Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997
Article DOI: 10.21070/perisai.v10i2.1997

Original Research Article

Complexity Constrains Islamic Banking Adoption Despite Perceived Relative Advantages

Wenda Wahyu Christiyanto[1*], Muhammad Fakhri Al-Kahfi[2], Siti Zuhroh[3], Nurali Nurali[4]
[1]Master of Management Study Program, Postgraduate School, Universitas Terbuka, Indonesia
[2]Islamic Economics Study Program, Faculty of Economics and Business, Universitas Terbuka, Indonesia
[3,4]Management Study Program, Faculty of Economics and Business, Institut Teknologi dan Bisnis PGRI Dewantara Jombang, Indonesia

Article history: Received 25 February 2026, Accepted 04 May 2026, Published 31 October 2026

ABSTRACT

General Background: Islamic banking continues to develop as part of the global financial system, yet customer acceptance remains essential for sustainable market expansion. **Specific Background:** Despite increasing institutional assets and regulatory support, Islamic banks experience challenges in attracting customers compared with conventional financial institutions. **Knowledge Gap:** Previous studies have predominantly employed quantitative approaches based on Diffusion of Innovation theory, leaving stakeholder experiences concerning adoption barriers and perceived benefits insufficiently explored. **Aims:** This study investigates factors encouraging and discouraging customers from adopting Islamic banking products and services. A qualitative phenomenological approach was employed through semi structured, in depth interviews with Islamic banking stakeholders, followed by thematic analysis. **Results:** Operational, technological, and service related complexity emerged as significant barriers to customer acceptance. Conversely, relative advantage was reflected in product quality, frontline employee competence, digital banking applications, and tangible service characteristics. These findings identify contrasting dimensions shaping customer perceptions of Islamic banking services. **Novelty:** The study provides a qualitative examination of complexity and relative advantage within the Diffusion of Innovation framework, offering empirical insights for refining their conceptual indicators. Implications: Islamic banks should address operational difficulties while strengthening product offerings, employee competence, and digital service delivery to support customer retention and market development.

Keywords: Complexity, Relative Advantage, Islamic Bank Adoption, Thematic Analysis

HOW TO CITE: Wenda Wahyu Christiyanto, Muhammad Fakhri Al-Kahfi, Siti Zuhroh, Nurali Nurali (2026), Complexity Constrains Islamic Banking Adoption Despite Perceived Relative Advantages, Vol 10 (2), October 2026. DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

1. Introduction

Globally, Islamic banking emerged in 1963 with the establishment of Mit-Ghamr Savings Bank in Egypt, and over the past five decades, the sector has experienced rapid growth in both scale and investor participation (Allah Pitchay et al., 2020). n Indonesia, Islamic banking began operating in 1991 with the founding of Bank Muamalat Indonesia (Choiriyah

*Coresponding author.
E-mail address: wenda.wahyu@ecampus.ut.ac.id
Peer reviewed under reponsibility of Universitas Muhammadiyah Sidoarjo.
© 2026 Universitas Muhammadiyah Sidoarjo, All right reserved, This is an open access article under the CC BY license (http://creativecommons.org/licenses/by/4.0/)

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

et al., 2021). Since then, the industry has undergone significant development, particularly in the last two decades, driven by increasing public awareness of financial principles aligned with Islamic law (Siregar & Siregar, 2024). he Indonesian government, through the Financial Services Authority (OJK), has introduced various policies and strategic roadmaps to strengthen the position of Islamic banks within the national financial system (OJK RI, 2023). Despite these efforts, the market share of Islamic banks remains relatively small compared to conventional banks (Figure 1), even though Indonesia is a Muslim-majority country (Figure 2) and holds the largest Muslim population in the world (Nurfadila & Maulana, 2025). This demographic should represent a substantial market potential for Islamic banking in Indonesia. However, in practice, Islamic banks have yet to effectively attract the broader Muslim population to adopt the products and services they offer (Asnawi et al., 2020).

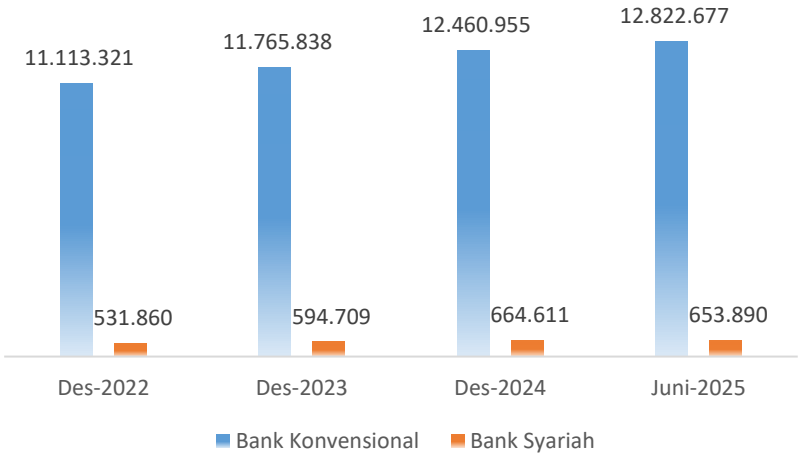


Figure 1. Conventional and Islamic bank's assets comparison (in Billion IDR)

This issue is particularly compelling to investigate, especially given that Islamic banks explicitly embody Islamic values in their business practices. Although there appears to be growth in the expansion of Islamic banking services, it remains uncertain whether customers and the wider society, particularly in Indonesia, genuinely accept the products and services offered by Islamic banks.

