



Factors Influencing the Adoption of Islamic Banking Products: A Review of Literature

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Abstract. The aim of this paper is to review empirical studies that examined the factors influencing the adoption of Islamic banking products and services with a view to making suggestions to the stakeholders in the Islamic finance services industry (IFSI) in Nigeria. The paper employed the literature review methodology to synthesize research findings in the study area. Most of the studies reviewed showed that Attitude, subjective norms and perceived behavioral control positively and significantly influence the use of Islamic banking products. Others influencing factors include knowledge, awareness, compatibility, religiosity and perceived government support. The paper recommended that Islamic banks in Nigeria should develop robust marketing strategies that will boost the beliefs and attitudes of consumers of banking services, at the same time decreasing their perceived risks. In addition, they should increase customers' awareness through effective communication, as well as develop low cost Islamic financial products that will improve competitiveness.

Keywords: Islamic banking · Islamic financial products · Financial inclusion · Behavioral theories of finance

1 Introduction

The role of Islamic finance in the promotion of financial inclusion and poverty alleviation had been documented in earlier studies. Founded based on the prohibition of *Ribah* (interest) and the avoidance of *gharar* (ambiguity), Islamic finance enhances access to financial services and promotes poverty alleviation using risk-sharing *Shariah*-compliant financial products and services, and the redistributive elements of Islamic finance - *Zakat*¹, *Sadaqah*² and *Qard al-Hasan*³. Through these products and services, Islamic finance expands the choice and availability of financial products to current consumers, while bringing into the formal financial system, individuals and small scale enterprises that had hitherto been excluded from conventional financial institutions based

¹ Compulsory alms given once in a year by the wealthy to a select category of people and courses.

² Voluntary social spending.

³ Benevolent or interest-free loan.

on religious and ethical reasons (Abdu et al. 2018; Mohieldin et al. 2012). The main channels through which Islamic finance operates are usually Islamic banks and Islamic microfinance banks.

According to Schoon (2008), the first financial institution that was established based on Shariah in recent times was the Mit Ghamr Savings Project in Egypt in 1963. It was a financing project based on the Cooperative model, where members could save and also access small loans. A major landmark, however, was achieved in 1975, when the Islamic Development Bank (IDB) was established as a multilateral development institution aimed at mobilizing funds among member countries for investments in projects. Between the early 1970s and 1980s, a number of Islamic banks emerged, while many conventional banks established Islamic windows. In addition, some conventional banks fully transformed to Islamic banks (Alharbi 2015). Other standard setting and regulatory institutions were established to catch up with the rapid growth in the Islamic finance industry. The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) was established in 1991. It oversees issuing accounting, auditing and Shariah standards. In 2001, the International Islamic Financial Market was established, followed by the Islamic Financial Services Board (IFSB) in 2002. Their mandates are to develop guidelines for the issuance of Islamic financial instruments and encourage active secondary market trading, and the issuance of supervisory and regulatory standards, respectively (Hussain et al. 2015; Al Azemi et al. 2020; Alsuwaigh et al. 2020; Mohammed Nasar et al. 2020).

The establishment of these standard setting and regulatory bodies have contributed immensely to the rapid and stable growth of institutions providing Islamic financial services across the world. As such, by the end of 2019, the combined total worth of the three broad segments of Islamic financial services industry (IFSI) - comprising banking, capital market & takafful - stood at US\$2.44 trillion. This gives a year-on-year increase of 11.4% compared with the US\$2.19 trillion total worth in 2018. Additionally, Islamic banking is the largest among the three, and its share stood at 72.4%, capital market at 26.5% and takafful stood at 1.1% (Islamic Financial Services Board 2020).

Efforts at establishing non-interest (Islamic) financial institutions (NIFIs) in Nigeria dated back to the 1990s when two licenses were issued in 1992 under the Bank and Other Financial Institutions Act (BOFIA) 24 & 25 of 1991. But it was until 1999 when the then Habib Nigeria Bank Limited opened a non-interest banking window. However, a major break-through was made in June 2011, when the Central Bank of Nigeria (CBN), issued the Framework for the Regulation and Supervision of institutions offering non-interest financial services (Central Bank of Nigeria 2011). Under the Framework, licensing requirements, financial modes and instruments and issues relating to corporate governance were spelt out. Other aspects of the Framework were prudential requirements, risk management, among others. As a result, the first full-fledged non-interest (Islamic) bank - Jaiz Bank - commenced operations in January 2012 as a regional bank, with three branches in Abuja, Kaduna and Kano. In 2016, the Bank upgraded to a national bank, allowing it to operate in all the 36 states in Nigeria. In addition, another bank - Taj Bank - was licensed in July 2019 by the CBN to commence the operations as a full-fledged Islamic bank. There are also two conventional banks - Sterling and SunTrust - offering non-interest banking products and services through non-interest banking windows.

