

Intention to Adopt Islamic Financing in Algeria: Extending TPB

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ABSTRACT

The purpose of this paper is to determine the factors influencing the conventional banks' customers' intention to adopt Islamic financing (IF) in the context of an Islamic country that seeks to adopt Islamic banking (IB). A structured questionnaire was developed to collect data from 163 respondents and a multiple regression analysis was used to test the hypotheses. The results indicate that the awareness of IF, attitude towards IF, subjective norm, and perceived behavioral control (PBC) have a positive and significant influence on the intention to adopt IF. Also, results show that respondents have a relatively low awareness of IF principles, concepts, products, and services. But they have a positive attitude towards the IF, high subjective norms, a high degree of PBC, and good intentions to adopt IF. This is the first paper that addresses the intention to adopt IF and the factors

that influence it in Algeria. Furthermore, this paper extends the theory of planned behavior (TPB) by applying it to a different setting.

Keywords: *Attitude, Awareness, Intention, Islamic Finance, Subjective Norm, Algeria*

INTRODUCTION

As widely acknowledged, Islam is “a total way of life”. All aspects of a Muslim's life are governed by Sharia (Islamic Law). Its system of laws permeates social, economic, political, and cultural life. Sharia comes from a combination of sources including two primary sources, namely the Qur'an (the holy book of Islam) and the *Hadith* (sayings of the Prophet Muhammad and his deeds), also three secondary sources, namely *Ijmā* (scholarly consensus), *Qiyas* (reasoning by strict analogy), and *Ijtihad* (progressive reasoning by analogy). Islamic economy favors the manufacture of products and the provision of services that decrease poverty and establish equality in allocating wealth among different categories of society (Sarea, 2020). Khattak and Khan (2023, p. 39) found that "Islamic finance stimulates the overall economy and lessens volatility." The history of Islamic finance is as “old as the religion of Islam itself” (Visser, 2009). The term Islamic finance is defined as “an approach to finance and undertaking financial activities as founded, governed and illustrated under Sharia” (Alamad, 2017, p.16).

Islamic financing (IF) has received a lot of attention over the past decades (Khattak, & Khan, 2023). IF is purely based on the Islamic Sharia concept, which excluded the factor of interest (Riba) in all forms of transactions. The Islamic banking (IB) system was concocted owing to the dire need of having a financial institution for Muslim customers that meets their needs and necessities in line with the Sharia rules (Tara et al., 2014, p.253). Islamic financial institutions have developed various types of products and services to satisfy customers' needs. Some of these include *Mudharabah* (profit sharing), *Wadiah* (safekeeping), *Musharakah* (partnership financing), *Murabahah* (sale at a specified profit margin), *Ijar* (leasing), *Qard*

Hassan (benevolent loans), *Takaful* (Islamic insurance), and *Sukuk* (Islamic bonds) (e.g., Alam et al., 2019; Alamad, 2017; Billah, 2019; Visser, 2009). In recent years, the IF industry has enticed policymakers and international donors as a potential resort by which to widen financial inclusion, especially among Muslim adults (Demirgüç-Kunt et al., 2013).

Islamic financial assets stand at almost US\$2.5 trillion and the annual growth rate is about 18% (Billah, 2019). It's available in 56 countries through 1,389 fully-fledged Shariah-compliant financial institutions and windows around the world (Alam et al., 2019).

In Algeria, despite being a Muslim country, there are only a few Islamic banks (e.g., Al Baraka Bank and Al Salam Bank). According to the report published by Islamic Financial Services Board (July 2019), Algeria showed no interest in adopting an Islamic finance system. In practice, there are some signs that Algeria is moving towards activating IF. But hopefully, more serious initiatives are to be taken like what had already been taken by Muslim and Non-Muslim countries alike.

Benamraoui (2008) analyzed the IB in Algeria and found that Banque Al Baraka d'Algérie provides only a few Islamic financial products to its customer, most of the instruments are oriented towards short-term financing, the bank's overall performance has enhanced since the beginning of its activities in Algeria, but credit risk represents a major obstacle facing the bank. Another study conducted by Gherbi (2018) found that the most important obstacles to the establishment of IB in Algeria are: a dearth of legislation laws on IB, the absence of Islamic technical and development schemes as well as the mechanisms in promoting the IB system, a dearth of skilled and well-trained individuals in Islamic finance business field, and the media's nonchalant attitude in informing the public about IB. **Recently, Bouarar and Mouloudj (2020)** examined the awareness of IF in Algeria, they found that there are low levels of awareness of the fundamental terminologies of IF and little awareness of the IF

products, but there is a high level of awareness of basic rules and principles of IF.