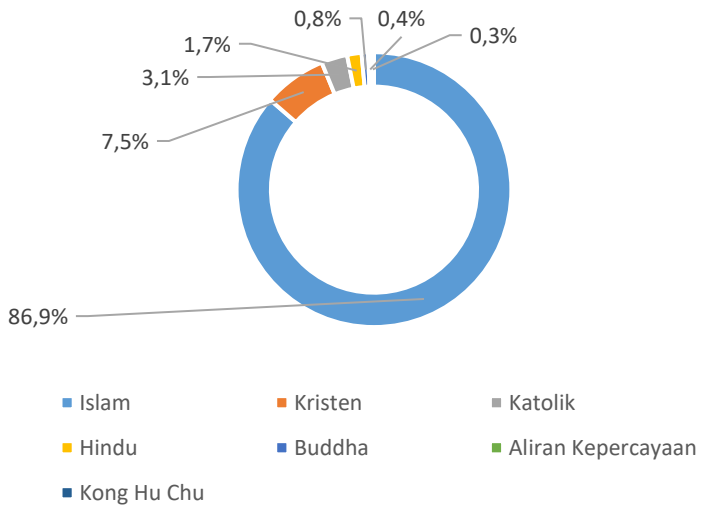


Figure 2. Distribution by religion

The success and adoption of Islamic banking largely depend on customer enthusiasm to adopt and utilize its services (Jamshidi et al., 2015). In this regard, previous literature has examined adoption processes, often grounded in the Diffusion of Innovation (DOI) theory developed by Everett M. Rogers. The innovation adoption process is defined as the progression through which individuals move from initial awareness to full acceptance of a new innovation. This process begins with knowledge acquisition, followed by persuasion, leading to a decision, experiencing the implementation of the innovation, and ultimately arriving at confirmation (Rogers, 2003).

Numerous studies have proposed adaptations of the DOI framework for Islamic banking research, thereby extending the theory by adding or omitting perceived characteristics of innovation (Ezeh & Nkamnebe, 2021). For instance, Kaabachi & Obeid (2016) excluded Observability and Trialability but incorporated Bank Reputation, Awareness, and Perceived *Risk*. Mahdzan et al. (2017) omitted Compatibility and Observability but added Bank Personnel's Professionalism, Personal Innovativeness, and General Innovativeness. Ezeh & Nkamnebe (2018) introduced Religiosity, Profit/Loss Sharing, Promotional Effort, Awareness, Information Quality, Uncertainty, and Customer Involvement alongside the five core DOI constructs. Later, Ezeh & Nkamnebe (2021) excluded Complexity but added Government Support and Social Influence. Ezeh & Nkamnebe (2022) excluded Complexity, Trialability, and Observability, while adding Knowledge, Trust, and Knowledge of Islamic Banking. From these discussions, it is evident that Relative Advantage is the only variable consistently included across prior studies in the development of DOI frameworks.

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

Despite these contributions, the majority of previous studies have primarily explained the conceptual relationships among variables quantitatively through the DOI framework, often by extending it with additional constructs already examined in earlier research. While such studies have generally yielded positive results, the reality in practice shows that Islamic banks in Indonesia continue to struggle in expanding their market share. Against this backdrop, the present study seeks to delve deeper into the factors that encourage customers to adopt Islamic banking products and services, while also examining the negative aspects that contribute to customer reluctance, particularly within the Indonesian context.

2. Methods

This study was conducted using a qualitative method, specifically employing a phenomenological approach. Phenomenology focuses on exploring how individuals perceive and make sense of phenomena, thereby providing an in-depth explanation of each individual's subjective experiences (Korstjens & Moser, 2017). This approach aligns with the ultimate aim of the study, which is to understand and provide a comprehensive account of the subjective perceptions of Islamic banking stakeholders in Indonesia.

The qualitative data were collected through in-depth interviews with 22 informants, the details of which are presented in table 1.

Table 1. Informants' profile

No.	Informants	Gender	Gen	Occupation	Role	Origin	Codes
1	HM	Male	X	Islamic bank's Sharia supervisory board	Sharia supervisory board	Malang – East Java	P1
2	MM	Male	X	National Sharia Council - Indonesian Ulema Council (MUI)	Sharia supervisory board	Jakarta	P2
3	SH	Female	X	Lecturer	Academics	Surabaya – East Java	A1
4	LC	Female	Y	Lecturer	Academics	Yogyakarta	A2