Furthermore, in 2017, the CBN released the Guidelines on the Regulation and Supervision of Non-interest (Islamic) Microfinance Banks (NIMFBs) (Central Bank of Nigeria 2017). This, with the aim of enhancing financial inclusion by bringing into the formal financial sector, individuals, communities and corporations that may not be captured by conventional microfinance banks (MFBs). The target clients of these banks are the poor and low-income, unbanked, and the under-served, as well as other microenterprises. Currently, there are three Islamic Microfinance Banks in Nigeria. These are Tijarah MFB, I-Care MFB and Halal Credit Microfinance Bank.

One of the major reasons for the introduction of Islamic banking in Nigeria was to promote financial inclusion. Given that more than 50% of the Nigerian population is Muslim, it was felt that this will help increase access to formal financial services, especially among those excluded from interest based financial services due to religious reasons (Kama and Adigun 2013). In spite of their presence, however, the role of Islamic banking in the Nigerian banking sector had so far been marginal, perhaps due to low usage. For instance, at the end of second quarter 2018, the non-interest (Islamic) banking total domestic assets stood at a mere 0.3% of the banking sector, same as the second quarter, 2017 (Islamic Financial Services Board 2019). This grossly limits the ability of Islamic financial institutions in meeting their objectives of financial inclusion and poverty reduction. Previous studies had shown similar under-utilization of Islamic finance. For instance, Demirguc-Kunt et al. (2013) found evidence of strong hypothetical preference for Sharia-compliant products in Muslim countries, but very little use of them. The study found significant variations in awareness and usage of Sharia-compliant banking products across the region. Also, Albashir et al. (2018) reported that though Libya has already implemented Islamic banking, the adoption of its products is not widely accepted in the country.

Consequently, several studies were carried out in order to determine the factors influencing the adoption and use of Islamic financial products. This is to help develop appropriate policies and products to encourage usage. The objective of this conceptual paper is, therefore, to review theoretical and empirical literature in order to synthesize the factors influencing the adoption of Islamic banking products and services. This is to ascertain the drivers of usage of these products and services in order to make recommendations to major stakeholders in Nigerian financial space. These include policymakers, regulators, practitioners, international development partners and non-governmental organizations. The paper utilized the literature review methodology to synthesize research findings in the area.

The paper is organized as follows. Section 2 reviews the concept of Islamic finance and Islamic financial products. Section 3 describes the behavioral theories used in studying the behaviors of consumers of financial services. Section 4 reviews empirical studies on the factors influencing the adoption of Islamic financial products and services. Finally, Sect. 5 concludes the paper and provides policy recommendations.

2 Concept of Islamic Finance and Islamic Financial Products

Islamic finance is founded based on the prohibition of *Riba* (interest) (Rahim Abdul Rahman 2010); the avoidance of *gharar* (ambiguity) (Nabi et al. 2017); and the promotion

of partnership, trade and lease-based financing structures that ends in changing ownership of physical assets (Rhule 2016). Islamic finance, therefore, provides an alternative to conventional finance, in line with Islamic principles and teachings (Echchabi and Azouzi 2015). As a result, Islamic banks and other financial institutions are not allowed to finance projects and other services that go contrary to the principles of Islamic jurisprudence. These include financing the activities of breweries, nightclubs, casinos, dealing in arms or drugs, or any other activity that is prohibited by Islam (Souiden and Rani 2015).

Islamic financial institutions, therefore, play an intermediation role through bridging existing gaps between the surplus and deficit sides in a financial transaction *Shariah*-compliant products (MIFC 2014). Contrary to the conventional banks that provide loans based on interest, Islamic banks facilitates the transaction by acting as a trader, thereby participating fully in the transaction (Tahir 2007). This is facilitated by their risk-sharing contracts, which include *Murabaha*, *Musharaka*, and *Mudaraba* contracts. Others are *Ijara*, *Salam*, and *Istisnah*. These are complimented by the instruments of wealth redistribution – *Zakah*, *Sadaqah*, *Qard-al-Hasan* and *Waqf* (Mohieldin et al. 2012). In addition, Abdu et al. (2018) established that households in countries with Islamic services are more likely to be financially included in OIC countries compared to those without Islamic financial services.