The theory of planned behavior (TPB) suggests that there are three distinct determinants influencing intention: "attitudes toward the behavior," "subjective norms," and "perceived behavioral control" (PBC). These factors typically exhibit a strong predictive capacity for behavioral intentions (Ajzen, 1991). The TPB has been applied to a wide range of behaviors in order to better understand which intention to adopt IF and IB (e.g., Abid & Jieb, 2023; Aziz & Afaq, 2018; Boubker et al., 2021; Ibrahim et al., 2017; Kaawaase & Nalukwago, 2017), which proved to be the most applicable theoretical framework for the study such topics. It is considered one of the most widely supported social psychological theories for predicting human behavior. Nonetheless, numerous studies have also utilized alternative models and theories. For example, Lujja et al. (2016) used the theory of reasoned action to model public behavioral intention to adopt IB. In addition, a study done by Bananuka et al. (2020) used the "unified theory of acceptance and use of technology" to study the intention to adopt IF. Wherefore, this study used Ajzen's TPB to research the intention to adopt IF.

Literature on IF shows that attitude, subjective norm, PBC, and level of awareness (Ibrahim et al., 2017), Islamic financial knowledge and personal characteristics (Al Balushi et al., 2019a), brand/reputation of the financial institutions, cost of financing and high level of knowledge and awareness among Muslims (Bassir et al., 2014), and religiosity (Bananuka et al., 2020; Bassir et al., 2014; Ibrahim et al., 2017) are important factors that affect intention to adopt IB and IF. Although extensive research has been carried out on an intention to adopt IF in many developing and developed countries, Islamic and non-Islamic countries. According to Al Balushi et al. (2019b), there are still many countries where IF is at the beginning phase of its adoption and where Islamic methods of finance require further studies. For example, in the context of Algeria, very few studies have investigated the underlying factors that might influence

the customer's intention to adopt IF. Thus due to the growing interest and potential of IF, it is of vital importance to fathom the underlying factors that affect the process of adopting this newfangled financing trend option (Al Balushi et al., 2019a).

This paper seeks to contribute to filling this gap by examining the factors influencing the existing banks' customers' intention to adopt IF in Algeria. The objectives of this paper were to: (1) determine the influence of awareness of IF, attitude towards IF, subjective norm, and perceived behavioral control on intention to adopt IF; (2) develop and validate a model that extends a TPB theory to include awareness about IF products and services; and (3) answer call by Kaawaase and Nalukwago (2017) who called for future studies to consider the IB and IF adoption. The rest of this chapter is structured as follows. Section 2 describes the TPB used in the paper, followed by a review of pertinent literature and the formulation of hypotheses. Section 3 details the methodology adopted. Section 4 presents the main results and discussions thereof. Section 5 concludes, and limitations and future research agenda are outlined.

LITERATURE REVIEW

Theory of Planned Behavior (TPB)

TPB is an extension of the theory of reasoned action (TRA), which predicts the intention to perform a behavior from two predictors, attitudes toward the behavior and subjective norms (Fishbein & Ajzen, 1975). Ajzen (1985) developed TPB by introducing a third predictor of behavior to TRA, namely the PBC. The TPB provides a useful conceptual framework for dealing with the complexities of human social behavior (Ajzen, 1991). A central premise of TPB is the ability to predict intention based on “attitudes”, “subjective norms” and PBC (Mouloudj & Bouarar, 2023; Mouloudj et al., 2023; Smith et al., 2007).

Since its introduction 32 years ago, the TPB has become one of the most frequently cited and influential models for the prediction of

human social behavior (Ajzen, 2011). The application of the TPB to determine factors associated with adopting IB and IF has been demonstrated in many studies using empirical research methods. For example, Amin et al. (2014) used the TPB to examine the factors influencing consumer acceptance of Islamic home financing products. Further, Echchabi and Azouzi (2015) used the model to examine the willingness of Tunisian customers to adopt IB services and the factors that may influence their decision. Another research done by Ibrahim et al. (2017) used TPB to study customer intention on Islamic home financing products in Malaysia. Aziz and Afaq (2018) used decomposed TPB to investigate the factors affecting intentions to adopt IB in Pakistan. Shaikh et al. (2021) used the decomposed TPB to predict customers' acceptance of Islamic home financing. More recently, Abid and Jieb (2023) applied TPB to investigate the intentions of using Islamic finance among Pakistani farmers.