5	AFA.	Male	Z	Entrepreneur	Islamic and conventional banks' customer	Surabaya – East Java	N1
6	LNN	Female	Y	Entrepreneur	Islamic and conventional banks' customer	Bojonegoro – East Java	N2
7	SDP	Female	Z	Postgraduate student	Islamic and conventional banks' customer	Bandung – West Java	N3
8	ASR	Male	Y	Private employee	Islamic and conventional banks' customer	Medan – North Sumatera	N4
9	SD	Female	Y	Postgraduate student	Islamic and conventional banks' customer	Makassar – South Celebes	N5
10	MAM	Male	Y	Medical Doctor	Islamic and conventional banks' customer	Surabaya – East Java	N6
11	MNA	Male	Y	Army	Islamic and conventional banks' customer	Jombang – East Java	N7
12	NA	Female	Y	Postgraduate student	Islamic bank's customer	Malang – East Java	NS1
13	LT	Female	Y	Private employee	Islamic bank's customer	Gresik – East Java	NS2
14	YS	Male	Y	Entrepreneur	Islamic bank's customer	Kediri – East Java	NS3
15	HDR	Male	X	Entrepreneur	Non-Muslim Islamic bank's customer	Jombang – East Java	NN1
16	RNA	Female	Y	Lecturer	Former Islamic bank's customer	Bandung – West Java	MN1
17	MAA	Male	Y	Entrepreneur	Former Islamic bank's customer	Malang – East Java	MN2

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

18	INS	Female	Z	Private employee	Former Islamic bank's customer	Mojokerto – East Java	MN3
19	JS	Male	Y	Islamic bank's sub branch head	Islamic banking practitioner	Madiun – East Java	PR1
20	BSW	Male	Z	Islamic bank's relationship manager	Islamic banking practitioner	Jombang – East Java	PR2
21	AB	Male	X	Islamic bank's division head	Islamic banking practitioner	Tangerang Selatan – Banten	PR3
22	DFH	Male	X	Executive director at Islamic banking department - Indonesia financial services authority (OJK)	Islamic bank's regulator	Bekasi – West Java	R1

In conducting data collection, the researcher established an interview guide to ensure that qualitative data were obtained in the form of interview transcripts that support the objectives of the study. The languages used during the interview process included Indonesian, Javanese, and Sundanese. These languages were employed to build rapport and familiarity with the informants.

To assess data validity, the researcher applied the principle of *credibility*, as data were drawn from multiple sources, specifically several key informants representing different levels of Islamic banking stakeholders. Credibility is often referred to as the "That's right!" factor. It can be illustrated when a presentation of research findings is delivered and participants nod in agreement, uttering affirmations such as "Agree" or explicitly stating "That's right!"—a phenomenon that reflects resonance between the research and its audience (Miles et al., 2014).

The collected data were subsequently analyzed using thematic analysis, following the steps outlined by Braun & Clarke (2022) as illustrated in the figure 3 below:



Figure 3. Thematic analysis

3. Findings and Discussion

A. Findings

The comprehensive data collected from multiple interviews has yielded a range of thematic insights that elucidate stakeholders' perceptions regarding the adoption of Islamic banking products and services in Indonesia. Table 2 presents an overview of the main themes, subthemes, and codes, derived from the careful identification of patterns within the interview data through detailed transcription and rigorous analysis.

Table 2. Thematic matrix

Themes	Subthemes	Codes
Complexity	Operational	Islamic banks are the same as conventional banks
		Sharia banks are just conventional banks with different packaging.
		I Islamic cooperatives are better able to meet sharia compliance in their operations than Islamic banks.
		Islamic banking operations have not fully implemented the sharia concept.
	Technology	Islamic banking network is lacking
		Islamic banking technology is lagging behind
		The Islamic banking system is lagging behind
	Services	Islamic banking services are lacking
		Islamic bank pricing is expensive

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

		Islamic banks are disappointing
Relative advantage	Product	Attractive Islamic banking product features
		Low Islamic bank administration fees
		Easy Islamic banking transactions
	Frontliners	Friendly Islamic bank officers
		Good Islamic banking service
	Application	Islamic bank mobile banking is important
		The worship features in the mobile banking application are useful
	Tangible	The importance of Islamic banking offices
		The importance of ATM availability
Adoption	Continued adoption	Customers choose to remain being Islamic bank customers
	Discontinuance	Customers choose to stop being Islamic bank customers

Complexity – Theme 1

Islamic banks face three major challenges in encouraging society to adopt their products and services: (1) Operational, (2) Technology, and (3) Services.

1. Operational

Operational issues in this context refer to customer perceptions of Islamic banking operations. First, customers perceive Islamic banks as being the same as conventional banks. This is because both conventional and Islamic banks are affiliated with the same central bank, Bank Indonesia. The following is a statement from an informant that illustrates the above explanation.:

> *"In my view, Islamic banks are the same as conventional banks, with the same gameplay. In reality, if we understand the Sharia principles, the gameplay should be different. We know that the ultimate goal of this bank is Bank Indonesia, which still uses an interest system." (NS3).*
>
> *"Many of our Muslim friends compare, why open an account at a Islamic bank, because Islamic banks are the same as conventional banks."* (PR1).

Second, customers also share a similar opinion: that Islamic banks are simply rebranded conventional banks. This is based on the fact that Islamic banking products, while having

Islamic names, are actually identical to those offered by conventional banks. The following is a statement from an informant illustrating the above explanation:

"In fact, Islamic banks aren't much different from conventional banks, in my opinion. They just use some terms, packaged with the term Islamic banking." (N2).

"Sometimes customers already have a negative stigma. Both are the same, just with different names." (A1)

Third, customers stated that Islamic cooperatives are better in implementing Sharia principles than Islamic banks. Customers believe that the implementation of Sharia principles in Islamic cooperatives is more optimal than in Islamic banks. The following is a statement from an informant illustrating the above explanation:

"Now there are Islamic cooperatives, in terms of implementing Sharia principles, they are better." (PR1).