Islamic banks are complimented by Islamic microfinance banks that provide financial services to the low income based on Islamic *Shariah* (Nabi et al. 2017; Rhule 2016). They provide financing to those that could not access mainstream financial services to help them startup a new business, or maintain their existing business (Hassan 2015). Islamic microfinance banks therefore combine the advantages of conventional microfinance in reaching the poor and underprivileged, and that of Islamic finance which potentially combines Islamic social finance, known for caring for the poor, and that of microfinance, which provides financial access to the marginalized segments of the society (Hersi 2018). Consequently, in addition to boosting financial inclusion, they also provide social inclusion through the twin tools of lending and *Zakah* (Ali 2015; Hassan 2015). Below are some of the Islamic financial products and their applications.

2.1 Exchange-Based and Partnership-Based Contracts

- (i) **Murabaha (mark-up sale):** This is an exchange-based sales contract between two parties that is based on trust. According to ISRA (2016), the contract could be either cash on spot or based on deferred (future) payment. In this contract, the seller must the cost price as well as the mark-up (profit) to the buyer. There are two main types of Murabaha contracts – ordinary Murabaha and Murabaha purchase order, which is used by Islamic financial institutions for trade financing. The bank purchases goods ordered by the customer; the customer pays the original price plus a profit margin agreed upon by the two parties. Repayment could be by instalments within a specified period.
- (ii) **Salam (forward sale):** This is a contract involving two parties that requires making an advance payment for the manufacture and future delivery of a commodity at an agreed future date, while the payment is made fully in advance. For the contract to be valid, three conditions must be made. The price must be agreed and paid fully; the type, quantity, and quality of the commodity must be agreed upon; and the exact

date and place of delivery must be agreed (ISRA 2016). Salam contract is often used by IFIs in microfinancing seasonal agricultural production to small-holder farmers in need of capital.

- (iii) **Musharaka:** Product based on equity participation between the manager and investor. Profits are shared according to a pre-agreed ratio, while losses are shared according to equity contributions.
- (iv) **Mudarabah:** A partnership where one party contributes the capital (*Rab-al-Maal*) and the other manages the business (*Mudharib*). Profit is shared according to a pre-agreed ratio.
- (v) **Wakalah:** An authorization to the bank to conduct some business on the customer's behalf.
- (vi) **Bai' Mu'ajjal:** Purchase with deferred delivery: A sales contract where the price is paid in advance by the bank and the goods are delivered later by the customer to a designee.

2.2 Income Redistributive Products

- ii. **Qard Hasan:** This (literally meaning a 'beautiful loan') is a loan granted to the needy without the creditor's expectation of a return. It is a tool of financial inclusion in Islam by availing non-interest credit to the needy, and the creditor is expected to return only the principal. The procedure for granting the loan is usually informal, without collateral, except the debtor's social capital. The only return the creditor expects is from Allah (SWT) (Mohieldin et al. 2012).
- ii. **Zakat:** Zakat is a religious obligation the wealthy pays to a specified group of people, mostly the weaker segment of the society, and for public welfare and socio-political protection. It aids poverty alleviation and promotes economic welfare (Shaikh et al. 2018).
- iii. **Sadaqah:** This is a voluntary gift to aid the less privileged in the society. It could be one-off or in the form of a fund that could cater for a specific societal need.

3 Behavioral Theories of Finance

Several studies were conducted to identify the factors influencing the behavior of consumers of financial services offered by conventional, Islamic and Islamic microfinance banks. Most of the recent studies employed the Theory of Planned Behavior (TPB), the Technology Acceptance Model (TAM) and the Decomposed Theory of Planned Behavior (DTPB) as the underlying theory of study. The postulation of these behavioral theories is that subjects, in our case consumers of financial services act on mental experience accumulated over time. As such, 'they develop a certain behavioral belief and pattern which leads to a final decision in terms of consumer behavior' (Ucar 2020). These theories are therefore employed to study factor influencing behavioral belief. These include attitude, subjective norms and perceived behavioral control. The underlying assumptions of these theories This section briefly reviewed these theories and their underlying assumptions.

