

## DETERMINANTS OF NON-MUSLIM BEHAVIORAL INTENTION TO USE ISLAMIC BANKING SERVICE IN INDONESIA: AN EXTENDED THEORY OF PLANNED BEHAVIOR APPROACH

Julia Nurul Alifah

Universitas Gadjah Mada  
julianurulalifah@mail.ugm.ac.id

### ABSTRACT

#### KEYWORDS

Islamic banking; non-Muslim consumers; knowledge; attitude; subjective norm; perceived behavioral control; behavioral intention; Theory of Planned Behavior; Indonesia

The growth of Islamic banking in Indonesia has not been accompanied by proportional adoption among non-Muslim consumers, despite increasing awareness and regulatory support. This study aims to examine the affective and cognitive factors influencing non-Muslim consumers' behavioral intention to use Islamic banking services in Indonesia by employing an extended Theory of Planned Behavior (TPB). Specifically, this study investigates the role of knowledge as an antecedent of attitude, subjective norm, and perceived behavioral control, and their subsequent effects on behavioral intention.

This research adopts a quantitative explanatory approach using primary data collected through an online questionnaire. The sample consists of 220 non-Muslim respondents in Indonesia who are aware of Islamic banking but have not become active customers. Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 4. Measurement items were adapted from Mustapha et al. (2022) and assessed for reliability and validity through convergent validity, discriminant validity, and internal consistency tests. The results indicate that all proposed hypotheses are supported. Knowledge has a strong and significant positive effect on attitude, subjective norm, and perceived behavioral control. Furthermore, attitude, subjective norm, and perceived behavioral control significantly influence behavioral intention, with attitude emerging as the strongest predictor. The model demonstrates substantial explanatory power, explaining 63.2% of the variance in behavioral intention. These findings suggest that non-Muslim consumers' intention to use Islamic banking services is primarily driven by cognitive understanding, evaluative judgment, social influence, and perceived capability, rather than religious considerations.

This study contributes to the literature by extending the TPB framework and providing empirical evidence from a non-Muslim context in a pluralistic society. Practically, the findings imply that Islamic banks should emphasize knowledge dissemination, ethical value communication, and service accessibility to attract non-Muslim consumers and promote inclusive financial development in Indonesia.

### INTRODUCTION

Islamic banking has experienced significant global growth over the past two decades, driven by increasing awareness of ethical finance, risk-sharing principles, and financial inclusion objectives (Iqbal & Mirakhor, 2011; Alharbi, 2015). In Indonesia, as the country with

the largest Muslim population in the world, Islamic banking is positioned as a strategic pillar of the national financial system. According to the Financial Services Authority (Otoritas Jasa Keuangan/OJK), the Islamic banking industry in Indonesia continues to expand in terms of assets, financing, and institutional infrastructure, supported by regulatory strengthening and the Islamic finance development roadmap (OJK, 2022).

Despite this growth, the market share of Islamic banking remains relatively low compared to conventional banking, indicating a structural paradox between demographic potential and actual utilization (Abduh & Omar, 2012; OJK, 2023). This paradox becomes more pronounced when considering the non-Muslim segment, which constitutes a substantial proportion of Indonesia's population. Data from Statistics Indonesia (BPS) show that non-Muslims account for a significant minority within Indonesia's pluralistic society, representing a potential untapped market for Islamic banking services (BPS, 2022).

Interestingly, Islamic banking principles are designed to be universal, emphasizing ethical conduct, transparency, and social justice values that are not exclusive to Muslims (Dusuki & Abdullah, 2007; Wilson, 2009). However, empirical evidence suggests that non-Muslim participation in Islamic banking remains limited, raising questions about the behavioral and psychological factors influencing their intention to adopt such services (Gerrard & Cunningham, 1997; Amin et al., 2011).

Several studies and institutional reports indicate that awareness of Islamic banking among non-Muslims in Indonesia is relatively high, yet this awareness does not translate into actual usage or strong intention to adopt Islamic banking services (OJK, 2022; Wulandari et al., 2016). Many non-Muslim individuals are familiar with Islamic banks, understand their basic operational differences, and recognize their presence in the financial system, but remain reluctant to become active customers.

This condition reflects a practical gap between knowledge and behavioral intention, which cannot be explained solely by economic or demographic factors (Amin, Rahman, & Razak, 2014). Previous research suggests that non-Muslims often perceive Islamic banking as religiously exclusive, less flexible, or operationally similar to conventional banks, thereby weakening their motivation to switch or adopt (Gait & Worthington, 2008; Awan & Bukhari, 2011).

From a policy perspective, this gap poses a challenge to the Indonesian government and Islamic financial institutions aiming to promote financial inclusivity and expand Islamic banking outreach beyond Muslim consumers (OJK, 2023). Understanding the affective and cognitive mechanisms underlying non-Muslims' behavioral intentions is therefore crucial for designing effective marketing strategies and inclusive financial policies.

Although the literature on Islamic banking adoption is extensive, most empirical studies predominantly focus on Muslim consumers, examining religiosity, Sharia compliance, and Islamic values as primary determinants of adoption (Metawa & Almossawi, 1998; Lajuni et al.,

2017). Consequently, the behavioral dynamics of non-Muslim consumers remain underexplored, particularly in emerging Islamic finance markets such as Indonesia.

Existing studies on non-Muslim adoption of Islamic banking tend to emphasize service quality, pricing, or institutional reputation, while paying limited attention to psychological and affective factors, such as attitude formation, social influence, and perceived behavioral control (Amin et al., 2011; Echchabi & Aziz, 2012). Moreover, the role of knowledge as an antecedent variable influencing these affective constructs has not been sufficiently elaborated within a comprehensive behavioral framework.

