly diverse investment landscape, islamic investment has an important role in Islamic majority countries such as Indonesia. Yuannisa et al (2023) argued the development of islamic stock investment affects national economic growth is characterised by the effect of stock investment transactions on macroeconomic indicators, including the level of economic growth measured by Gross Domestic Product (GDP).

Growth of the Islamic capital market industry in Indonesia shows a very positive and impressive trend. Syihabudin & Najmudin (2022) reported that growth in Islamic capital market indsutry has number of investors in the Indonesian islamic capital market. In the five-year period from 2017 to 2022, the number of investors in this sector experienced a surge of 367 percent. This dramatic increase reflects the growing awareness and interest of the public in investment instruments that comply with sharia principles, and shows the great potential of the Islamic capital market as a viable and attractive investment alternative. In line with the growth in the number of investors, data from the Indonesia

Stock Exchange (IDX) mentioned by Hanum (2022) provides a more comprehensive picture of the development of the Islamic capital market in Indonesia.

The Jakarta Composite Index (JCI), which is one of the main indicators of capital market performance, shows a consistent positive trend. On December 28, 2022, the JCI reached the level of 6850,52 indicating an increase of 4.09 percent from its position at the beginning of the year, precisely on December 30, 2021. More impressively, the JCI managed to record its highest level on September 13, 2022, around 7318,016. This achievement not only illustrates the positive performance of the Islamic capital market but also reflects investor confidence in Indonesia's economic fundamentals and the long-term potential of Islamic investment. Seeing the trend of increasing Islamic capital market in Indonesia shows that there is high interest from the public to invest in financial products that comply with sharia principles. However, the decision to invest in Islamic stocks is not simple and is influenced by various factors such as financial literacy, risk tolerance, and risk management capabilities (Afriany & Hakim, 2021). This becomes a challenge for Islamic capital market players to understand and manage these factors so that they can convince the public to choose Islamic investments.

This research is based on a number of previous studies that examine the factors affected Islamic investment decisions. The relevance of this research can be seen from various perspectives expressed in previous studies. Triana & Yudiantoro (2022) conducted research focusing on investment decisions among students in the context of the Islamic capital market. They found that financial literacy and investment knowledge have a significant influence on student investment decisions. However, interestingly, the motivation factor did not show a significant effect. This finding underlines the importance of financial education in shaping investment decisions among the younger generation. Saputri & Nurwahidin (2021) provides interesting insights into the investment behavior of the millennial generation. This research reveals that the return factor is the main determinant in the investment decisions of this generation. On the other hand, sharia attributes and gender did not show a significant influence. This raises interesting questions about how sharia values are perceived and integrated into investment decisions by the millennial generation.

Rahman et al (2023) stated factors underlying MSME customers in choosing financing products such as Islamic investments in Islamic financial institutions include cultural, social, personal, and psychological factors. Yulfika & Dahruji (2023) argued knowledge affects interest in investing in the Islamic capital market among students of the Islamic Faculty of Trunojoyo University, Madura. Furthermore, knowledge also influences technological progress as a mediating variable in interest in investing in the Islamic capital market among students These findings emphasize that Islamic investment is not only about financial gain but also involves broader moral and social considerations. While these studies provide valuable knowledge, there is a significant research gap. Objectively, there is no research that systematically classifies Islamic investment decision factors. This gap provides a strong basis for further research, underscoring the need to systematically classify these factors.

The classification will serve as a reference for future research and help position this study in the context of similar research. This research has a clear differentiation compared to previous studies. The focus of this research classifies research on Islamic investment decision factors, a study that has never been discussed or researched in general by other researchers. Its main objective is to identify and categorize the factors that influence Islamic investment decisions during the period 2012 to 2023. To achieve this goal, the research adopts a rigorous methodological approach, combining bibliometric analysis using VOSviewer software with a study of literature review. This approach allows not only the identification of key factors but also the visualization of relationships between factors and the evolution of research trends during the specified period. Thus, this research is expected to make a significant contribution to our understanding of the dynamics of Islamic investment decisions. The results can be a valuable foundation for future research, help practitioners in designing more effective investment strategies, and provide insights to policymakers in developing regulations that support sustainable growth of Islamic investment.