3.1 The Theory of Planned Behavior

The Theory of Planned Behavior (TPB) was designed as a major framework to predict, explain and change human social behavior. The fundamental aspect of the theory is ‘the individual’s *intention* to perform a given behavior’ (Ajze 1991; 2012). The TPB is an extension of the Theory of Reasoned Action (TRA) developed by Ajzen and Fishbein (Madden et al. 1992). The TRA has three constructs in explaining behavior. These are: Attitude; Subjective Norms and Volitional Control. Though relevant in explaining behavior under willful control, the TRA has limitations in explaining human behavior that is not under willful control. To address this challenge, an additional construct – Perceived Behavioral Control – was developed to replace volitional control. This led to the development of the TPB. The theory posited that behavior is based on intention, which is the extent to which a person is ready to engage in a certain behavior, or the likelihood that he will engage in that particular behavior. Accordingly, in the TPB, *Intention* is the immediate antecedent of *Behavior*, and is influenced by *Attitudes*, *Subjective Norms* (SN) and *Perceived Behavioral Control* (PBC).

According to the theory, *Attitudes* are formed by a series of beliefs which results in value being placed on the outcome of the behavior (Ajzen 2012). As such, if the outcome is considered positive or desirable, a person’s attitude will be favorable, which will result in the person engaging in the behavior. Behavioral beliefs and outcomes, therefore, combine to produce a positive or negative attitude towards a behavior. SN on the other hand, influence intention through perceived social pressure to either engage in a certain behavior or not. It is determined by *normative belief*, which is the expectation to engage in a behavior as required by certain people we hold in high esteem, such as family member, community leaders, peers, and the like. According to Ajzen (2012), subjective norm ‘is determined by the total set of readily accessible normative beliefs concerning the expectations of important referents’. The last construct is PBC, which is how easy or difficult is it to perform a behavior from the person’s perspective. This is influenced mainly by a set of control beliefs which helps or hinders the ability to perform the behavior. Accordingly, resources and opportunities available to a person have a certain degree of control on the likelihood of behavioral achievement (Ajzen 1991). Furthermore, other internal and external factors play a role in facilitating or impairing the performance of a given behavior (Ajzen 2012).

The TPB is, therefore, about ‘linking beliefs and behavior’ (Albashir et al. 2018), and has become one of the most popular theories in predicting and explaining human social behavior since its development. According to (Ajzen 2011), the TPB has become one of the most frequently cited models, while empirical evidence had shown that it is capable of predicting behavior quite well.

3.2 Technology Acceptance Model

The Technology Acceptance Model (TAM) was also based on the TRA, that has been used to explain the intention of individuals to perform certain action or behavior (Ma and Liu 2004). The model posits that social behavior of an individual is influenced by attitude (Ajibade 2018; Surendran 2018). TAM proposed that the two fundamental determinants of technology usage by individuals and organizations are *perceived usefulness* (PU) and

perceived ease of use (PEOU) (Homaid 2019). Accordingly, the model ‘assumes that when a user perceive that a type of technology is useful and easy to use, they will be willing to use it’. As such, the model is suitable in predicting information system use by an individual (Ajibade 2018). Quoting Venkatesh and Davis (2000), Ma and Liu (2004) argued that the TAM is considered more parsimonious, predictive and robust compared with its competing models in explaining perceived intention to use new innovation.

In the TAM model, according to (Surendran 2018), there are two relevant factors (or constructs) that influence the use of technology. These are the *perceived usefulness* (PU) and *perceived ease of use* (PEOU) of the technology in question. PU is the subjective probability that the use of a specific technology will enhance the life of the user either personally or in his job performance. PEOU on the other hand, is the level at which the prospective users expect the system to be utilized ‘without much efforts’. These two factors, according to the theory, are influenced by external factors such as cultural, social and political. The two constructs (PU and PEOU), therefore, form the prospective user’s belief on the technology and predict whether he will use it (Ma and Liu 2004).

According to (Cheng et al. 2006), the users’ adoption of technology depends on their *behavioral intention to use*, which depends on their *attitude*. The attitude, on the other hand, is shaped by two set of beliefs: ‘perceived ease of use’ and ‘perceived usefulness’. Similar to the TPB, TAM is also widely used as a model for predicting the acceptance and use of information technology, as well as the adoption and use of internet due to its flexibility and adaptability (Cheng et al. 2006). Other researchers such as Venkatesh, Morris and Davis extended the model in 2003 using additional variables to come up with the Unified Theory of Acceptance and Use of Technology (Lai 2017).