The Theory of Planned Behavior (TPB) has been widely applied to explain financial decision-making and technology adoption behavior, including Islamic financial products (Ajzen, 1991; Alam et al., 2012). However, empirical models that explicitly position knowledge as a precursor to attitude, subjective norm, and perceived behavioral control particularly among non-Muslim populations are still scarce, especially in the Indonesian context (Amin et al., 2014; Warsame & Ireri, 2018).

This study seeks to fill both the practical and theoretical gaps by proposing an extended TPB model that integrates knowledge as an exogenous variable influencing affective and control-related constructs (attitude, subjective norm, and perceived behavioral control) in shaping behavioral intention to use Islamic banking services among non-Muslims.

The novelty of this research lies in three main aspects. First, it focuses explicitly on non-Muslim respondents in Indonesia who are aware of Islamic banking but have not become active customers, a segment that is rarely isolated in prior studies. Second, it conceptualizes knowledge not merely as awareness, but as a cognitive foundation that shapes evaluative and normative beliefs, thereby influencing intention indirectly through TPB constructs (Ajzen, 2005; Amin et al., 2014). Third, this study employs PLS-SEM to examine complex relationships among latent variables, offering robust empirical insights for theory testing and managerial implications (Hair et al., 2020).

From a practical standpoint, the findings are expected to provide actionable recommendations for Islamic banks and regulators to design inclusive communication strategies, reduce perceptual barriers, and enhance the attractiveness of Islamic banking services to non-Muslim consumers.

## THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

### Theory of Planned Behavior as the Underlying Framework

The Theory of Planned Behavior (TPB), proposed by Ajzen (1991), is one of the most influential socio-psychological theories used to explain and predict human behavior across various contexts, including financial decision-making and consumer behavior. TPB posits that an individual's behavioral intention is the most immediate determinant of actual behavior, and this intention is shaped by three core constructs: attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 1991; Fishbein & Ajzen, 2010).

In the context of Islamic banking adoption, TPB has been widely applied to explain customers' intention to use Islamic financial products, as it captures both internal evaluations (attitude), social influence (subjective norm), and perceived capability (perceived behavioral control) (Alam et al., 2012; Lajuni et al., 2017). However, most TPB-based studies in Islamic banking primarily focus on Muslim consumers, often incorporating religiosity as an additional predictor (Amin et al., 2014). This creates a theoretical limitation when TPB is applied to non-Muslim consumers, whose behavioral intention is less influenced by religious obligation and more by cognitive and affective considerations.

To address this limitation, the present study extends the TPB framework by introducing knowledge as an antecedent variable that influences attitude, subjective norm, and perceived behavioral control. This extension is theoretically justified, as TPB acknowledges that behavioral, normative, and control beliefs are formed based on information and knowledge possessed by individuals (Ajzen, 2005).

### **Knowledge and Attitude toward Islamic Banking**

Attitude refers to an individual's overall evaluation favorable or unfavorable toward performing a particular behavior (Ajzen, 1991). In financial services, attitude reflects consumers' perceptions of benefits, risks, and value associated with a product or service (Schiffman & Wisenblit, 2019). For non-Muslim consumers, attitude toward Islamic banking is not shaped by religious alignment, but rather by **functional understanding**, ethical perception, and perceived economic value (Gerrard & Cunningham, 1997).

Knowledge plays a crucial role in shaping attitude, as it reduces uncertainty and corrects misconceptions regarding Islamic banking operations, such as profit-and-loss sharing, prohibition of interest (riba), and ethical investment principles (Iqbal & Mirakhor, 2011). Previous studies demonstrate that higher levels of knowledge about Islamic banking products are associated with more positive attitudes among non-Muslim consumers, as knowledge enhances perceived transparency and trustworthiness (Amin et al., 2011; Echchabi & Aziz, 2012).

In the Indonesian context, limited understanding of Sharia banking mechanisms often leads non-Muslims to perceive Islamic banking as complex or exclusive, which negatively affects their attitude (Wulandari et al., 2016). Conversely, when non-Muslims possess sufficient knowledge, they are more likely to evaluate Islamic banking as a viable and ethical alternative to conventional banking. Therefore, it is hypothesized that:

**H1: Knowledge has a positive effect on attitude toward Islamic banking.**

### **Knowledge and Subjective Norm**

Subjective norm refers to perceived social pressure from important referent groups such as family, friends, colleagues, or society at large to perform or not perform a behavior (Ajzen, 1991). In collectivist societies like Indonesia, the subjective norm plays a particularly significant role in shaping individual behavior, including financial decision-making (Hofstede, 2011; Lajuni et al., 2017).

Knowledge dissemination within social networks can significantly influence subjective norms, as shared information shapes collective beliefs and social acceptance of certain behaviors (Fishbein & Ajzen, 2010). When non-Muslim individuals possess adequate knowledge about Islamic banking, they are more capable of engaging in informed discussions and influencing, as well as being influenced by, their social environment regarding the legitimacy and benefits of Islamic banking services (Amin et al., 2014).

Empirical evidence suggests that knowledge indirectly strengthens subjective norms by increasing the likelihood that Islamic banking is viewed positively within one's reference group (Warsame & Ireri, 2018). In non-Muslim communities, where Islamic banking may not be the dominant financial choice, knowledge becomes a critical factor that legitimizes the behavior and reduces social skepticism. Accordingly, this study proposes that:

**H2: Knowledge has a positive effect on subjective norms.**

**Knowledge and Perceived Behavioral Control**

Perceived behavioral control (PBC) refers to an individual's perception of their ability to perform a behavior, considering available resources, opportunities, and potential barriers (Ajzen, 1991). In the financial context, PBC reflects perceived ease of access, understanding of procedures, and confidence in using banking services (Taylor & Todd, 1995).

Knowledge enhances perceived behavioral control by equipping individuals with the cognitive resources necessary to navigate complex financial products and make informed decisions (Bandura, 1997). For non-Muslim consumers, lack of knowledge about Islamic banking contracts, terminology, and operational mechanisms often leads to perceived difficulty and low self-efficacy, thereby weakening PBC (Gait & Worthington, 2008).