2. Method

This research applies a bibliometric approach, which is a comprehensive approach that aims to deeply explore and systematically categorise the corpus of scientific literature that has been published in the domain of Islamic investment decision factors. As a quantitative analysis technique bibliometric analysis and qualitative methods through literature study by integrating two main approaches: evaluative and descriptive through the results of previous research. The evaluation approach is used

to assess the impact and significance of certain publications in this field, while the descriptive approach serves to describe the structural characteristics and temporal evolution of the body of literature under review. Through the application of this method, the researcher is able to uncover and visualise the complex patterns that emerge in the research landscape of Islamic investment decision factors (Yulfika & Dahruji, 2023).

The data coverage in this study is only on the publication of scientific articles directly related to the object of research. To support the data analysis process, this research uses several modern analytical tools: VOSviewer was used for visualisation and analysis of bibliometric networks. Mendeley Desktop served as a reference manager and literature organisation tool. Publish or Perish 8 was used to search and collect publication metrics data. The use of these analytical tools, as described by Al-Faruq & Putra (2024) allowed for a deeper and more comprehensive analysis of the data collected. By applying this rigorous methodology, this research aims to provide an in-depth and reliable analysis of the topic under study, as well as ensuring transparency and replicability in every stage of the research process. The bibliometric research process consists of several structured and comprehensive stages, starting with a literature search and ending with a visualisation analysis. The initial search using Crossref on Publish or Perish 7 with the keywords 'Islamic investment factors' (2012-2023), resulted in 829 articles and were downloaded in RIS and PDF formats. Data organisation in Mendeley Desktop by publication year, author and publisher. Data analysis used VOSviewer to generate bibliographic network visualisations and identify research trends.

3. Results and Discussion

Figure 1 shows the result of research map visualization and before interpretation there are several things to consider, first the VOSviewer interface presents visualisations of publication data through informative diagrams and graphs. In addition, VOSviewer's visual output consists of several key elements: nodes representing publications, connecting lines depicting citation relationships, and colour variations indicating specific categories or themes.
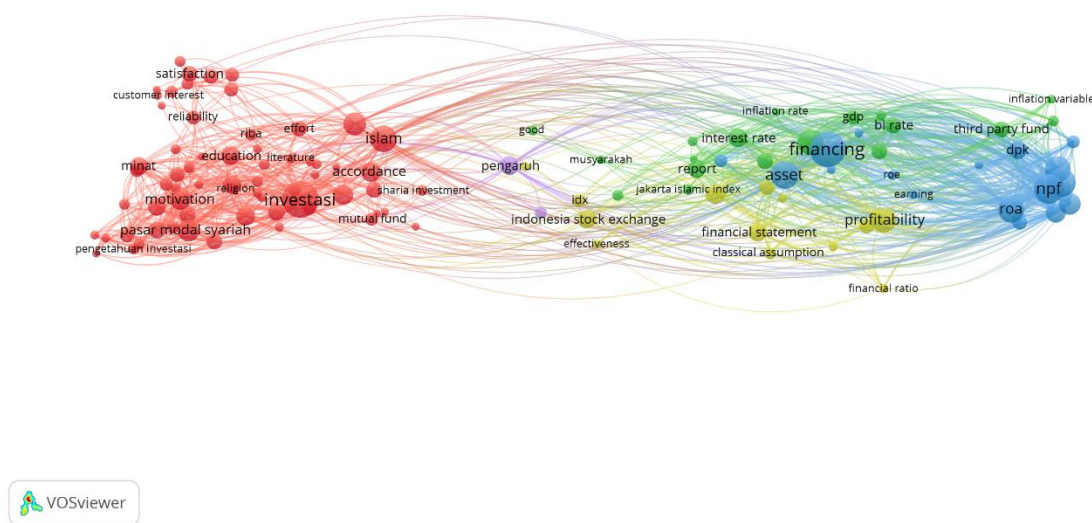

Figure 1. The results of Mapping Sharia Invesment Decision with the Network Visualization