TPB predicts how individuals will behave based on their attitude, subjective norm, PBC, and intentions. It expresses this relationship by the following mathematical equation:

$$BI = \alpha + w1(AT) + w2(SN) + w3(PBC)$$

Where BI (behavioral intention) is a function of attitude (AT), subjective norm (SN), and PBC; α is constant; $w1$, $w2$, and $w3$ are the relative weights of the antecedents of intention.

Although the validity of TPB's model in predicting intention, some researchers have argued that the variance in explaining intention increased when other variables; such as personal moral norms (Mouloudj & Bouarar, 2021) and environmental awareness (Mouloudj et al., 2023), was added to the TPB model. Some studies indicate that a higher level of customer awareness of IF products and services is associated with the intention to adopt IF (Azouzi, 2015; Ibrahim et al., 2017; Tara et al., 2014; Wahyuni, 2012). Therefore, it is reasonable to assume that the inclusion of awareness about IF in the study model could enhance the predictive ability of the original TPB. Thus, the intention to adopt IF can be reformulated:

$$\text{IAIF} = \alpha + w_1(\text{AB}) + w_2(\text{SN}) + w_3(\text{PBC}) + w_4(\text{AIF})$$

Intention to Adopt Islamic Financing

IF eliminates debt financing but does not exclude providing interest-free loans exclusively for charitable purposes only (Al-Jarhi, 2017, p.118). According to Visser (2009, p. 134), there are potential positive effects of applying IF included: (1) lower danger of insolvency; (2) protection against financial crises; (3) increase in participation in the official financial system; and (4) substantially reduce speculative activities. Warshaw and Davis (1985, p. 214) defined intention as “the degree to which a person has formulated conscious plans to perform or not perform some specified future behavior”. According to Mouloudj and Bouarar (2023, p. 208), behavioral intention refers to "the extent of the individual’s willingness to complete the behavior”.

Intention stems from an amalgam of attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 2002). A study conducted by Kaabachi and Obeid (2016) in Tunisia on determinants of IB adoption. It found that Islamic bank reputation, the perceived relative advantage of IB, and its compatibility with consumer religious beliefs, values, lifestyle, and banking habits positively influence the intention to adopt IB. Similarly, Bananuka et al. (2019) studied the intention to adopt IB in Uganda. They found that attitude, subjective norm, and religiosity are significant determinants of the intention to adopt IB. Also, Amin et al. (2014) indicated that the consumer acceptance of Islamic home financing products is determined by attitude, subjective norm, PBC, and Islamicity of the product.

Awareness of Islamic Finance Products and Services

The low level of awareness about IF can be one of the most important obstacles facing the development of IF (Bouarar & Mouloudj, 2020). So, marketing managers must try to develop a positive attitude by creating awareness and benefits of IB services (Aziz & Afaq, 2018). According to Cambridge English Dictionary, awareness is "a

knowledge that something exists or understanding of a situation or subject at present based on information or experience". The awareness level vis-a-vis the IF products is high in some of the common products such as current accounts and time deposit accounts (Tara et al., 2014). But most of the customers lack awareness of the specific IF products such as *Musharakah* and *Ijara* (Khattak & Rehman, 2010). Hamid and Nordin (2001) said that well consumer educational level effectively contributes to making people more aware of IB products. Bougatef et al. (2012) concluded that the main principles and merits of IF are unknown to 65% of the respondents. Rammal and Zurbruegg (2007) discovered that people showed great attention to IB products but their unawareness of these products represents the major obstacle in the Australian market.

Akhtar et al. (2016) found that religion, Islam's teachings on finance awareness, awareness of IB products and services; advertising, and networking represent the pivotal factors that influence customer perception of IB. Lujja et al. (2018) found that Muslims are more conversant in IB culture compared to non-Muslims, nonetheless, both groups have poor awareness levels about IB terminologies. Wahyuni (2012) found a positive significant association between knowledge and intention to use Islamic Bank. He mentioned that "Muslim Umma with better cognition has the high intention to use IB". Echchabi & Azouzi (2015) found that awareness has a significant impact on the attitude towards IB services. Similarly, Tara et al. (2014) found that awareness of the financial teachings of Islam is a significant influential factor in the adoption of IB. Also, found that the level of awareness of IB products and services is low, and it's not significant with the adoption of IB. Ibrahim et al. (2017) state that there is a significant relationship between levels of awareness with intention in choosing Islamic home financing. Kazaure (2019) found that awareness of Takaful moderates the effects of social influence and perceived behavioral control on Takaful acceptance intention. As a result, the following research hypotheses have been constructed:

H1: The level of awareness of IF has a positive influence on the intention to adopt IF.