"I'm also a member of an Islamic cooperative. Based on my experience, Islamic cooperatives are better at implementing sharia principles." (NS3).

Fourth, customers believe that Islamic banking operations have not fully implemented Sharia principles, due to discrepancies between the agreed-upon contracts and their implementation. The following is a statement from an informant that illustrates the above explanation:

"It turns out that there is a difference between the contract and its implementation, so we have to be clever in sorting them out again. " (NS2).

2. Technology

The technology referred to in this context refers to customer perceptions regarding the technology used in Islamic banking services. First, customers perceive Islamic banking networks as inadequate, both in terms of branch distribution and ATM distribution. This, of course, hinders customers from withdrawing cash and hinders them from visiting branches. The following informant's statement illustrates the above explanation:

" There are more branches of conventional banks than Islamic ones " (N4).

" I am a conventional person, so it is a bit difficult to withdraw money, because Islamic bank ATMs are limited. " (MN2).

" Islamic bank ATMs are still rare in accessible places " (MN3).

" So, for example, if you are in a remote area, the presence of a Islamic bank ATM will make transactions easier. " (NN1).

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

Second, customers believe that Islamic banking technology is still lagging behind. Customers tend to compare Islamic banking technology with conventional banking, believing that conventional banking technology is a step ahead. The following informant's statement illustrates the above explanation:

> *" If Islamic banks can compete with conventional banks, for example if conventional banks have sophisticated applications, Islamic banks should follow suit. "* (NS2).
>
> *"Perhaps what BSI lacks is the availability of facilities that eliminate the need for customers to visit branches. BCA customers can print their passbooks through the machines, and cash deposits can be made through the machines. Customers don't have to queue at branches."* (N2).

Third, customers consider the Islamic banking system to be lagging behind, as they believe the system used by conventional banks is superior or better than Islamic banks. The following is a statement from an informant that illustrates the explanation above.:

> *"Islamic bank ATMs are still lagging behind conventional banks. Conventional banks have touchscreen ATMs and allow cash deposits. Islamic bank ATMs, on the other hand, are still similar to those of decades ago."* (N6)
>
> *"The conventional banking system is still better than Islamic banking"* (N4).

3. Services

The services referred to in this context refer to the services provided by Islamic bank employees to customers. First, customers perceive that the services provided by Islamic banks are still lacking, particularly in terms of speed. Customers perceive that service at Islamic banks is slow. The following is a statement from an informant that illustrates the above explanation.:

> *" The process at Islamic banks takes too long, while the process at conventional banks is faster."* (PR1).
>
> *" In my opinion, the service of Islamic banks is lacking "* (NS2).
>
> *"I rarely go into BCA branches because all transactions can be done via mobile banking and ATMs. That's something I can't do at BSI. "* (N2).

Second, customers perceive Islamic banking pricing as expensive, particularly for financing products, both consumer financing and working capital. Customers perceive Islamic banking financing margins as higher than conventional banks. The following is a statement from an informant illustrating the above explanation.:

> *"So at that time, my financing tenor was 10 - 15 years, at that time I paid it off when I entered the fifth year, it turned out that the principal of the financing was still a lot, it turned out that BNI Syariah was the same as a conventional bank, even more expensive"* (MN1).
>
> *" Islamic bank financing is more expensive than conventional banks "* (PR1).

" As far as I know, the interest on Islamic banks' loans is a bit higher. " (MN3).

Third, customers are disappointed with Islamic banks. They feel they have made sacrifices by paying higher margins to comply with Sharia principles, yet in reality, Islamic banking operations still don't fully implement Sharia principles. The following is a statement from an informant that illustrates the above explanation:

"I used to take out a mortgage from a sharia bank, about 7 years ago. I chose a Islamic bank mortgage with the consequence of a higher margin, as I wanted one that was sharia-compliant. After examining the details, I discovered the technical aspects were essentially the same. Perhaps that's what made me disappointed with the sharia system, as it can't provide proof." (MN1).

Relative Advantage – Theme 2

In addition to the challenges faced, Islamic banks have relative advantages that are perceived by customers: 1) Product, 2) Frontliners, 3) Application, and 4) Tangible.

1. Product

The product referred to in this context refers to the services provided by Islamic bank employees to customers. First, customers find Islamic bank product features attractive, as some savings accounts offer profit sharing, some are free of administration fees, are free of interest, and some offer products for specific purposes, such as Hajj savings. The following is a statement from an informant illustrating the above explanation.:

“I was initially attracted to opening an account at a Islamic bank because of its features. These products offer monthly profit sharing, and some offer no administration fees.” (N1).

“I am interested because of the profit sharing, the profit sharing is fairer” (PR1).

“Customers who want to transact with us have a goal in mind. For example, customers who want to go on the Hajj pilgrimage are attracted by the benefits it offers for their Hajj savings. There are also those who want to migrate, customers who have financing at conventional banks and want to migrate because of interest.” (PR1).

Second, customers perceive Islamic banking administration fees as low. This is because Islamic banks offer fee-free savings products. The following is a statement from an informant illustrating the above explanation.:

“I opened a Islamic bank account to receive scholarship money, so that it doesn't get mixed up with other transactions, and the administration fee is free.” (N2).

“For my personal account, I chose one that had no administration fees.” (N1).

" Reasonable administration fees " (NN1).