3.3 The Decomposed Theory of Planned Behavior

In order to have a better understanding of the relationship between beliefs and intentions, several researchers, including Taylor and Todd (1995) advocated for the decomposition of the belief structures in TRA and TPB into multidimensional constructs. As such, refinements were made overtime to improve the accuracy of these, and other theories in predicting behavioral intention and behavior. In order to better understand these relationships, Taylor and Todd (1995) decomposed beliefs into multidimensional constructs. This, according to them, makes the relationships ‘clearer and more readily understood’, thereby pointing specifically to which factors influences behavior. In addition, it also provides a stable set of beliefs that could be applied to different settings, thus overcoming the operational challenges of the traditional intention models. This led to the development of the Decomposed Theory of Planned Behavior (DTPB). The authors concluded that, the TRA and TPB are universal models in studying a phenomenon, and will thus, be of more interest to theoreticians. The DTPB, on the other hand, provides more specific guidance in studies examining factors influencing intention or its determinants. This makes it more useful to applied researchers and practitioners.

Along this line, Taylor and Todd (1995) suggested that practitioners that wants to see the application of their results, would find the decomposed model providing a better direction. The DTPB, therefore, include a further breakdown of the three traditional factors in TPB: Attitudinal Belief (*Attitude*), Normative Belief Structure (*Subjective Norm*) and Control Belief Structure (*Perceived Behavioral Control*). It is described as a

combination of TPB and TAM. It employs the three dimensions of TPB, that is Attitude, SN and PBC, with an additional dimension to study behavioral intentions towards IT using multidimensional constructs (Aziz and Afaq 2018). Instead of the three traditional constructs, (Taylor and Todd 1995) came up with nine. These are:

- i. Attitudinal Beliefs decomposed in to: Relative advantage, Complexity and Compatibility;
- ii. Subjective Norm: Explained by Normative beliefs; and
- iii. Perceived Behavioral Control decomposed as: Efficacy and Facilitating conditions.

Consequently, the nine constructs were arrived at when the six addition constructs (based on the decomposition) are added to the three (as shown above). Furthermore, depending on the area of study, some authors use additional variables in their studies in their studies.

4 Factors Affecting the Adoption of Islamic Financial Products from Literature

Numerous studies were conducted to examine the factors influencing the use of Islamic banks or affecting the behavior of the consumers of financial services. Most of these studies were carried out in areas where Islamic financial institutions operate using one of the behavioral theories of finance. For instance, Echchabi and Azouzi (2015) examined the factors influencing the intention of Tunisian customers to adopt Islamic banking. Using the DTPB analyze data from 93 banking customers, results indicated that attitude and subjective norm were found to have a positive and significant influence on the intention to adopt Islamic banking. However, perceived behavioral control does not have influence on intention. Also, uncertainty, compatibility and awareness have a positive influence on attitude, and subjective norm was found to have a significant impact on attitude. Normative belief had a positive influence on subjective norm, with parents, siblings, peers and colleagues as the main referent groups. In addition, self-efficacy had a positive and significant influence on perceived behavioral control. However, complexity and relative advantage does not have influence on customers' attitude to adopt Islamic banking. Facilitating conditions were also not found to have impact on perceived behavioral control.

Using a DTPB with ten constructs, as a research framework, Maulana et al. (2018) examined the factors affecting Muslim customers' participation in *Baitul Maal wat Tamwil* (BMT), otherwise known as Islamic microfinance in Indonesia. The study used self-administered questionnaires to collect data from 434 Islamic microfinance respondents in East Java region. Results showed a positive and significant influence between PBC and participating in Islamic microfinance. However, the relationship between Attitude and participation in Islamic microfinance, as well as that of subjective norms and participation in Islamic microfinance were found to be insignificant. Thus, out of the three main constructs of the DTPB, only one was found significant. Results further revealed that Islamic microfinance clients believe that the microfinance services on offer were affordable, efficient, while their staff were competent.

Albashir et al. (2018) employed a DTPB to identify the factors affecting acceptance of Islamic banking and its usage by customers in Libya. Though Libya has already implemented Islamic banking, the adoption of its products is not widely accepted in the country. Employing SEM to analyze data from a sample of 293 banking customers using self-administered questionnaires, the study found that subjective norms and perceived behavioral control significantly influence intention to use Islamic banking. Customer attitude and perceived risk, were, however, insignificant in influencing the intention to accept and use Islamic banking. The study recommended that Islamic banks should develop effective marketing strategy that boost the assurances and beliefs of their customers, and well as decrease their perceived risk, in order to encourage the usage of Islamic banking by potential customers.