Attitude towards Islamic financing

According to Ajzen (1991, p.188), attitudes refer to "the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question." Attitude is influenced by subjective norms (Echchabi and Azouzi, 2015; Lujja et al., 2016); behavioral belief (Lujja et al., 2016); religious obligation (Boubker et al., 2021; Jaffara & Musa, 2016); uncertainty, compatibility, and awareness (Aziz and Afaq, 2018; Echchabi & Azouzi, 2015); IF reputation (Boubker et al., 2021); and relative advantage (Aziz and Afaq, 2018). Awareness is one of the most important factors to develop positive attitudes toward IF products and services (Bouarar & Mouloudj, 2020).

Attitude is positively associated with the consumers' acceptance of Islamic home financing products (Amin et al., 2014); the intention to use *Murabaha* financing (Atal et al., 2020); intention to adopt IF (Boubker et al., 2021). Similarly, Lujja et al. (2016) found that attitude influences behavioral intention to adopt IB. Further, Echchabi & Azouzi (2015) found that attitude has a significant impact on the intention to adopt IB services. Also, Aziz & Afaq (2018) found that attitude has a significant relationship with the intention to adopt IB. Previous studies indicated that there is a significant relationship between attitude and customers' intention in choosing Islamic home financing products (Ibrahim et al., 2017; Shaikh et al., 2021). In addition, Kazaure (2019) found that the attitude towards Takaful influences the Takaful acceptance intention of owners/managers of microenterprises in Nigeria. Therefore, the next hypothesis is proposed:

H2: Attitude towards IF has a positive influence on intention to adopt IF.

Subjective norm

According to Ajzen (1991, p.188), subjective norm refers to "the perceived social pressure to perform or not to perform the behavior". In other words, subjective norm refers to the influence of neighbors, friends, peers, family members, colleagues, and referent others in performing the behavior. Subjective norm is determined by normative beliefs (Aziz & Afaq, 2018; Lujja et al., 2016). Echchabi and Azouzi (2015) found that normative beliefs have a significant influence on subjective norms, with particular reference to the parents, siblings, peers, and colleagues, as the main referent groups. In addition, they found that subjective norms have a significant impact on the intention to adopt IB services. Similarly, Amin et al. (2014) indicate that subjective norms determine consumer acceptance of Islamic home financing products. Previous studies showed that there was a significant relationship between subjective norms and customer's intention in choosing Islamic home financing products (Ibrahim et al., 2014; Shaikh et al., 2021). In the same way, Boubker et al. (2021) concluded that subjective norms affect the intention to adopt IF. Aziz and Afaq (2018) proved that subjective norms have a significant positive relationship with the intention to adopt IB. Social influence has a significant influence on *Takaful* acceptance intention (Kazaure (2019) and intention to use *Murabaha* financing (Atal et al., 2022). Nevertheless, Lujja et al. (2016) found that attitude mediated the influence of subjective norms on the intention to adopt IB. Hence, the hypothesis is:

H3: Subjective norm has a positive influence on intention to adopt IF.

Perceived Behavioural Control (PBC)

The TPB is an extension of the theory of reasoned action (Fishbein & Ajzen, 1975) by adding another construct known as PBC. According to Ajzen, (1991, p.183), PBC refers to "people's perception of the ease or difficulty of performing the behavior of interest". In other words, PBC is the individual's perception of his or her control over the performance of the behavior. The perceived control over the behavior, which shapes the consumer's perception of the underlying factors that

may stimulate or hamper the performance of an act, such as the plethora of time and money or the acquirement of the desired skills and the person's self-confidence in the ability to carry out the act (Ajzen, 1991). Accordingly, customers' behavior is strongly influenced by their confidence in their capacity to perform a behavior. However, according to Ajzen, (1991, p.183), PBC could be impractical when a person lacks information about the behavior, when requirements or available resources have changed, or when unpredicted factors have intruded into the situation.

PBC is determined by self-efficacy and resource facilitation conditions (Aziz & Afaq, 2018). Echchabi and Azouzi (2015) found that self-efficacy has a significant influence on PBC. Perceived control is a significant predictor of consumer acceptance of Islamic home financing products (Amin et al., 2014; Shaikh et al., 2021). Ibrahim et al. (2017) indicate that there is a significant relationship between PBC with customers' intention in choosing Islamic home financing products. Kazaure (2019) found that PBC has a significant direct influence on Takaful acceptance intention. Boubker et al. (2021) showed that PBC has a significant effect on the intention to adopt IF. However, other studies have reported that PBC does not influence the intention to adopt IB services (Aziz & Afaq, 2018; Echchabi & Azouzi, 2015). Based on the above discussion, the hypothesis is:

H4: Perceived behavioral control has a positive influence on the intention to adopt IF.