" It turns out there are Islamic bank savings accounts with low administration fees. " (NS1).

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

Third, customers perceive transactions at Islamic banks as easy. The following is a statement from an informant that illustrates the above explanation:

"I opened an account at a Islamic bank just for the convenience of transactions." (N2).

"I am interested because banking transactions are easy, now everything is sophisticated, you can pay and buy anything" (NS2).

2. Frontliners

In this context, the frontliners referred to refer to the attitude of Islamic bank employees in the front office, such as tellers, customer service, and security, when serving customers. First, customers believe that Islamic bank employees are friendly and polite. Customers also believe that they have never had any conflicts with Islamic bank employees. The following informant's statement illustrates the above explanation.:

" The teller, CS, and security guard were all nice." (NN1).

" BSI officers are friendly and polite. I've never had any conflict with them. " (NS1).

Second, customers perceive frontline service as good, as customer queues at Islamic banks tend to be quieter than at conventional banks, yet the atmosphere is Islamic. The following is a statement from an informant illustrating the above explanation:

"The service is good, because the queue is relatively short, the queue is not too long like in conventional banks." (N6).

" Islamic bank with Islamic nuances " (NS3).

" The service is more Islamic " (N6).

3. Application

The application referred to in this context refers to the positive performance of digital applications provided by Islamic banks in facilitating customer transactions. First, customers perceive mobile banking performance as important because it can help facilitate customer transactions. The following is a statement from an informant illustrating the above explanation.:

"I use mobile banking for interbank transfers, and it's easy to use." (N2).

"BCA Syariah mobile banking rarely has errors" (NS2).

Second, customers believe that mobile banking is equipped with useful worship features, such as prayer schedules, Qibla direction, alms payments, and other features, which help them perform their religious duties. The following is a statement from an informant that illustrates the above explanation.:

"Sharia bank mobile banking really helps me to check prayer schedules and check the direction of the Qibla." (N1).

"I feel comfortable using Sharia Bank mobile banking, because it provides prayer schedules." (N3).

4. Tangible.

Tangibles, in this context, refer to the physical evidence held by Islamic banks, demonstrating their existence. First, customers consider Islamic bank offices important as a form of branding. Accessible office locations, maintained cleanliness, and attractive office designs are all attractive factors to customers. The following is a statement from an informant illustrating the above explanation:

"The Islamic bank office is clean, nice, and located close to home." (P2).

"The location is easy to reach, although parking is a bit difficult." (NN1)

Second, customers consider the availability of ATMs important. This makes it easier for them to withdraw cash without incurring additional fees. The following is a statement from an informant that illustrates the above explanation.:

"Previously, BNI Syariah could withdraw money at BNI ATMs." (N1).

"ATM availability is also important" (N3).

Adoption – Theme 3

Based on customer experience when using Islamic banking products and services, customers ultimately decide to take a stance, namely: 1) continue adoption and 2) discontinuance.

1. Continue adoption

In this context, continued adoption refers to the customer's decision to remain a customer of a Islamic bank. Although sharia banks still have many shortcomings, customers still adhere to sharia principles in their transactions. The following statement from an informant illustrates the above explanation.:

" I have no intention to move to a conventional bank " (NS2).

" If there is a Islamic bank, there is no need to go to a conventional bank, unless it is absolutely necessary. " (NS1).

"I still believe that blessings come from transacting at Islamic banks." (MN2).

"I'm a focused customer, and I don't want to go to a conventional bank because I want to go to an Islamic bank. So, I truly interest in migrating to a Islamic bank." (PR2).

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

" Because I have already understood about financial management that occurs in Islamic banks, I intend to save my money in Islamic banks only. " (N3).

" If I want to move to a conventional bank, I don't think so, because it's for personal reasons, I want to be myself, because the sharia label is an identity. " (NS3).

2. Discontinuance

Discontinuance in this context refers to a customer's decision to stop using Islamic bank. Customers prefer to use conventional banking products, even though they previously used Islamic banking products, due to the convenience offered by conventional banks and the influence of business relationships. The following is a statement from an informant illustrating the above explanation:

"In the end, I followed the market, my motivation to move to a conventional bank was because it was more functional, because if I continued using a sharia bank account, I would lose out because I would be charged transfer fees, because the majority of suppliers use conventional banks, especially BCA or Bank Mandiri." (MN2).

" I used a sharia bank account when I was in college, because I paid my tuition fees through a sharia bank. " (MN3).

" I used to have a BRI Syariah account, but it was only for project payments with BRI Syariah. After the project was completed, I stopped using the account. " (MN1).

B. Discussion

Based on the results of data analysis, Islamic banks are often perceived as being similar to conventional banks. This perception is believed to stem from individuals' limited understanding of *muamalah* principles, both among customers and Islamic bank employees. The products and services offered by Islamic banks are also not significantly different from those of conventional banks, and Islamic banks remain under the supervision of Bank Indonesia, which operates within a conventional framework. Previous studies, Rahmanti, (2013) identified two main reasons for this perception: first, Islamic accounting standards, which serve as the basis for recording and reporting, are viewed as insufficiently implementable; second, many Islamic banking personnel lack a proper understanding of the essence of Sharia in the practice of contractual transactions.