Conversely, when non-Muslims understand how Islamic banking products function and how they can be accessed without religious constraints, their perceived control over adopting such services increases significantly (Amin et al., 2011). Studies in Islamic finance adoption consistently show that consumers with higher financial and product knowledge exhibit stronger perceived behavioral control, which in turn enhances behavioral intention (Alam et al., 2012; Warsame & Ireri, 2018). Therefore, the following hypothesis is formulated:

**H3: Knowledge has a positive effect on perceived behavioral control.**

**Attitude and Behavioral Intention**

Behavioral intention represents an individual's readiness to perform a behavior and is considered the strongest predictor of actual behavior in TPB (Ajzen, 1991). Attitude is consistently found to be a significant determinant of intention in the context of banking and financial services (Amin et al., 2014; Lajuni et al., 2017). When non-Muslim consumers hold positive attitudes toward Islamic banking viewing it as ethical, trustworthy, and beneficial they are more likely to express intention to use Islamic banking services, regardless of religious affiliation (Gerrard & Cunningham, 1997). Empirical studies

confirm that favorable attitudes significantly influence intention to adopt Islamic banking among both Muslim and non-Muslim consumers (Echchabi & Aziz, 2012; Wulandari et al., 2016). Thus, consistent with TPB and prior empirical findings, this study hypothesizes that:

**H4: Attitude has a positive effect on behavioral intention to use Islamic banking services.**

#### **Subjective Norm and Behavioral Intention**

Subjective norm captures the influence of social expectations on individual behavior. In societies with strong social ties, individuals often align their financial decisions with perceived expectations of their reference groups (Fishbein & Ajzen, 2010). Prior research in Islamic banking adoption highlights that recommendations and acceptance from peers significantly influence consumers' intention to use Islamic financial services (Amin et al., 2011; Lajuni et al., 2017).

For non-Muslim consumers, social validation plays a critical role in reducing perceived social risk associated with adopting Islamic banking, which may be perceived as unconventional within their community (Gait & Worthington, 2008). When important others view Islamic banking favorably, non-Muslim individuals are more inclined to form positive behavioral intentions. Therefore, the following hypothesis is proposed:

**H5: Subjective norm has a positive effect on behavioral intention to use Islamic banking services.**

#### **Perceived Behavioral Control and Behavioral Intention**

Perceived behavioral control not only influences intention but may also directly affect behavior, particularly when actual control is limited (Ajzen, 2005). In banking contexts, PBC reflects consumers' confidence in their ability to understand, access, and utilize financial services effectively (Taylor & Todd, 1995).

Empirical studies consistently show that higher perceived behavioral control leads to stronger intention to adopt Islamic banking products, as consumers feel capable of managing the procedures and requirements involved (Alam et al., 2012; Warsame & Ireri, 2018). For non-Muslim consumers, enhanced PBC mitigates apprehension regarding unfamiliar financial systems and increases willingness to engage with Islamic banks. Accordingly, this study hypothesizes that:

**H6: Perceived behavioral control has a positive effect on behavioral intention to use Islamic banking services.**

### **METHOD RESEARCH**

This study adopted a quantitative research approach with an explanatory design to investigate the determinants of behavioral intention among non-Muslim individuals in Indonesia to use Islamic banking services. A quantitative explanatory approach is particularly appropriate when the primary objective of the research is to test theoretically grounded hypotheses and to explain causal relationships among latent constructs (Creswell, 2014; Hair

et al., 2020). The theoretical foundation of this study is the Theory of Planned Behavior (TPB), which posits that behavioral intention is shaped by attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 1991). In line with the extended TPB framework, this study incorporates knowledge as an exogenous variable influencing the three antecedents of behavioral intention.

The population of this study comprised non-Muslim individuals in Indonesia who are aware of the existence of Islamic banking but have not yet become active customers of any Islamic bank. This population was deliberately selected to ensure that respondents possess a minimum level of cognitive exposure to Islamic banking services while not having prior usage experience that could bias their intention. Focusing on non-Muslim respondents is essential, as their decision-making process regarding Islamic banking is expected to rely more on cognitive and affective evaluations rather than religious motivations, which are commonly examined in studies involving Muslim consumers (Amin et al., 2014; Wulandari et al., 2016).

The sampling technique employed in this study was purposive sampling, a form of non-probability sampling that allows researchers to select respondents based on specific criteria relevant to the research objectives (Etikan et al., 2016). The criteria applied in this study included: (1) respondents must identify as non-Muslim, (2) respondents must be aware of Islamic banking services in Indonesia, and (3) respondents must not be registered as active customers of any Islamic bank. Data were collected through an online questionnaire to facilitate broad geographical coverage and to increase response efficiency, particularly given Indonesia's vast territorial distribution (Evans & Mathur, 2018).

The minimum sample size was determined using the rule of thumb for Partial Least Squares–Structural Equation Modeling (PLS-SEM) proposed by Hair et al. (2020), which recommends a minimum sample size of ten times the largest number of indicators used to measure a construct or the largest number of structural paths directed at a particular construct. With a total of 22 measurement indicators used in this study, the minimum required sample size was calculated as 220 respondents. This sample size is considered sufficient to ensure adequate statistical power and reliable estimation of model parameters in PLS-SEM analysis.

Primary data were collected using a structured self-administered questionnaire distributed online. Prior to participating in the survey, respondents were informed about the purpose of the study, assured of the confidentiality and anonymity of their responses, and informed that their participation was voluntary. Only responses that met the predefined screening criteria were included in the final analysis. This procedure aligns with ethical standards in social science research and helps ensure the quality and relevance of the collected data (Israel & Hay, 2006).