The findings in this study indicate that there are main topics in depicted with different node colours related to the mapping generated by Vosviewer based on the collected literature as follows: a). Islamic investment (red node), investment is one of the driving factors of the Indonesian economy. The figure above shows that investment has a large node followed by the topic of Islam, so it can be concluded that research on Islamic investment has a variety of factors that influence it. As well as the topic of religiosity has a significant positive effect on investment decisions (Fitriyani & Anwar, 2022). Student investment interest is significantly and directly impacted by motivation. The findings suggest a positive correlation: as motivation levels increase, there is a corresponding rise in the interest to invest (Adiningtyas & Hakim, 2022); b). Financing (blue node), the topic of finance in the figure above shows various indicators of financial factors that influence a person in investing. Financial efficacy is very influential on decisions made in student financial management. Students with high financial efficacy will provide an increase in understanding and interest in investment, indicated by students'

curiosity in learning every thing related to investment (Putra & Manunggal, 2023), Sharia financial literacy also has no effect on financial planning but Sharia financial literacy has a significant effect on investment decisions (Adiba, 2021); c). Profitability (yellow node), keywords such as 'profitability', 'performance', and 'return' indicate that the performance and profitability of Islamic investments are also an important focus in making one's decision to invest. This reflects the need to compare and evaluate the effectiveness of Islamic investments compared to conventional alternatives. In choosing to invest one needs to know the profitability where there are financial risks, operational risks and strategic risks that affect investment decisions (Suyanto, 2019), and: d). Inflation (green node), Economic growth in Indonesia is positively influenced by both investment and inflation. In the Islamic context, investment is geared towards enhancing the overall societal welfare. Its objectives include elevating the general standard of living and working to decrease poverty levels across the population (Sari et al., 2024). Indonesia in the face of inflation certainly has various risks such as a decrease in incoming foreign investors, this is because what significantly affects foreign investment in Indonesia is inflation and labour (Tambunan, 2017).

A total of 829 articles indexed by Corassef can be grouped into 5 clusters that can be identified based on the colour of the node for each keyword. Cluster 1, denoted in red, includes terms related to Islamic investment decision factors that have been researched, namely access, accordance, attitude, awarness, batam, investing, capital market, choice, convenience, costumer decision, custumer interest, demograhic factor, dominant factor, education, effort, employee performance, price, impotance, investment, investing, investment fund, investment instrument, investment interset, investment knowladge, investment manager, investment motivation, islam, islamic capital market, islamic economic, islamic financial literacy, islamic mutual fund, literature, student, maysir, method, millennial, interest, motivation, muslim, mutual fund, capital market, Islamic capital market, influence of knowledge, influence of investment knowledge, knowledge, investment knowledge, perception, psychological factor, reliability, religion, usury, risk perception, sharia stock, satisfaction, service quality, sharia investment, sharia principle, social science, student interest, subject norm, investment interest, trust, understanding. Cluster 2 is depicted in green, namely bi rate, exchange rate, gdp, good, gross domestic product, important role, inflation, inflation rate, inflation variable, interest rate, investment return, jakarta islamic index, macroeconomic factors, musyarakah, report, third party funds, tpf. Cluster 3 is depicted in blue, namely assets, Islamic commercial banks, bpr, capital adequace ratio, third party funds, deposit ratio, dpk, earnings, equity, equity ratio, fdr, financing, financing deposit ratio, npf, profitability, roa, roe. Cluster 4 is depicted in yellow, namely classical assumption, effevtiveness, empirical evidence, financial ratio, financial statement, idx, indonesia stock exchange, liquidity, local government, negative effect, normality test, profitability. Cluster 5 is depicted with purpel colour, namely influence and risk.
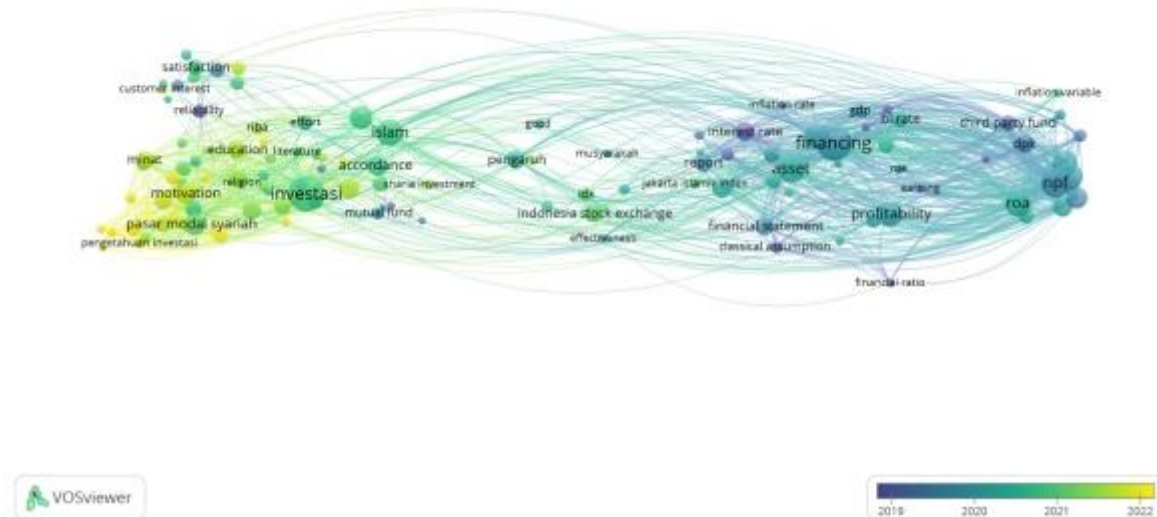