Furthermore, Islamic banks are sometimes regarded merely as conventional banks "wearing a different label." This perception is reinforced by similarities in services and the negative stigma arising from conventional banks establishing Islamic business units. Some scholars argue that Islamic banking has not fully achieved its objective of providing a

substantive alternative to conventional banking, with criticisms that Islamic banks focus more on form than on operational substance (El-Ghattis, 2016).

Customers also perceive that Islamic cooperatives operate in a manner more consistent with Sharia principles than Islamic banks. This perception is likely influenced by customers' experiences with cooperatives, which are considered more capable of applying Sharia principles in practice compared to Islamic banks, which remain constrained by regulations and central bank policies. Yakub & Burhani (2016) note that contracts such as *mudarabah* are difficult to implement in Islamic banking because banks cannot easily maintain stock of goods. In practice, customers seeking *mudarabah* financing must purchase goods themselves, whereas Islamic cooperatives often have multipurpose units and financing schemes that provide goods directly. Thus, Sharia principles are seen as more compatible with cooperative structures.

Other perspectives suggest that Islamic banks' operations do not fully adhere to Sharia principles, as discrepancies exist between contractual agreements and their implementation. Consequently, Islamic banks are perceived as unable to fully realize what has been agreed upon between banks and customers. This statement aligns with Khusna & Pratama (2021) who found that while the majority of society supports the existence of Islamic banks—primarily due to the MUI fatwa declaring bank interest (*riba*) as prohibited—there remains skepticism regarding the Sharia compliance of operational systems.

Positive customer experiences include the friendliness of Islamic bank staff, such as tellers, customer service representatives, and security personnel, who serve as boundary spanners and the frontline of Islamic banking services. However, negative experiences were also reported, particularly in relation to technology and service quality. These include limited branch and ATM networks, inadequate service quality, outdated technology, high pricing of financing products, and disappointing system failures. For instance, customers noted the insufficient number of branches and ATMs compared to conventional banks, poor digital transaction services, outdated technology (including malware attacks and limited mobile banking features), high administrative costs and margins, and system disruptions that prevented transactions for up to two weeks.

These findings resonate with prior studies emphasizing the importance of service quality, Sharia compliance, and customer experience in Islamic banking (Ahmed et al., 2022). Islamic banks must therefore provide high-quality services, ensure Sharia compliance, and deliver exceptional customer experiences. Product features are also critical, including profit-sharing mechanisms, minimum balance requirements, and savings products tailored to religious

Perisai, 10 (2), October 2026, 203-222
E. ISSN. 2503-3077
Journal Homepage: https://perisai.umsida.ac.id/
DOI Link: http://doi.org/10.21070/perisai.v10i2.1997

purposes. Islamic banks are expected to offer products that meet customer needs (H. Amin et al., 2011), while ensuring strict adherence to Sharia principles (Islam & Rahman, 2017). Transaction convenience has also improved with the availability of digital services, making efficiency and ease of use key considerations for customers (Ahmad et al., 2024). Transaction convenience has also improved with the availability of digital services, making efficiency and ease of use key considerations for customers (Mahalizikri et al., 2020).

Customers also perceive Islamic banking services positively when they are fast, efficient, and supported by digital facilities such as mobile banking. Such service quality is often seen as compensating for other shortcomings. Prior studies highlight that speed and efficiency are crucial for customer satisfaction in Islamic banking (Ahmad et al., 2024), and that Islamic banks must remain committed to delivering high-quality services to meet customer expectations and maintain competitiveness (Haque, 2009).

Mobile banking is considered part of the relative advantage of Islamic banks, as it rarely experiences technical issues and facilitates transactions. Moreover, Islamic mobile banking applications often include religious features, such as prayer schedules and Qibla direction, which are particularly useful for customers outside their domicile. The implementation of mobile banking services, including Islamic mobile banking, represents a significant advancement in the financial sector, benefiting both customers and institutions (Rizqi Febriandika et al., 2023)

Branch locations that are easily accessible, with well-designed and clean facilities, also contribute to positive perceptions. Tangible aspects are important in evaluating service quality and shaping customer perceptions of Islamic banking services (M. Amin & Isa, 2008). Similarly, the availability of ATMs is considered part of the relative advantage, as they remain essential for customers who do not use mobile banking and provide convenience in cash withdrawals (Likando, 2024).

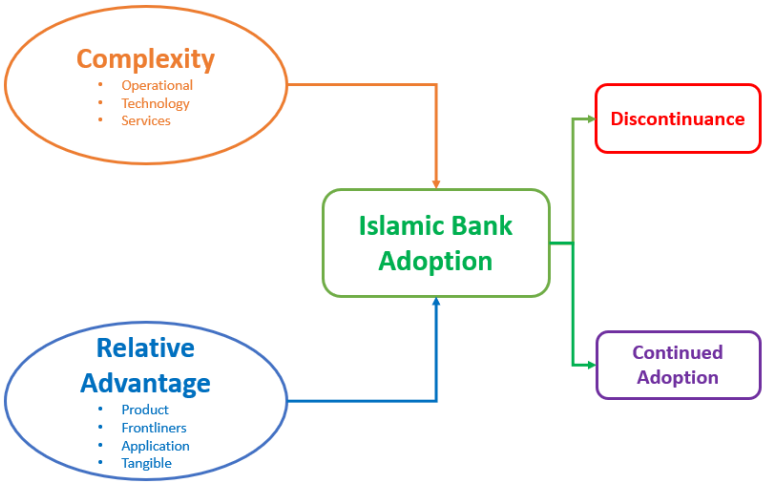


Figure 4. Proposed Model

Based on these findings, the study proposes that two main factors influence customers' adoption of Islamic banking products and services: complexity, which may discourage customers from continuing to use Islamic banking, and relative advantage, which may encourage customers to maintain their use of Islamic banking products and services (Figure 4).