Mohamed and Kassim (2018) examined the determinants of the adoption of e-payment, and the e-payment usage behaviour among microfinance clients. The study extended the Unified Theory of Acceptance and Use of Technology (UTAUT) by adding two independent variables – technology awareness and financial cost – to the other four traditional constructs – performance expectancy, effort expectancy, social influence and facilitating conditions. The use of e-payment channels helps clients to access financial services from wherever they might be. The study found that microfinance clients use different forms of e-payment channels, despite their low level of education (most have primary and secondary school education). However, only a few clients were found to be using mobile banking, and none uses internet banking. The study also found that, among the latent constructs, social influence has no significant relationship with the adoption of e-payment among the microfinance clients, while the remaining constructs were found to have significant, but possessed weak and moderate level significance in influence the use of e-payment among the sample. This was attributed to inadequate sample size, as previous studies using the same constructs, but with larger samples were found to be strongly correlated, according to the authors.

Aziz and Afaq (2018) investigated factors affecting individual's intention to adopt Islamic banking in Pakistan. Using a DTPB, the study incorporated 'antecedents of attitude, subjective norm and perceived behavioral control' to develop a comprehensive model for the adoption of Islamic banking. This is aimed at enhancing the understanding of the factors influencing customers' intention to adopt Islamic banking. The model theorized that intention is influenced by attitude, subjective norms and perceived behavioral control. Using SEM to analyze data from a sample of 186 bank customers, the study found attitude positively influences intention to use Islamic banking. The study also revealed that attitude is determined by awareness of Islamic banking, uncertainty in the use of the products, relative advantage of the Islamic banking system and its compatibility. Subjective norm was found to also positively influence intention to use Islamic banking, while it was influenced by normative beliefs. Perceived behavioral control was found to be influenced by self-efficacy and resource facilitating conditions, however, it does not influence intention to use Islamic banking. The study recommended that marketing managers of Islamic banks should try to develop a positive attitude of their customers by creating awareness and benefits of Islamic banking services. The study suggested positive word of mouth could be harnessed from existing customers through the provision of enhanced service delivery.

Analyzing the impact of religiosity on attitudes towards Islamic banks, Zaid (2019) analyzed data from 113 individuals from a survey in Pakistan. The study analyzed the moderating role of public trust towards Islamic financial institutions in Pakistan. Decomposing religiosity into belief, practice, knowledge, experience and consequence, the study found that religiosity has a positive impact on attitudes towards Islamic banks. As such, the more religious a person is, the more he or she is inclined towards Islamic banks. Also, the study found that trust in Islamic financial institutions influences the attitude of customers towards them.

Banunaku et al. (2020) examined the mediating effect of attitude in the relationship between subjective norm, religiosity and intention to adopt Islamic banking in Uganda. The study used a 5-Likert scale to measure data collected from 258 managers of micro-businesses in the country. The study found that attitude significantly mediates the relationship between subjective norm and intention to adopt Islamic banking. In addition, attitude significantly mediates the relationship between religiosity and intention to adopt Islamic banking. The study concluded that a positive change in religiosity leads to a positive influence on intention to adopt Islamic banking.

Ucar (2020) used the TPB to examine intention towards the use interest-free financing models in Turkey. The study decomposed the three variables of the TPB to include other factors affecting the adoption on Islamic banking. These include fairness in the financial system, cost advantage, and avoidance of interest. The study analyzed data collected from 235 respondents using a questionnaire with a 5-Likert scale. Results indicated that Attitude has a positive and significant influence on consumer behavior towards interest-free financing. However, subjective norm and perceived behavioral control do not provide consistent results, indicating that they do not influence customer's intention to adopt non-interest financing. Further analysis showed that though some of the respondents would like to avoid interest financing, they were not convinced that the products were in line with Islamic principles. But majority of the respondents reported that they were prepared to use interest-free financial products even if they were costlier than conventional ones. While acquaintances and relatives (under subjective norm) have no influence on customers' intention, the need to avoid interest does.

Similar studies were carried in Nigeria. The study of Muhammad et al. (2016) examined the applicability and acceptance of an Islamic micro-investment model (IMIM) among users of in Kano State, Nigeria. The model was developed based on genuine partnership using the TRA. This was to over-come the challenges of conventional micro-finance that is based on interest, as well as challenges facing Islamic microfinance themselves, which include cost of capital, human resource, and poverty alleviation, through the integration of Waqaf. Using SEM to analyze data from 500 respondents, the study found that attitude directly and positively influences behavioral intention to use Islamic micro investment instrument. However, a direct relationship between Subjective norm and Behavioral intention was found to be insignificant. But an indirect relationship was found between SN and Behavioral Intention, through Attitude. Also, Behavioral intention was found to influence Attitude towards the use of Islamic micro investment instrument. The results, according to the authors, showed that Attitude is the most important predictor of intention to use IMI instrument. They thus suggested that intervention policy should focus more on Attitude in order to ensure the use of the instruments.