All constructs in this study were measured using multi-item scales adapted from Mustapha et al. (2022), whose measurement instruments have been empirically validated in the context of Islamic banking adoption research. The adaptation process involved modifying the wording of items to suit the Indonesian context and non-Muslim respondents, while

preserving the original conceptual meaning of each indicator. This approach enhances content validity while ensuring contextual relevance (Hair et al., 2020). All items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), which is widely used in behavioral and financial studies due to its simplicity and reliability.

Attitude toward Islamic banking was measured using four indicators, reflecting respondents' overall evaluative judgments regarding the desirability and benefits of using Islamic banking services. Behavioral intention was measured using four indicators capturing respondents' willingness, likelihood, and readiness to use Islamic banking services in the future. Knowledge was operationalized using seven indicators representing respondents' understanding of Islamic banking principles, products, operational mechanisms, and differences from conventional banking. Perceived behavioral control was measured using four indicators reflecting respondents' perceived ease, self-efficacy, and control over using Islamic banking services. Subjective norm was measured using three indicators capturing perceived social influence and expectations from important referent groups, such as family, friends, and peers. The use of multiple indicators for each construct allows for a more accurate representation of latent variables and improves measurement precision (Sarstedt et al., 2022).

Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS version 4. PLS-SEM was chosen due to its suitability for prediction-oriented research, its ability to handle complex models with multiple constructs and indicators, and its robustness in situations where data may not follow a normal distribution (Hair et al., 2020; Sarstedt et al., 2022). Additionally, PLS-SEM is particularly appropriate for exploratory and theory-extension studies, such as this research, which seeks to extend the TPB framework by incorporating knowledge as an antecedent variable.

The analysis followed a two-stage procedure, beginning with the evaluation of the measurement model (outer model) and followed by the evaluation of the structural model (inner model). The measurement model evaluation aimed to assess the reliability and validity of the constructs. Convergent validity was examined by assessing indicator loadings and Average Variance Extracted (AVE), with indicator loadings of 0.70 or higher and AVE values of at least 0.50 indicating acceptable convergent validity (Hair et al., 2020). Indicators with loadings below the recommended threshold were carefully evaluated and retained only if their removal did not significantly improve construct reliability or validity.

Internal consistency reliability was assessed using Cronbach's Alpha and Composite Reliability, with values exceeding 0.70 indicating satisfactory reliability. Discriminant validity was evaluated using both the Fornell–Larcker criterion and the Heterotrait–Monotrait ratio (HTMT). Discriminant validity was considered established when the square root of AVE for each construct exceeded its correlations with other constructs and when HTMT values were below the recommended threshold of 0.90 (Henseler et al., 2015).

Following the evaluation of the measurement model, the structural model was assessed to test the proposed hypotheses. Path coefficients were examined to determine the strength and direction of the relationships between latent variables. The significance of the path coefficients was assessed using a bootstrapping procedure with 5,000 resamples, as recommended for PLS-SEM analysis (Hair et al., 2020). The explanatory power of the model was evaluated using the coefficient of determination ( $R^2$ ) for endogenous constructs, with values of 0.25, 0.50, and 0.75 indicating weak, moderate, and substantial explanatory power, respectively.

Overall, this methodological approach provides a rigorous and systematic framework for examining the affective and cognitive determinants of non-Muslim consumers' behavioral intention to use Islamic banking services in Indonesia, ensuring both methodological robustness and theoretical relevance.

## RESULT AND DISCUSSION

This section presents the empirical results and discusses the findings in relation to the proposed research model and existing literature. The discussion is structured to reflect the objectives of the study, beginning with the respondents' demographic profile, followed by the evaluation of the measurement model, the assessment of the structural model, and a comprehensive discussion of hypothesis testing results.

### Respondents' Demographic Profile

The empirical analysis was based on data collected from 220 non-Muslim respondents in Indonesia who are aware of Islamic banking services but have not yet become active customers. The demographic characteristics of the respondents indicate a diverse and economically productive sample, which enhances the representativeness and external validity of the findings.

In terms of gender, the sample consisted of 118 male respondents (53.6%) and 102 female respondents (46.4%). This relatively balanced gender distribution reflects the demographic composition of the urban and semi-urban workforce in Indonesia and aligns with previous consumer behavior studies in the banking sector (Wulandari et al., 2016).

Regarding age, the majority of respondents were in the productive age group. Specifically, 28.2% of respondents were aged 21–30 years, 37.7% were aged 31–40 years, 22.3% were aged 41–50 years, and the remaining 11.8% were above 50 years old. This age distribution suggests that most respondents are economically active individuals who are likely to engage in financial decision-making and banking services, making them a relevant target segment for Islamic banks.

In terms of educational background, the respondents demonstrated relatively high educational attainment. Approximately 14.5% held a senior high school diploma, 56.8% possessed a bachelor's degree, 22.7% held a master's degree, and 6.0% had a doctoral degree or professional certification. This profile indicates that the respondents are generally well-

educated, which is consistent with the study's focus on knowledge-based cognitive and affective mechanisms influencing behavioral intention.

With respect to professional background, the respondents were employed across various sectors. About 34.1% worked as private-sector employees, 18.6% were entrepreneurs or self-employed professionals, 16.4% were civil servants or employees of state-owned enterprises, 14.1% worked in education or healthcare sectors, and 16.8% were categorized as other professionals, including freelancers and consultants. This diversity reflects the heterogeneity of non-Muslim communities in Indonesia's labor market.

Regarding monthly income, the majority of respondents fell within the middle-income category, which is a key segment for retail banking services. Approximately 19.5% reported a monthly income below IDR 5 million, 41.8% earned between IDR 5–10 million, 27.3% earned between IDR 10–15 million, and 11.4% reported income above IDR 15 million. This income distribution indicates that most respondents possess sufficient financial capacity to access banking products, thereby strengthening the relevance of the study's findings for Islamic banking market expansion. Overall, the demographic profile suggests that the respondents represent a potential yet underutilized market segment for Islamic banking services in Indonesia.