4. Conclusions

This study investigates the factors influencing Islamic bank adoption in Indonesia within the framework of Diffusion of Innovation (DOI), analyzing both barriers and drivers. Qualitative data derived from semi-structured interviews with Islamic banking stakeholders were analyzed thematically. The key findings reveal, first, that customers adopt Islamic banking products and services primarily due to the relative advantage offered by Islamic banks, which encompasses product excellence, the positive attitudes of frontliners, mobile banking applications, and tangible service aspects. Second, customers ultimately discontinue the use of Islamic banking products and services when influenced by complexity, which includes deficiencies in operations, technology, and service delivery. In conclusion, complexity represents a challenge that Islamic banks must address and overcome, whereas relative advantage constitutes a strength that should be continuously enhanced. By optimizing the management of challenges and reinforcing advantages, Islamic banks are expected to improve customer retention and thereby expand their market share in Indonesia's banking industry.

This research carries theoretical implications for the development of DOI theory, contributing propositions for indicators within the dimensions of complexity and relative advantage, particularly in the context of Islamic banking adoption. While DOI theory

traditionally positions relative advantage as the first dimension, this study places complexity at the forefront, highlighting it as a primary concern in addressing the challenges faced by Islamic banks. In addition, the study has practical implications, as the proposed model may serve as a valuable consideration for Islamic bank management, regulators, and policymakers in formulating strategies to strengthen the market share of Islamic banks in Indonesia's financial sector.

The study also acknowledges certain limitations, as the information obtained was primarily sourced from individual customers, with the products examined limited to savings and consumer financing. Future research should integrate perspectives from both individual and corporate customers, and further explore Islamic banking products and services beyond savings and consumer financing, extending to current accounts, deposits, working capital financing, investment, trade finance, and other offerings.

Acknowledgement

The author would like to express his gratitude to Allah (Subhanahu wa Ta'ala) and all parties who helped carry out this study well, and he hopes that this research will be useful.

References

Ahmad, M., Zafar, M. B., & Perveen, A. (2024). Consumer shift behavior from conventional to Islamic banking: decision-making analysis through AHP. *Journal of Islamic Marketing*, *15*(5), 1280–1302. https://doi.org/10.1108/JIMA-02-2023-0036

Ahmed, S., Mohiuddin, M., Rahman, M., Tarique, K. M., & Azim, Md. (2022). The impact of Islamic Shariah compliance on customer satisfaction in Islamic banking services: mediating role of service quality. *Journal of Islamic Marketing*, *13*(9), 1829–1842. https://doi.org/10.1108/JIMA-11-2020-0346

Allah Pitchay, A. Bin, Mohd Thas Thaker, M. A. Bin, Azhar, Z., Mydin, A. A., & Mohd Thas Thaker, H. Bin. (2020). Factors persuade individuals' behavioral intention to opt for Islamic bank services. *Journal of Islamic Marketing*, *11*(1), 234–250. https://doi.org/10.1108/JIMA-02-2018-0029

Amin, H., Rahim Abdul Rahman, A., Laison Sondoh, S., & Magdalene Chooi Hwa, A. (2011). Determinants of customers' intention to use Islamic personal financing. *Journal of Islamic Accounting and Business Research*, *2*(1), 22–42. https://doi.org/10.1108/17590811111129490

Amin, M., & Isa, Z. (2008). An examination of the relationship between service quality perception and customer satisfaction. *International Journal of Islamic and Middle Eastern Finance and Management*, *1*(3), 191–209. https://doi.org/10.1108/17538390810901131

Asnawi, N., Sukoco, B. M., & Fanani, M. A. (2020). The role of service quality within Indonesian customers satisfaction and loyalty and its impact on Islamic banks. *Journal of Islamic Marketing*, *11*(1), 192–212. https://doi.org/10.1108/JIMA-03-2017-0033

Braun, V., & Clarke, V. (2022). *Thematic Analysis: A Practical Guide*. SAGE PUBLICATIONS, INC.

Choiriyah, C., Saprida, S., & Sari, E. (2021). Development of Sharia Banking System In Indonesia. *Mizan: Journal of Islamic Law*, *5*(1), 17. https://doi.org/10.32507/mizan.v5i1.923

El-Ghattis, N. (2016). Deconstructing Islamic banking – history of debates, and steps to an alternative future. *Foresight*, *18*(2), 138–155. https://doi.org/10.1108/FS-09-2015-0044

Ezeh, P. C., & Nkamnebe, A. (2021). Predictors of Islamic bank adoption: Nigerian perspective. *International Journal of Islamic and Middle Eastern Finance and Management*, *14*(2), 247–267. https://doi.org/10.1108/IMEFM-01-2019-0035

Ezeh, P. C., & Nkamnebe, A. D. (2018). A conceptual framework for the adoption of Islamic banking in a pluralistic-secular nation. *Journal of Islamic Marketing*, *9*(4), 951–964. https://doi.org/10.1108/JIMA-03-2017-0022