Zauro (2017) employed the TPB as the underlying theory to examine the determinants of intention to accept Islamic financial products (IFPs) among Muslims in Nigeria. Financial inclusion was used as a moderating factor in the study. The study collected data from 357 respondents using a close-ended questionnaire. Overall results showed that there was high intention to accept IFPs. Attitude towards IFPs and perceived behavioral control showed a significant and positive influence on intention to accept IFPs, while subjective norm had no influence on intention. Furthermore, results showed that knowledge of IFPs, perceived government support, religious obligation and ethnicity possessed a direct and positive influence on intention, while perceived benefits and service quality showed no influence on intention. In terms of the moderating effects of financial inclusion, the study found that financial inclusion can moderate the relationship between attitude towards IFPs, subjective norm and intention. The study thus, recommended that government and other development partners should strengthen microfinance institutions, institutionalize low cost IFPs in order to reduce the rate of financial exclusion in the country. Government emphasis, according to the study should focus more on the Northern region that has the highest exclusion rate in terms of access to financial services.

Examining the moderating influence of religion, Ajetonmobi et al. (2018) used the decomposed TPB to study the adoption of Islamic home financing in Nigeria. Given the religious diversity in the country, and the resistance of some non-Muslims on the introduction of Islamic banking in Nigeria, the study set-out to determine the effect of religion on attitude, subjective norm and perceived behavioral control on the intention to adopt Islamic home financing. Using SEM, the study analyzed data collected from a sample of 518 prospective home buyers among Muslims and non-Muslims. Results showed that religion moderates the relationship between attitude, subjective norm and perceived behavioral control, on the one hand, and intention on the other. The study revealed that there is a significant difference between Muslims and non-Muslims on the intention to use Islamic home financing. In addition, attitude, subjective norm and perceived behavioral control were found to positively and significantly influence the intention to use Islamic home financing. However, an insignificant relationship was established between intention and the adoption of the product. The study recommended the need for more public awareness on Islamic finance in order to avoid misconception among non-Muslims.

Oladapo et al. (2019) employed the TRA to examine the mediating effect of positive attitude and SN on customers' behavioral intention to participate in Islamic banking in Nigeria. The study collected data from 273 respondents using self-administered questionnaires. Using SEM to analyze the data, the study found that awareness, knowledge and religion positively and significantly influences attitude towards participation in Islamic banking in Nigeria. In addition, attitude was found to have a positive and significant influence on behavioral intention to adopt Islamic banking. Results also indicated that attitude has a positive mediating effect in the relationship between awareness, knowledge, religion and the behavioral intention of consumers of Islamic banking products. Subjective norm was, however, found to have no significant influence on intention to adopt Islamic banking in Nigeria. The results recommended that Islamic banks should endeavor to create more awareness through effective communication with customers on

the benefits of Islamic banking, given the positive role of knowledge on attitudes. This will create a positive attitude, among the different segments of the society, which will in turn influence their intention to participate in Islamic banking. It further that the Islamic banking sector should promote inclusiveness and ensure ease of participation in order to carry along different segments of the society (Muslim and non-Muslim), which will bring about more positive impact on intentions (Table 1).

Table 1. Summary of studies reviewed

S/N	Studies	Author(s)/year	Finding(s)
1	Factors influencing the intention of Tunisian customers to adopt Islamic banking	Echchabi and Azouzi (2015)	Attitude and subjective norm have a positive and significant influence on intention to adopt Islamic banking Perceived behavioral control does not have influence on intention
2	Factors affecting Muslim customers' participation in Baitul Maal wat Tamwil (Islamic microfinance) in Indonesia	Maulana et al. (2018)	Perceived behavioral control positively influences participation in Islamic microfinance Attitude and Subjective norm have an insignificant influence on participation
3	Factors affecting acceptance of Islamic banking and its usage by customers in Libya	Albashir et al. (2018)	Subjective norms and perceived behavioral control significantly influence intention to use Islamic banking Customer attitude and perceived risk were insignificant in influencing the intention to accept and use Islamic banking
4	Determinants of the adoption of e-payment, and the e-payment usage behavior among microfinance clients	Mohamed and Kassim (2018)	Performance expectancy, effort expectancy, facilitating conditions, technology awareness and financial cost have a positive but weak influence on adoption Social influence has no significant influence on adoption
5	Factors affecting individual's intention to adopt Islamic banking in Pakistan	Aziz and Afaq (2018)	Attitude and subjective norm positively influence intention to use Islamic banking Perceived behavioral control does not influence intention
6	Impact of religiosity on attitudes towards Islamic banks in Pakistan	Zaid (2019)	Religiosity and trust in Islamic financial institutions influences the attitude of customers towards them