### Measurement Model Evaluation

The measurement model was evaluated to assess the reliability and validity of the constructs used in this study. Convergent validity was examined through indicator loadings and Average Variance Extracted (AVE). The results show that all indicators exhibited outer loadings above the recommended threshold of 0.70, indicating strong relationships between indicators and their respective constructs (Hair et al., 2020). Attitude indicators ranged from 0.738 to 0.832, behavioral intention indicators ranged from 0.700 to 0.764, knowledge indicators ranged from 0.701 to 0.801, perceived behavioral control indicators ranged from 0.756 to 0.837, and subjective norm indicators ranged from 0.809 to 0.829.

Furthermore, the AVE values for all constructs exceeded the minimum threshold of 0.50, confirming adequate convergent validity. Specifically, AVE values were 0.640 for attitude, 0.539 for behavioral intention, 0.566 for knowledge, 0.642 for perceived behavioral control, and 0.667 for subjective norm. These findings indicate that each construct explains more than half of the variance of its indicators, supporting the adequacy of the measurement model.

Reliability analysis further confirmed the robustness of the constructs. Cronbach's alpha values ranged from 0.718 to 0.872, while composite reliability values ranged from 0.823 to 0.901, all exceeding the recommended threshold of 0.70. This demonstrates satisfactory internal consistency and reliability across all constructs (Hair et al., 2020).

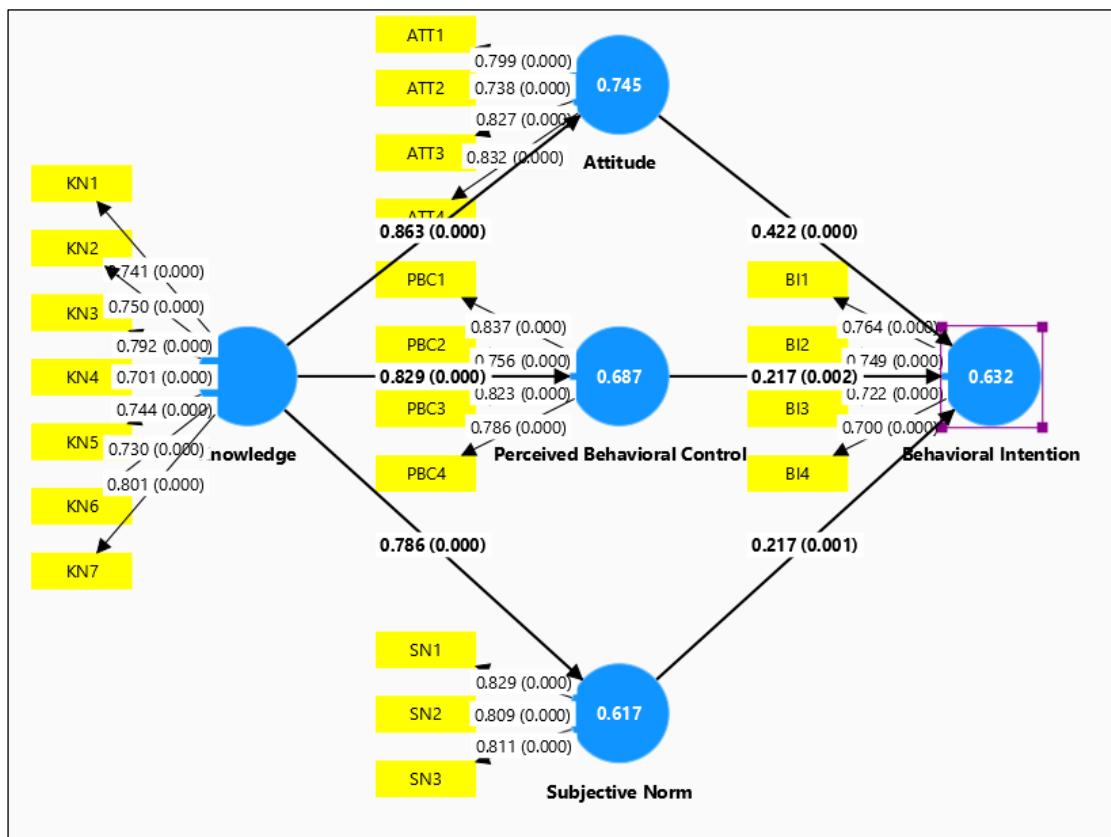
Discriminant validity was assessed using the Fornell–Larcker criterion, HTMT ratios, and cross-loading analysis. The results indicate that the square root of AVE for each construct exceeded its correlations with other constructs, and HTMT values were below the critical

threshold. Although a few cross-loadings showed relatively close values, the majority of indicators loaded highest on their respective constructs, suggesting that discriminant validity was largely established. Such results are considered acceptable in behavioral research involving closely related psychological constructs (Henseler et al., 2015). Overall, the measurement model evaluation confirms that the constructs used in this study are valid and reliable, allowing further analysis of the structural relationships.

The overall model fit was assessed using the Standardized Root Mean Square Residual (SRMR) and Normed Fit Index (NFI). The SRMR values for both the saturated model (0.069) and the estimated model (0.074) were below the recommended threshold of 0.08, indicating an acceptable model fit (Hu & Bentler, 1999). Although the NFI values (0.758 for the saturated model and 0.747 for the estimated model) were slightly below the conventional cutoff of 0.90, this is considered acceptable in PLS-SEM, as the technique prioritizes predictive accuracy over global model fit (Hair et al., 2020).

### Structural Model and Hypothesis Testing

The structural model was evaluated to test the proposed hypotheses and to examine the explanatory power of the research model. Bootstrapping with 5,000 resamples was conducted to assess the significance of the path coefficients. The results indicate that all hypothesized relationships were statistically significant, providing strong empirical support for the extended TPB framework proposed in this study.