Ezeh, P. C., & Nkamnebe, A. D. (2022). Determinants of Islamic banking adoption among non-Muslim customers in a Muslim zone. *Journal of Islamic Accounting and Business Research*, *13*(4), 666–683. https://doi.org/10.1108/JIABR-10-2021-0280

Haque. (2009). Factor Influences Selection of Islamic Banking: A Study on Malaysian Customer Preferences. *American Journal of Applied Sciences*, *6*(5), 922–928. https://doi.org/10.3844/ajassp.2009.922.928

Islam, J. U., & Rahman, Z. (2017). Awareness and willingness towards Islamic banking among Muslims: An Indian perspective. *International Journal of Islamic and Middle Eastern Finance and Management*, *10*(1), 92–101. https://doi.org/10.1108/IMEFM-01-2016-0017

Jamshidi, D., Hussin, N., & Wan, H. L. (2015). Islamic banking services adoption as a new banking restructure: Examining its adoption from the perspective of doi theory and trust in Malaysia. *Humanomics*, *31*(2), 214–223. https://doi.org/10.1108/H-07-2013-0042

Kaabachi, S., & Obeid, H. (2016). Determinants of Islamic banking adoption in Tunisia: empirical analysis. *International Journal of Bank Marketing*, *34*(7), 1069–1091. https://doi.org/10.1108/IJBM-02-2015-0020

Katadata Media Network. (2022). *Sebanyak 86,93% Penduduk Indonesia Beragama Islam pada 31 Desember 2021*. https://databoks.katadata.co.id/datapublish/2022/02/12/sebanyak-8693-penduduk-indonesia-beragama-islam-pada-31-desember-2021

Khusna, N., & Pratama, V. Y. (2021). Persepsi Masyarakat Mengenai Kesyariahan Perbankan Syariah Terhadap Preferensi Menjadi Nasabah Bank Syariah. *Jurnal Valuasi: Jurnal Ilmiah Ilmu Manajemen Dan Kewirausahaan*, *1*(2), 310–322. https://doi.org/10.46306/vls.v1i2.22

Korstjens, I., & Moser, A. (2017). Series: Practical guidance to qualitative research. part 2: Context, research questions and designs. *European Journal of General Practice*, *23*(1), 274–279. https://doi.org/10.1080/13814788.2017.1375090

Likando, M. (2024). A Study of the Effect Automatic Teller Machine Banking on Customer Satisfaction: The Case of Zambia National Commercial Bank. *African Journal of Commercial Studies*, *4*(2), 131–137. https://doi.org/10.59413/ajocs/v4.i2.6

Mahalizikri, I. F., Marmai, U. A. O., & Suri, E. M. (2020). Behavioral Intentions Of Bank Customers. *JPS (Jurnal Perbankan Syariah)*, *1*(2), 113–121. https://doi.org/10.46367/jps.v1i2.227

Mahdzan, N. S., Zainudin, R., & Au, S. F. (2017). The adoption of Islamic banking services in Malaysia. *Journal of Islamic Marketing*, *8*(3), 496–512. https://doi.org/10.1108/JIMA-08-2015-0064

Miles, M., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis: Amethod sourcebook* (Third Edit). SAGE PUBLICATIONS, INC.

Nurfadila, B., & Maulana, A. (2025). Unlocking market share growth: The role of service facilities and financial performance in Islamic Banks. *Journal of Law, Administration, and Social Science*, *5*(1), 77–87. https://doi.org/10.54957/jolas.v5i1.1312

OJK RI. (2023). *Statustik Perbankan Syariah Edisi Mei 2023*. https://ojk.go.id/id/kanal/syariah/data-dan-statistik/statistik-perbankan-syariah/Documents/Pages/Statistik-Perbankan-Syariah---Mei-2023/STATISTIK PERBANKAN SYARIAH - MEI 2023.pdf

OJK RI. (2025a). *Statistik Perbankan Indonesia Edisi Juni 2025*.

OJK RI. (2025b). *Statitik Perbankan Syariah Edisi Juni 2025*.

Rahmanti, V. N. (2013). Mengapa Perbankan Syariah Masih Disamakan Dengan Perbankan Konvensional? *Jurnal Ekonomi, Manajemen Dan Akuntansi Islam IMANENSI*, *1*(1), 62–74. http://www.syariah.info/2012/02/08/

Rizqi Febriandika, N., Harun, Hakimi, F., & Masrizal. (2023). Determinants of consumer adoption of Islamic mobile banking services in Indonesia. *Banks and Bank Systems*, *18*(4), 30–43. https://doi.org/10.21511/bbs.18(4).2023.04

Rogers, E. M. (2003). *Diffusion of Innovations 5th edition*. The Free Press.

Siregar, A. R., & Siregar, P. A. (2024). Manajemen Aset dan Liabilitas dalam Bank Syariah: Analisis Komprehensif Institusi Keuangan Berprinsip Syariah. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, *5*(3), 1850–1855. https://doi.org/10.47467/elmal.v5i3.6094

Yakub, E. M., & Burhani, R. (2016, May 26). *Koperasi Syariah lebih berkembang daripada Bank Syariah*. Https://Www.Antaranews.Com/Berita/563383/Koperasi-Syariah-Lebih-Berkembang-Daripada-Bank-Syariah.