Figure 2. Overlay Visualization of Keywords

Figure 2 shows overlay visualisation analysis, the node colours represent the publication time of certain keywords. The keywords 'interest rate' and 'report' are shown in purple, indicating the publication of articles in 2019. Meanwhile, keywords with the example of 'financing' are visualised in blue, indicating publication in August 2019. Furthermore, as in the keyword 'asset' is displayed with a blue colour close to green, indicating the publication of articles in 2020 in January. In addition,

keywords such as 'investment' and 'Islam' indicate the publication of articles in mid-2020. In addition, there are keywords such as 'education', 'Islamic capital market', 'interest' and 'knowledge' have a green colour close to yellow, indicating the publication of articles in May 2021. And for example the keyword 'investment knowladge' has a yellow colour, indicating the publication of articles in 2022. The colour patterns in this overlay visualisation have specific meanings. Brighter colours indicate newer or cutting-edge topics, while darker colours indicate older or long-published topics. This overlay visualisation allows the reader to quickly identify temporal trends in the publication of certain topics, providing a clear visual picture of the evolution of the research focus within the analysed field. Based on the results obtained through the keyword 'Sharia Investment Decision' there are several recent themes namely 'investment motivation', 'student interest', 'investment interest' and others.
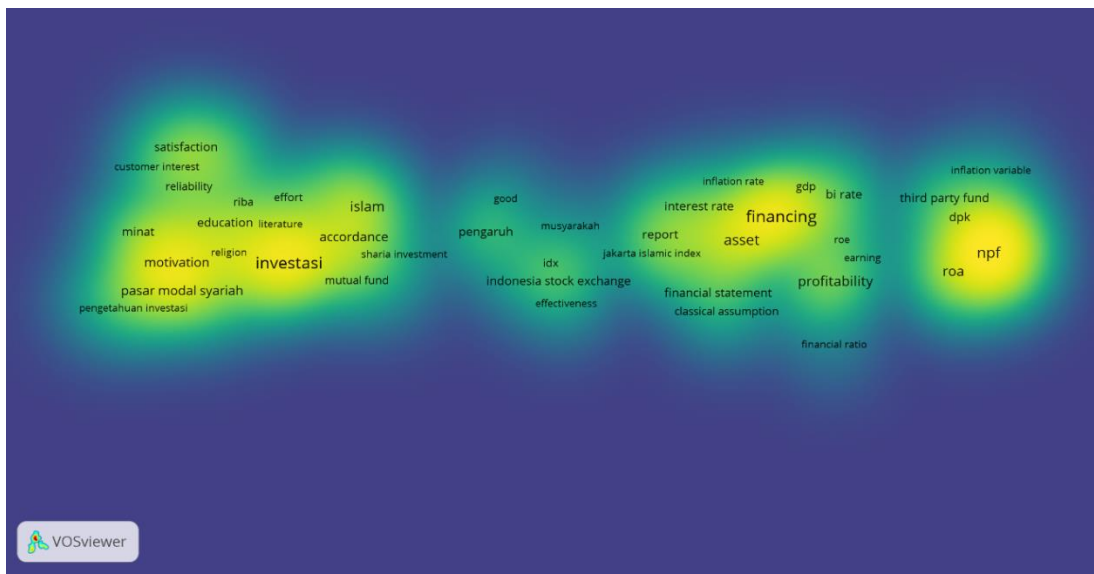

Figure 3. Density Visualization for Co-occurance of Keywords

Figure 3 shows the results of the visualisation indicating differences in density between nodes, with some areas showing higher density than others. The yellow colour of certain keywords indicates a high saturation level, indicating that these topics have been extensively researched and indexed in Crossref. Examples include keywords such as investment, motivation, and financing. On the other hand, dark-coloured nodes indicate topics that have not been widely explored, opening up opportunities for further research. Examples include the keywords socialisation and trust related to Islamic investment. This bibliometric analysis through density visualisation shows the low intensity of some topics. In particular, investment decision factors related to socialisation and trust still show a low level of research, indicating that there is still ample room for further exploration in this area.