(continued)

Table 1. (continued)

S/N	Studies	Author(s)/year	Finding(s)
7	The mediating effect of attitude in the relationship between subjective norm, religiosity and intention to adopt Islamic banking in Uganda	Banunaku et al. (2020)	Attitude significantly mediates the relationship between subjective norm and intention to adopt Islamic banking Attitude significantly mediates the relationship between religiosity and intention to adopt Islamic banking
8	Intention towards the use interest-free financing models in Turkey	Ucar (2020)	Attitude has a positive and significant influence on consumer behavior towards interest-free financing Subjective norm and perceived behavioral control do not influence customer's intention
9	The applicability and acceptance of an Islamic micro-investment model (IMIM) among users of in Kano State, Nigeria	Muhammad et al. (2016)	Attitude directly and positively influences behavioral intention to use Islamic micro investment instrument Subjective norm and Behavioral intention were found to be insignificant in influencing behavior
10	The determinants of intention to accept Islamic financial products (IFPs) among Muslims in Nigeria	Zauro (2017)	Attitude towards IFPs and perceived behavioral control have a significant and positive influence on intention to accept IFPs Subjective norm had no influence on intention Knowledge of IFPs, perceived government support, religious obligation and ethnicity possessed a direct and positive influence on intention
11	The moderating influence of religion in the adoption of Islamic home financing in Nigeria	Ajetunmobi et al. (2018)	Religion moderates the relationship between attitude, subjective norm and perceived behavioral control in the adoption of Islamic home financing Attitude, subjective norm and perceived behavioral control have a positive and significant influence the intention to use Islamic home financing There was an insignificant relationship between intention and adoption

(continued)

Table 1. (continued)

S/N	Studies	Author(s)/year	Finding(s)
12	The mediating effect of positive attitude and SN on customers' behavioral intention to participate in Islamic banking in Nigeria	Oladapo et al. (2019)	Attitude has a positive and significant influence on behavioral intention to adopt Islamic banking Subjective norm has no significant influence on intention

The findings of the studies showed that behavioral theories are relevant in analyzing the behavior of consumers of financial products and services. They also showed how policy-makers and practitioners could influence consumer behavior by understanding its influencing factors.

5 Conclusion and Policy Recommendations

Most studies reviewed in this paper found that consumer Attitude, Subjective Norm and Perceived behavioral control significantly and positively influences the behavioral intention to adopt or the actual adoption of Islamic products. However, it is important to note that each of these factors are driven by other important influences. For instance, Attitude is driven by relative advantage, which is the ability of the product in question to provide economic value, reduce cost and improve convenience and satisfaction over its predecessors or competitors. Another influence on attitude is compatibility of the product or service with the users' existing values and current needs. Subjective Norm on the other hand, is driven by the expectation that people one holds with high esteem expects him to behave in a certain manner. Perceived behavioral control on the other hand are internal and external factors that facilitates or impairs a consumer of a products to adopt and use them. Other factors include religiosity and government support. One of the studies found that some consumers would prepare to use interest-free financing even when it is more expensive that the conventional one.

Several recommendations were made based on the findings of the studies in order to ensure the adoption of Islamic banking products. Islamic banks should develop products and services that are compatible with the consumers' values, beliefs and existing needs. In addition, there is the need to develop low cost Islamic financial products, which will improve competitiveness, especially given that the Islamic financial institutions are new and face severe competition from conventional banks. Products and services should also be devoid of complexities to ensure ease of usage. For government and other development partners, the study recommended the strengthening of microfinance institutions in order to accelerate financial inclusion among those excluded from commercial banking services. Government should also help in improving infrastructure that will enhance the use of technology in providing financial services. This will not only expand usage but will also reduce cost of usage.

The main limitation of this paper is that it relied mainly on conceptual and empirical literature. Studies that collects and analyzes data using quantitative or qualitative analysis

may obtain different results. Most of the studies reviewed were also carried out in developing economies. Studies carried out in other polities with different economic conditions and financial depth may produce different results.

For future research, the study recommends the adoption of behavioral theories of finance in studying the intention to adopt Islamic banking in Nigeria, and especially, Islamic microfinance banks that are new in the country. This would help policy makers and practitioners in developing appropriate policies and regulations, as well as products that would meet the demand of the targeted population.

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