METHODOLOGY

Developing a survey instrument

This paper used a survey-based questionnaire and employed a quantitative method of research to collect the sample data. All items were adapted from previous studies and all the research constructs were measured on five-point Likert-type scales ranging from (1) "strongly disagree" to (5) "strongly agree". The questionnaire comprised two sections. The initial section centered on demographic details, encompassing gender, age, education level, and income level.

The subsequent section consisted of 25 items addressing the five research constructs. So, awareness of IF was measured with scales adapted from Ashurov and Othman (2019). Attitude towards IF was captured using the scales of Alam et al. (2012). The subjective norm was measured with scales adapted from Kaawaase and Nalukwago (2017). Perceived behavioral control was assessed with measures reported by Alam et al. (2012). Intention to adopt IF was measured with scales adapted from Ayinde and Echchabi (2012), and Ashurov and Othman (2019) (see appendix 1).

Initially drafted in English, the questionnaire underwent translation into Arabic and French by three experts. A pilot test was subsequently conducted with a representative sample of 20 conventional bank customers to ensure clarity and comprehension of the questions. The results of the pilot test affirmed the intelligibility of our research instrument, indicating its efficacy in gathering sample data. Moreover, following the recommendation of Hair et al. (2010) to ensure the content validity of our questionnaire items, three academic experts in marketing were invited to assess the questionnaire. Their task was to determine whether the measures accurately reflected the intended concepts and to validate the wording used. Based on their feedback, any items deemed ambiguous were either revised or eliminated entirely. Specifically, five items were removed: three from the subjective norm, one from PBC, and one from awareness of IF. Once the content validity was confirmed, the questionnaires were distributed in various locations such as banks, shopping malls, post centers, and universities.

Research sample

There are twenty conventional banks and nine financial institutions operating in Algeria. The target population consisted of the existing conventional banks' customers, as in the study of Kaabachi and Obeid (2016). The sampling frame is retail conventional banks customers who have active accounts in banks, were non-users of Islamic banking, and living in san states; they are Algiers, Medea, Blida, Tipaza, Boumerdes, and Bouira. The selection of research participants is deemed a pivotal task research participants willingly convey

information that truly and viably represents the target population. Unfortunately, accessing customer databases to determine the research population's size was unfeasible due to confidentiality constraints and competitive considerations regarding customers' account information. According to Cavana et al. (2008, p. 137), the non-probability methods have distinct merit which swiftly evaluate among participants who are most likely to deliver valuable information. Therefore, the participants were to be selected following a convenience sampling (non-probability) approach. The approach includes accumulating information from the population members who are properly available to provide it (Cavana et al., 2008). Further, convenience sampling is an acceptable sampling method to adopt in Islamic banking (Mahadin & Akroush, 2019; Marimuthu et al., 2010).

The optimum extent size of the sample is an arguable issue. For example, Hair et al. (2010) suggest that the minimum sample size is 100 when considering models containing five or fewer constructs, each with more than three items. They stated that the sample size suitable for most multivariate data analysis approaches should have a minimum ratio of at least five respondents for each estimated variable. Also, Cliff (1987) recommends a sample size of 150 for 40 variables (item statements) on a scale. This proposition determines an approximate suggestion concerning the sample size for this study. In our study, we have 25 items (excluding demographic characteristics) for measuring the five constructs. Based on this number of items, the sample size suitable for the study was 125 (25x 5). To raise the representation size we have increased the sample size to 200. We invited conventional banks' customers to participate voluntarily. So, a total of 200 questionnaires were distributed among the respondents of which 163 were usable. This shows that the response rate is 81.50 %.

The demographic characteristics of the respondents were analyzed using descriptive statistics. 59.51% were male respondents and 40.49% were female. Regarding age, most responses came from 30 to 45 years of age, which is 45.40% of the total followed by above 45 years of age, which is 35.58%. The education level of respondents

indicates that most of them are graduates and makeup 50.92% of respondents. Regarding distributions of respondents by the level of income, 42.95% have an income level between 30001 and 55000 Algerian dinars per month. A significance of 40.49% was witnessed where respondents have an income level above 5500 Algerian dinars per month, which are more likely to adopt IF.

RESULTS AND DISCUSSIONS

Cronbach's alpha coefficient

Before testing the hypotheses, we used Cronbach's alpha coefficients to assess the reliability of each of constructs. It is commonly used as a recommended benchmark. The details of the reliability are shown in Table 1.