**Figure 1 Structural Model Result**

**Table 1 Structural Model Assessment**

Hypotheses	Original sample	T statistics	P values	Decision
Attitude -> Behavioral Intention	0.422	5.530	0.000	Supported
Knowledge -> Attitude	0.863	51.208	0.000	Supported
Knowledge -> Perceived Behavioral Control	0.829	43.858	0.000	Supported
Knowledge -> Subjective Norm	0.786	27.863	0.000	Supported
Perceived Behavioral Control -> Behavioral Intention	0.217	3.068	0.002	Supported
Subjective Norm -> Behavioral Intention	0.217	3.185	0.001	Supported

Knowledge was found to have a strong and positive effect on attitude ( $\beta = 0.863$ ,  $p < 0.001$ ), indicating that higher levels of knowledge about Islamic banking significantly enhance non-Muslim consumers' positive evaluations of Islamic banking services. Knowledge also exerted a significant positive effect on perceived behavioral control ( $\beta = 0.829$ ,  $p < 0.001$ ) and subjective norm ( $\beta = 0.786$ ,  $p < 0.001$ ). These findings suggest that knowledge plays a critical role in shaping not only individual evaluations but also perceived social influence and perceived capability to engage with Islamic banking services.

Attitude demonstrated the strongest direct effect on behavioral intention ( $\beta = 0.422$ ,  $p < 0.001$ ), followed by perceived behavioral control ( $\beta = 0.217$ ,  $p < 0.01$ ) and subjective norm ( $\beta = 0.217$ ,  $p < 0.01$ ). These results are consistent with the Theory of Planned Behavior, which posits that attitude is often the most dominant predictor of intention in voluntary behaviors (Ajzen, 1991).

The high R-square values further strengthen the robustness of the findings. Knowledge explains a substantial proportion of variance in attitude (74.5%), perceived behavioral control (68.7%), and subjective norm (61.7%), indicating that knowledge is a foundational determinant in the extended TPB framework. Moreover, attitude, subjective norm, and perceived behavioral control collectively explain 63.2% of the variance in behavioral intention, exceeding the threshold for moderate explanatory power (Hair et al., 2020). These results confirm that the proposed model effectively captures the key cognitive and affective mechanisms driving non-Muslim consumers' intention to use Islamic banking services in Indonesia.

### **Discussion of Findings**

The findings of this study provide comprehensive empirical evidence supporting the extended Theory of Planned Behavior (TPB) in explaining non-Muslim consumers' behavioral intention to use Islamic banking services in Indonesia. All six proposed hypotheses were

supported, indicating that knowledge, attitude, subjective norm, and perceived behavioral control play significant and interconnected roles in shaping behavioral intention. The following discussion elaborates on each hypothesis in detail.

### **Knowledge and Attitude toward Islamic Banking (H1)**

The results demonstrate that knowledge has a strong and positive effect on attitude toward Islamic banking ( $\beta = 0.863$ ,  $p < 0.001$ ), making it the most influential antecedent in the model. This finding suggests that non-Muslim consumers who possess greater knowledge about Islamic banking principles, products, and operational mechanisms tend to develop more favorable evaluations of Islamic banking services.

This result aligns with cognitive evaluation theory and TPB assumptions, which posit that attitudes are formed based on beliefs and information held by individuals (Ajzen, 1991; Ajzen, 2005). For non-Muslim consumers, Islamic banking is often perceived as unfamiliar or religiously exclusive. Adequate knowledge helps reduce ambiguity and correct misconceptions, enabling individuals to assess Islamic banking more objectively in terms of its ethical orientation, risk-sharing mechanisms, and financial benefits (Amin et al., 2011; Echchabi & Aziz, 2012).

In the Indonesian context, where Islamic banking is frequently associated with religious identity, this finding highlights the critical role of educational and informational strategies in shaping positive attitudes among non-Muslim communities. Knowledge transforms Islamic banking from a perceived religious product into a rational and ethical financial alternative, thereby fostering favorable attitudes independent of religious considerations.

### **Knowledge and Subjective Norm (H2)**

The empirical results indicate that knowledge significantly and positively influences subjective norm ( $\beta = 0.786$ ,  $p < 0.001$ ). This suggests that non-Muslim individuals with higher levels of knowledge about Islamic banking are more likely to perceive positive social pressure or social acceptance regarding the use of Islamic banking services.

Subjective norm reflects perceived expectations from important referent groups, such as family, friends, and colleagues (Ajzen, 1991). Knowledge plays a crucial role in shaping these perceptions by enabling individuals to communicate, justify, and normalize their financial choices within their social environment (Fishbein & Ajzen, 2010). When non-Muslim consumers understand Islamic banking, they are better equipped to engage in informed discussions and are less susceptible to social skepticism or stigma.

This finding is particularly relevant in Indonesia's collectivist culture, where social conformity and peer influence significantly affect individual behavior (Hofstede, 2011). Knowledge diffusion within social networks can gradually reshape collective perceptions, making Islamic banking more socially acceptable among non-Muslim communities. This result supports prior studies suggesting that informational exposure indirectly strengthens

subjective norms by legitimizing Islamic banking in non-Muslim social circles (Warsame & Ireri, 2018).

### **Knowledge and Perceived Behavioral Control (H3)**

The results further reveal that knowledge has a strong positive effect on perceived behavioral control (PBC) ( $\beta = 0.829$ ,  $p < 0.001$ ). This finding indicates that non-Muslim consumers who are knowledgeable about Islamic banking perceive themselves as more capable of accessing, understanding, and using Islamic banking services.