Table 1 shows the publication period covered is from 2012 to 2023, indicating a span of 12 years with a total of 829 published articles. There is a significant increasing trend in the number of publications from year to year, with some fluctuations. The early years (2012-2015) showed a relatively low number of publications, ranging from 3-22 publications per year. Then the increase in publications began to be clearly visible from 2016 (32 publications) to 2019 (82 publications). There was a drastic decline in 2020 with only 11 publications, possibly influenced by the COVID-19 pandemic. Then there was 2021 with 155 publications (19%), 2022: 214 publications (26%) and 2023: 181 publications (22%). The last three years (2021-2023) accounted for 67% of the total publications over the 12-year period. Through the use of VOSviewer software, the authors conducted an in-depth analysis of 116 keyword items extracted from the research database. This analysis resulted in a conceptual map that visually depicts the interconnections and relationships between keywords used in the database search. This keyword network visualization reveals the complex and multidimensional structure of the research field being studied. Further analysis of this conceptual map yielded significant findings: there are 5 main clusters that emerge from the data. Each of these clusters represents a group of keywords that are closely related to each other, indicating specific sub-themes or focus areas within the broader research scope.

This mapping not only provides an overview of the dominant main topics in the research but also reveals the relationships and connections between various aspects of this field of study. The details of

these 5 clusters provide valuable insights into the structure and dynamics of research in the field being studied. Each cluster may represent a particular theoretical approach, research methodology, or specific application area relevant to the main topic. This mapping not only functions as a visualization tool but also as a foundation for further analysis. It enables researchers to identify emerging research trends, gaps in existing literature, and potential areas for further exploration in future research. Thus, the results of this keyword analysis make a significant contribution to comprehensively understanding the research landscape, helping to identify potential research directions, and highlighting complex relationships between various aspects in this field of study.

Table 1. Article Publication Based on Islamic Invesment

Year	Publication per-year	Percentage
2012	6	1%
2013	10	1%
2014	14	2%
2015	22	3%
2016	32	4%
2017	50	6%
2018	52	6%
2019	82	10%
2020	11	1%
2021	155	19%
2022	214	26%
2023	181	22%
Total	829	100%

Source: Author's Mapping

The visualisation results show that the keyword 'investment' is the most frequently used, due to its position as the main theme in the discussion. The keyword 'sharia' also occupies the top position in frequency of use. This indicates that sharia-based investment has attracted widespread interest and become a popular research subject among academics. Then the keyword 'Financing' also emerged as a widely used keyword. The popularity of this keyword among researchers indicates that this topic is still a desirable and relevant area of research. The novelty of this research lies in its distinction from previous studies, particularly in terms of the time period examined. Furthermore, the use of bibliometric analysis with the aid of VOSviewer serves as a significant differentiating feature. This method is similar to Hadi & Pratono (2024) where bibliometric analysis was utilized in their research. However, this article further refines the methodological approach, resulting in a more comprehensive and detailed discussion. The analysis encompasses network visualization, which aims to illustrate the strength of relationships between research terms; overlay visualization, which can reveal historical traces based on the year of research publication; and density visualization, which displays the intensity or emphasis of specific research clusters. Through this approach, the research not only successfully identifies research trends but also uncovers various challenges in Islamic investment decision factors.

4. Conclusion

In this study there is a classification of Islamic investment decision factors which no one has examined before. In looking at the research trend, the study found that there is a relationship between factors and there are still factors that are rarely studied. There are the most researched factors, namely investment knowledge, islamic, religion, education, accordance, motivation, Islamic capital market, assets, financing, non-performing financing (NPF), return on asset (ROA). In addition, there are factors that are still rarely researched related to decisions in Islamic investing including Islamic financial literacy, literature review, effort has a small node but is very close to investment decisions. The implications of this research can help practitioners to design more effective investment strategies, and provide insight to future researchers in finding research novelty. In addition, for policy makers, this research provides a basis for developing more effective regulations and policies to support Islamic investment as a driver of economic development. Therefore, due to the limited number of samples generated by the researcher, it is recommended to expand the sample by searching the literature on Scopus and different analytical tools in order to obtain better research.

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Declarations

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