Table1. Reliability Analysis

Variables	No. of items	Cronbach's alpha
Awareness of Islamic Finance (AIF)	5	,898
Attitude towards Islamic Financing (ATIF)	5	,852
Subjective Norm (SN)	5	,879
Perceived Behavioural Control (PBC)	5	,880
Intention to Adopt Islamic Finance (IAIF)	5	,900

The alpha values ranged from 0.852 to 0.900, exceeding the minimum criterion of 0.60 Cronbach's alpha which represents the rule of thumb for a reliability test as mentioned in Mouloudj & Bouarar (2023) and Mouloudj et al. (2023).

Correlation analysis

The means and standard deviations are shown in Table 3 below indicate that respondents have a relatively low awareness about IF principles, concepts, products, and services (M= 2.87). But they have a positive attitude towards the IF (M= 4,01), high subjective norms

(M= 4.00), high degree of perceived behavioral control (M = 4.06), and good intentions to adopt IF (M= 4.07), this is shown by the mean value which is higher than 4 for the three constructs.

Table 2. Means, standard deviations, and correlations (N = 163)

Constructs	Mean	SD	1	2	3	4
1. AIF	2.87	0.810				
2. ATIF	4.01	0.590	0.561**			
3. SN	4.00	0.607	0.546**	0.808**		
4. PBC	4.06	0.608	0.547**	0.693**	0.769**	
5. IAIF	4.07	0.636	0.702**	0.706**	0.730**	0.692**

** Correlation is significant at the 0.01 level (2-tailed).

The overall results in Table 2 indicate that there is a satisfactory degree of relationship between all the exploratory variables in the model. In particular, it was noted that the value of correlation between awareness of IF (AIF) and intention to adopt IF (IAIF) is .702** which is significant at 0.01 level, this value is showing that awareness of IF has a significant relationship with intention to adopt IF. The value of the correlation between attitude towards IF (ATIF) and intention to adopt IF (IAIF) is 0.706** which is significant at the 0.01 level, this shows that there is a significant relationship between attitude towards IF and intention to adopt IF. The value of correlation between subjective norm (SN) and intention to adopt IF (IAIF) is 0.730** which is significant at 0.01 level, this result is portraying that subjective norm has a significant relationship with intention to adopt IF. The value of correlation between perceived behavioral control (PBC) and intention to adopt IF (IAIF) is 0.692** which is significant at 0.01 level, this result is depicting that perceived behavioral control has a significant relationship with intention to adopt IF.

Hypotheses testing

The hypothesis testing was further done through multiple regression analysis. The details of the multiple regression analysis are shown in Table 3. The results showed that awareness of IF had a significant and positive influence on the customer intention to adopt IF ($\beta = 0.292$; $t = 6.680$). Thus hypothesis 1 is supported. This means that increasing awareness of IF is likely to increase the intention to adopt IF. Pambekti et al. (2023, p. 337) found that "halal awareness and switching costs directly affect Muslim women's switching intentions from non-halal to halal cosmetics." This finding is following the findings of the studies by Wahyuni (2012), Echchabi and Azouzi (2015), and Shaikh et al. (2021), which found that awareness was associated with intention to use IF. This is also emphasized by Ahmad & Bashir (2014) that customers' awareness level had a strong positive relationship with the decision to utilize Islamic banking products and services.

Table 3. Multiple linear regression analysis

Model	B	Std. Error	t	Sig.
(Constant)	,687	,212	3.246	0.001
AIF	,292	,044	6.680	0.000
ATIF	,183	,085	2.167	0.032
SN	,268	,091	2.950	0.004
PBC	,182	,075	2.415	0.017

F = 87.462 (Sig. = 0.000); *R* = 0.830; *R* Square = 0.689; Adjusted *R* Square = 0.681

Furthermore, the study showed that attitude had a significant and positive influence on intention to adopt IF in Algeria ($\beta = 0.183$; $t = 2.167$), a hypothesis that was suggested by various authors in marketing literature. Thus hypothesis 2 is also supported. Attitude is one of the most studied variables in the field of studies that aim to identify why people fail to shape certain behavioral intentions. In particular, the customers with higher positive attitudes were found to have a stronger intention to adopt IF. The present result in this work

agrees with previous studies (e.g., Aziz & Afaq, 2018; Boubker et al., 2021; Echchabi & Azouzi, 2015; Ibrahim et al., 2017; Lujja et al., 2016) showing that the attitudes towards IF products and services play an important role in forming adoption intentions for IF in the emerging markets and developing economies is very important. Importantly, it supported a key assumption in the TRA is that attitude is one of the key determinants of behavioral intention.