Perceived behavioral control reflects an individual's assessment of their ability to perform a behavior, considering both internal capabilities and external constraints (Ajzen, 1991). In financial contexts, lack of knowledge often translates into perceived complexity, procedural difficulty, and low self-efficacy (Taylor & Todd, 1995). For non-Muslim consumers, unfamiliar terminology, Sharia contracts, and operational differences can create psychological barriers to adoption.

This study confirms that knowledge significantly mitigates these barriers by enhancing financial self-efficacy and perceived ease of use. Similar findings have been reported in Islamic finance adoption studies, which show that knowledgeable consumers feel more confident and in control when engaging with Islamic banking products (Alam et al., 2012; Gait & Worthington, 2008). Therefore, improving knowledge is not only informative but also empowering, strengthening perceived behavioral control among non-Muslim consumers.

### **Attitude and Behavioral Intention (H4)**

The findings show that attitude has a significant and positive effect on behavioral intention ( $\beta = 0.422$ ,  $p < 0.001$ ), representing the strongest direct predictor of intention in the model. This result confirms TPB's assertion that attitude is a key determinant of intention, particularly in voluntary and non-obligatory behaviors (Ajzen, 1991).

For non-Muslim consumers, a positive attitude toward Islamic banking reflects favorable evaluations of its ethical standards, transparency, and financial practicality. The significance of attitude suggests that non-Muslims are willing to consider Islamic banking when they perceive it as beneficial and aligned with their personal values, rather than based on religious alignment. This finding corroborates previous studies showing that attitude is a dominant predictor of intention among non-Muslim Islamic banking customers (Gerrard & Cunningham, 1997; Echchabi & Aziz, 2012).

This result reinforces the strategic implication that Islamic banks should emphasize universal values such as fairness, ethical finance, and social responsibility to cultivate positive attitudes among non-Muslim consumers.

### **Subjective Norm and Behavioral Intention (H5)**

The analysis indicates that subjective norm positively influences behavioral intention ( $\beta = 0.217$ ,  $p < 0.01$ ). Although its effect is weaker than attitude, subjective norm remains a significant predictor, highlighting the importance of social influence in shaping non-Muslim consumers' intention to use Islamic banking services.

In collectivist societies like Indonesia, individuals often consider social approval when making financial decisions (Hofstede, 2011). For non-Muslims, adopting Islamic banking may involve perceived social risk, particularly if the behavior is not common within their immediate social group. Positive reinforcement and acceptance from peers can reduce this perceived risk and encourage intention formation (Amin et al., 2011).

This finding aligns with prior research suggesting that social endorsement enhances the legitimacy of Islamic banking among non-Muslim consumers and facilitates intention development (Lajuni et al., 2017). Thus, social influence mechanisms such as word-of-mouth and peer recommendations play a complementary role alongside personal evaluations.

### Perceived Behavioral Control and Behavioral Intention (H6)

Finally, the results demonstrate that perceived behavioral control has a significant positive effect on behavioral intention ( $\beta = 0.217$ ,  $p < 0.01$ ). This indicates that non-Muslim consumers are more likely to intend to use Islamic banking services when they perceive fewer barriers and greater personal capability to do so.

This finding supports TPB's proposition that perceived control influences intention, particularly when individuals face uncertainty or unfamiliarity (Ajzen, 2005). In the context of Islamic banking, perceived ease of access, clarity of procedures, and confidence in managing financial transactions are crucial factors influencing intention among non-Muslim consumers.

The significance of PBC underscores the importance of reducing operational and informational complexity in Islamic banking services. Similar results have been found in prior studies, which show that consumers with higher perceived control are more inclined to adopt Islamic financial products (Alam et al., 2012; Warsame & Ireri, 2018).

## CONCLUSION

This study set out to examine the affective and cognitive determinants influencing non-Muslim consumers' behavioral intention to use Islamic banking services in Indonesia by employing an extended Theory of Planned Behavior (TPB) framework. Using a quantitative explanatory approach and analyzing data from 220 non-Muslim respondents through PLS-SEM, this study provides robust empirical evidence that knowledge, attitude, subjective norm, and perceived behavioral control play significant and interconnected roles in shaping behavioral intention. Overall, the findings confirm that Islamic banking adoption among non-Muslim consumers is primarily driven by rational evaluation, social influence, and perceived capability rather than religious considerations.

The empirical results demonstrate that knowledge is a foundational construct within the proposed model. Knowledge significantly and positively influences attitude, subjective norm, and perceived behavioral control, indicating that cognitive understanding of Islamic banking principles and operations is essential in shaping non-Muslim consumers' perceptions and readiness to engage with Islamic banking services. This finding highlights that limited adoption of Islamic banking among non-Muslims is not necessarily due to rejection, but rather to insufficient understanding and persistent misconceptions. By enhancing knowledge, Islamic banking can be repositioned as an inclusive and ethical financial alternative that appeals to broader market segments.

Furthermore, the study confirms that attitude is the strongest direct predictor of behavioral intention, reinforcing the central assumption of TPB. Non-Muslim consumers who perceive Islamic banking as beneficial, ethical, and practical are more likely to express intention to use its services. This underscores the importance of emphasizing universal values—such as transparency, fairness, and risk-sharing—in Islamic banking communication strategies. Rather than focusing on religious narratives, Islamic banks should highlight functional and ethical advantages that resonate with diverse consumer groups.

The significant effects of subjective norm and perceived behavioral control further enrich the understanding of non-Muslim consumers' intention formation. The influence of subjective norm indicates that social acceptance and endorsement from peers, family, and professional networks play an important role in legitimizing Islamic banking within non-Muslim communities. This finding is particularly relevant in Indonesia's collectivist cultural context, where social norms strongly shape individual behavior. Meanwhile, perceived behavioral control reflects the importance of perceived ease, accessibility, and self-efficacy in using Islamic banking services. Non-Muslim consumers are more inclined to form intention when they feel capable of understanding products, navigating procedures, and accessing services without difficulty.

From a theoretical perspective, this study contributes to the Islamic banking and consumer behavior literature in several ways. First, it extends the TPB framework by empirically validating knowledge as an antecedent variable influencing the core TPB constructs, thereby enriching the explanatory power of the model. Second, it shifts the focus from predominantly Muslim-centric perspectives to non-Muslim consumers, offering a more inclusive understanding of Islamic banking adoption. Third, by demonstrating high explanatory power ( $R^2 = 63.2\%$  for behavioral intention), this study confirms the suitability of the extended TPB framework in explaining financial service adoption in pluralistic societies.

In terms of practical implications, the findings offer valuable insights for Islamic banks, policymakers, and regulators. Islamic banks should prioritize educational and informational strategies aimed at increasing public knowledge about Islamic banking principles and products, particularly targeting non-Muslim audiences. Clear, simple, and transparent communication can enhance positive attitudes, reduce perceived complexity, and strengthen perceived behavioral control. Additionally, leveraging social influence through testimonials,

community engagement, and peer-based marketing can help normalize Islamic banking within non-Muslim social circles. Policymakers and regulators, such as the Financial Services Authority (OJK), can support these efforts by promoting inclusive financial literacy programs and ensuring that Islamic banking is positioned as part of the national financial system rather than a niche religious institution.

Despite its contributions, this study is not without limitations. First, the use of non-probability purposive sampling limits the generalizability of the findings to the broader non-Muslim population in Indonesia. Future studies may employ probability sampling techniques to enhance representativeness. Second, this study focuses on behavioral intention rather than actual usage behavior. Longitudinal research examining the transition from intention to actual adoption would provide deeper insights into consumer behavior. Third, while the model explains a substantial proportion of variance, other factors—such as service quality, trust, perceived risk, and institutional reputation—were not included and could be explored in future research.

Future studies may also consider comparative analyses between Muslim and non-Muslim consumers or cross-country studies to examine cultural variations in Islamic banking adoption. Additionally, integrating digital banking variables, such as perceived usefulness of Islamic digital banking platforms, may further enrich the understanding of consumer behavior in an increasingly digital financial landscape.

In conclusion, this study provides compelling evidence that Islamic banking has strong potential to attract non-Muslim consumers when positioned as an ethical, accessible, and knowledge-driven financial service. By addressing cognitive, affective, and social dimensions, Islamic banking can move beyond religious boundaries and contribute more effectively to inclusive and sustainable financial development in Indonesia.

## REFERENCES

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)

Amin, H., Rahman, A. R. A., & Razak, D. A. (2011). Is the theory of planned behaviour valid for Islamic home financing? *Journal of Islamic Marketing*, 2(3), 215–233. <https://doi.org/10.1108/17590831111164757>

Amin, H., Isa, Z., & Fontaine, R. (2013). Islamic banks: Contrasting the drivers of customer satisfaction on image, trust, and loyalty of Muslim and non-Muslim customers in Malaysia. *International Journal of Bank Marketing*, 31(2), 79–97. <https://doi.org/10.1108/02652321311298627>

Bank Indonesia. (2023). *Statistik perbankan syariah Indonesia*. <https://www.bi.go.id>

Badan Pusat Statistik. (2023). *Statistik penduduk menurut agama dan pendidikan*. <https://www.bps.go.id>

Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In G. A. Marcoulides (Ed.), *Modern methods for business research* (pp. 295–336). Lawrence Erlbaum Associates.

Dusuki, A. W., & Abdullah, N. I. (2007). Why do Malaysian customers patronise Islamic banks? *International Journal of Bank Marketing*, 25(3), 142–160. <https://doi.org/10.1108/02652320710739850>

Echchabi, A., & Aziz, H. A. (2012). Empirical investigation of customers' perception and adoption of Islamic banking services in Morocco. *Middle-East Journal of Scientific Research*, 12(6), 849–858. <https://doi.org/10.5829/idosi.mejsr.2012.12.6.1759>

Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention and behavior: An introduction to theory and research*. Addison-Wesley.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2020). *A primer on partial least squares structural equation modeling (PLS-SEM)* (2nd ed.). Sage Publications.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online Readings in Psychology and Culture*, 2(1), 1–26. <https://doi.org/10.9707/2307-0919.1014>

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>

Kementerian Keuangan Republik Indonesia. (2023). *Masterplan ekonomi dan keuangan syariah Indonesia*. <https://www.kemenkeu.go.id>

Lajuni, N., Ming, W. W. P., Yacob, Y., Ting, H., & Jausin, A. (2017). Intention to use Islamic banking products and its determinants. *International Journal of Economics and Financial Issues*, 7(1), 329–333.

Mustapha, M. Z., Jamil, C. Z. M., & Mohamed, R. (2022). Factors influencing non-Muslims' intention to adopt Islamic banking services: An extended theory of planned behavior. *Journal of Islamic Marketing*, 13(6), 1258–1276. <https://doi.org/10.1108/JIMA-02-2021-0065>

Otoritas Jasa Keuangan. (2023). *Roadmap pengembangan perbankan syariah Indonesia 2020–2025*. <https://www.ojk.go.id>

Ringle, C. M., Wende, S., & Becker, J. M. (2022). *SmartPLS 4*. SmartPLS GmbH. <https://www.smartpls.com>

Sarstedt, M., Ringle, C. M., & Hair, J. F. (2017). Partial least squares structural equation modeling. In C. Homburg et al. (Eds.), *Handbook of market research*. Springer. [https://doi.org/10.1007/978-3-319-05542-8\\_15-1](https://doi.org/10.1007/978-3-319-05542-8_15-1)

Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly*, 27(3), 425–478. <https://doi.org/10.2307/30036540>

Wilson, R. (2007). Islamic finance in Europe. *RSCAS Policy Papers*. European University Institute.