In the same context, it was found that subjective norm had a significant and positive influence on intention to adopt IF ($\beta = 0.268$; $t = 2.950$). Thus hypothesis 3 is supported. The subjective norm refers to the pressures exerted by a reference group that can influence a person's perception, feeling, preference, opinion, attitude, intention, and behavior. This means that customers with an influential group (especially religious scholars) were more likely to produce favorable intentions to adopt IF and convert the intention into positive actions. This result was confirmed by previous studies (e.g., Atal et al., 2022; Aziz & Afaq, 2018; Boubker et al., 2021; Echchabi & Azouzi, 2015; Ibrahim et al., 2017; Kaawaase & Nalukwago, 2017; Shaikh et al., 2021). Lujja et al. (2016) also found that subjective norm does not directly influence behavioral intention to adopt IB. In general, Subjective norms are important because they influence how customers interpret information, and it seems to play a major role in the formation of an intention to adopt IF.

Last, the findings indicate that PBC had a significant and positive influence on intention to adopt IF ($\beta = 0.182$; $t = 2.415$). Thus hypothesis 4 is also supported. This means that persons who perceive they have access to the necessary resources and perceive that there are opportunities or lack of obstacles to perform the behavior are likely to have a stronger intention to adopt IF. This is in line with the findings of Boubker et al. (2021), Ibrahim et al. (2017), Kazaure (2019), and Shaikh et al. (2021). This is also emphasized by Amin et al. (2014) that perceived social support is beneficial and is associated with acceptance of Islamic home financing products. Nevertheless, it

contradicts the findings of Echchabi and Azouzi (2015), and Aziz and Afaq (2018).

In the model, the strongest predictor was awareness of IF. The beta (β) value of awareness (0.292) indicates that changing the values of awareness of IF by 1 will cause $0.687 + 0.292$ changes in the intention to adopt IF. Thus, the regression analysis equation can be formulated as follows:

$$IAIF = 0.687 + 0.292(AIF) + 0.183(ATIF) + 0.268(SN) + 0.182(PBC)$$

In our model, the value of R of 0.830 indicates a moderate positive relationship between the intention to adopt IF and independent variables. Moreover, R^2 represents the coefficient of determination, which indicates the percentage of the variation in the dependent variable that is explained by or attributed to all of the independent variables. Here the value of R^2 of 0.689 indicates that the awareness of IF, attitude towards IF, subjective norm, and PBC factors accounted for 68.9% of the variation in intention to adopt IF. In other words, awareness of IF, attitude towards IF, subjective norms, and PBC significantly influenced the intention to adopt IF.

CONCLUSION

The study extends the TPB to explain the role of awareness of IF in the intention to adopt IF by conventional banks' customers in Algeria. A convenience sampling method was used in this paper. We invited conventional banks' customers to participate voluntarily. Findings showed that conventional banks' customers in Algeria have low awareness of IF (principles, concept, products, and services); positive attitudes towards IF; and good intentions to adopt IF. Also, the results indicated that the model was significant and awareness of IF, attitude towards IF, subjective norm, and PBC factors accounted for 68.9% of the variation in intention to adopt IF. Customers' awareness of IF had the strongest and most positive contribution to the intention to adopt IF. The subjective norm and attitude towards IF had the second and third highest contributions to the intention to adopt IF, respectively. The research is significant, as it is the first paper to investigate the awareness, attitude, subjective norm, PBC, and intention of Algerian

customers regarding IF. Even though all Algerians are Muslims, there's very little interest in IF. Thus, this emerging market gives irreplaceable opportunities for investors to invest in Islamic finance.

Practical implications

In order to increase the IF adoption intention we suggest the following recommendation: (1) raising the level of awareness of Islamic services and product through shedding the light on the main differences between IF and conventional financing, and develops a thorough advertising campaign to ameliorate potential customer's knowledge about the merits of IF, these campaigns may involve TV and radio programs, posters and booklets, this campaigns may also include the role of mosques in providing specific informative courses and lessons pertaining IF presented by both Islamic studies scholars and IF experts, in addition social media can also be effectively used in promoting IF products; (2) fostering the positive attitude towards IF, in addition to the role of assessing and identifying customers awareness in creating positive trends, enhance products quality along with maximizing the perceived value can also reinforce positive attitudes, it is also imperative to study negative trends towards IF and identify its causes, and then adopting strategy to change negative attitudes, for instance attitude s amongst some people can be negative due to the belief that Islamic banks do not completely comply with the Islamic canon, thus Islamic and religious scholars ought to contribute in changing these beliefs by persuading these people that this type of financing indeed comply with the Islamic canon; (3) the focus should be on creating a supportive social environment, and relying heavily on the role of reference groups (family members, friends, and colleagues), in order to increase the acceptance of adopting IF as a convenient and consistent option with their religious beliefs, via the positive word of mouth particularly the word of mouth uttered by religion scholars and imams that enjoy a respectful and considerable status among the targeted individuals; and (4) in order to make potential customer self-confident and aware of his abilities in performing the required attitude,

the easiness of getting involved with IF must be promoted and advertised, and that the process is not as complex and difficult as some people might believe, because realizing the difficulty of carrying out the behavior might impede forming the intention of doing it, for instance clarification and facilitating the procedures of obtaining IF leads customer to realize how easy it is to obtain such products or services, and this in turn would generate the intention which could ultimately manifest into actual behavior.

Limitations and future research lines

Our research indeed like any other research has some limitations that could be addressed in future research. First, respondents were selected from six Algerian states, as mentioned previously, using a convenience sample, which indicates the inability to generalize the findings. As a result, we encourage researchers to expand the sampling ambit and to use probability samples. Second, all respondents are conventional banks customers, and it is known a vast majority of individuals eschew dealing with banks due to usurious transactions (RIBA). Hence, this category awareness and perceptions, as well as its attitudes, might be completely different from current customers, therefore we believe that it would be useful for future researchers to retest an expanded model that encompasses individuals that are not customers to these banks to compare their result with the result obtained in our study. Third, TPB has been expanded by one variable which is customer awareness, and the determination coefficient ($R^2 = 0.68$) elucidates that 32% is explained by other factors. Therefore, we suggest expanding TPB by incorporating other factors such as customers' dissatisfaction with previous experiences with conventional banks, level of awareness of IF advantages, and customers confidence. Fourth, the current paper addressed the services and products of IF in general, therefore preferably further specialized studies in a specific type of these products such as Musharaka or Takaful. Fifth, the current study targeted the intention to adopt IF among individual customers, therefore advent researches could

address the intention to adopt IF by small and medium enterprises, entrepreneurs, farmers, or others customers.

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Appendix 1.

Table 4. Descriptive statistics of study variables

N°	Items	Mean	SD
AIF1	I am generally aware of the concept and principles of Islamic financing.	2.90	0.99
AIF2	I am aware of the necessary prerequisites of Islamic financing.	2.84	0.97
AIF3	I have sufficient awareness of Islamic financing.	2.85	0.93
AIF4	I am aware of the products and services of Islamic financing.	2.86	0.97
AIF5	I am aware of the success of Islamic financing globally.	2.88	0.93
ATIF1	I like Islamic financing because it is Shariah Compliant (free from Riba)	4.06	0.73

ATIF2	Engaging in Islamic financing is good because of its product advantages	3.95	0.73
ATIF3	I like Islamic financing because it's beneficial to me (profit rate)	3.98	0.73
ATIF4	Taking Islamic financing would be good for me.	4.06	0.77
ATIF5	Having Islamic financing would be peace of mind to me (nor fluctuation in repayment amount).	4.00	0.74
SN1	Most people I know expect me to embrace the new Islamic financing.	4.01	0.68
SN2	My family expects me to embrace Islamic financing.	4.04	0.74
SN3	Most people like me will use Islamic financing.	3.96	0.77
SN4	My colleagues think I should use Islamic financing once introduce.	4.00	0.74
SN5	Most people I know like Islamic financing.	3.96	0.74
PBC1	I am confident that I would take Islamic financing for my purchase (such as home housing or car etc) in the future.	4.03	0.75
PBC2	I am confident that I would like Islamic financing even if it is more expensive.	4.0	0.76
PBC3	I am confident that I would take Islamic financing even if the bank personnel advised me to take conventional financing.	4.08	0.74
PBC4	I am sure I would be able to undertake Islamic financing.	4.06	0.67
PBC5	I have the resources, knowledge, and ability to undertake Islamic financing.	4.12	0.75
IAIF1	I will seriously consider the Islamic financing system in the future.	3.99	0.69
IAIF2	I intend to adopt Islamic financing services.	4.06	0.75
IAIF3	I will strongly advise my friends and others to adopt Islamic financing.	4.08	0.78
IAIF4	I will choose Islamic financing products in the future.	4,018	0.73
IAIF5	I plan to consider Islamic financing.	4.20	0.79

