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WHAT DRIVES STUDENTS' INTENTION TO USE ISLAMIC BANKING SERVICES? EVIDENCE FROM A SEM-PLS ANALYSIS

Ridwan Alamsyah[1], Alya Azhana Maulidha[2], Muhamad Tanzi Maulana[3], Izra Berakon[4]

[1] UIN Sunan Gunung Djati Bandung, Indonesia, ridwanalamsyah122@gmail.com
[2] UIN Sunan Gunung Djati Bandung, Indonesia, alyaazhnn@gmail.com
[3] UIN Sunan Gunung Djati Bandung, Indonesia, mhmdtanzii13@gmail.com
[4]Sakarya University, Türkiye, izra.berakon@ogr.sakarya.edu.tr

Abstract

The development of Islamic banking in Indonesia continues to grow however, the level of adoption among university students remains relatively limited. This phenomenon is particularly evident among students of the Faculty of Islamic Economics and Business (FEBI), who formally study Islamic economics and finance but do not necessarily use Islamic banking services in their daily financial activities. Understanding the factors that drive students' intention to use Islamic banking services is therefore essential to support the expansion of the Islamic banking industry. This study aims to analyze the determinants influencing the intention of FEBI students to use Islamic banking services. A quantitative approach was employed using Partial Least Squares–Structural Equation Modelling (PLS-SEM), with data collected from FEBI students through a structured questionnaire. The results indicate that perceived ease of use has a significant effect on students' intention to use Islamic banking services, while perceived usefulness, trust, social influence, and switching cost do not show significant effects. These findings suggest that ease of use plays a crucial role in encouraging FEBI students to adopt Islamic banking services. The study provides practical implications for Islamic banks to prioritize the development of user-friendly and accessible services to attract young consumers, particularly those with an academic background in Islamic economics and finance.

Keywords: Islamic banking, usage intention, SEM-PLS, students, trust.

Introduction

Islamic banking operates based on Sharia principles that prohibit riba (usury), gharar (uncertainty), and maysir (gambling), while promoting justice, transparency, and partnership in economic activities (Ascarya, 2017). These principles are intended

to create an ethical financial system that not only complies with Islamic law but also supports inclusive and sustainable economic development. Accordingly, studies on Islamic banking adoption are expected to contribute to the formulation of appropriate strategies that align with these fundamental values.

Indonesia, as the country with the largest Muslim population in the world, has substantial potential for the development of Islamic banking, as the large majority Muslim demographic represents a significant prospective market for Islamic financial services (Statista, 2023). In response to this potential, the Indonesian government, together with the Financial Services Authority, has continuously encouraged the strengthening of the Islamic banking industry through regulatory improvements, product development, and the enhancement of Islamic financial literacy (OJK, 2023). This argument is not a finding of the present study, but rather an assumption supported by demographic data and previous reports, which commonly serve as the theoretical foundation in studies on Islamic banking development.

Despite this favorable demographic condition and regulatory support, the utilization level of Islamic banking services in Indonesia remains relatively low compared to its potential. Previous studies have indicated that the growth of Islamic banking has not been fully aligned with the size of the Muslim population, particularly in terms of public adoption and usage behavior (Amin, Rahman, et al., 2011). This gap between potential market size and actual utilization reflects a critical problem in the Islamic banking industry, namely the limited intention of individuals to use Islamic banking services.

University students constitute a strategic segment in addressing this problem. As an educated generation that is relatively adaptive to innovation, students are expected to play a key role as agents of change in promoting the adoption of Islamic financial services (Venkatesh et al., 2003). However, empirical evidence suggests that higher education and exposure to knowledge do not automatically lead to behavioral change in financial service usage.

This phenomenon is particularly observable among students of the Faculty of Islamic Economics and Business (FEBI) at Universitas Islam Negeri Sunan Gunung Djati Bandung. FEBI students receive formal education in Islamic economics and finance, which theoretically should strengthen their preference for Islamic banking services. Nevertheless, differences in the level of intention to use Islamic banking services among FEBI students indicate that conceptual understanding acquired through the learning process does not necessarily translate into actual usage behavior. This condition suggests the influence of other factors, both psychological

and social in nature, that shape students' behavioral intentions. Therefore, FEBI students represent a relevant and meaningful locus of research for examining the discrepancy between Islamic financial knowledge and actual intention to use Islamic banking services.

Table 1. Number of Active Students at the Faculty of Islamic Economics and Business (FEBI), UIN Sunan Gunung Djati

No	Study Year	Academic Year	Number of Active Students
1	Islamic Economics	2021-2025	556
2	Islamic Financial Management	2021-2025	1033
3	Management	2021-2025	1118
4	Islamic Accounting	2021-2025	531
5	Halal Industry Management	2025	106
	Total		3344

Source: Academic Data of the Faculty of Islamic Economics and Business, UIN Sunan Gunung Djati, Indonesia.

The Faculty of Islamic Economics and Business (FEBI) at UIN Sunan Gunung Djati Bandung has a relatively large student population and comprises several study programs oriented toward Islamic economics and finance, making it an appropriate empirical setting for this study. An overview of the number of active FEBI students at UIN Sunan Gunung Djati Bandung is presented in Table 1.

Although previous studies have examined factors influencing the intention to use Islamic banking services, most have focused on the general public or existing customers, with limited attention given to students who possess formal academic knowledge of Islamic economics. Moreover, empirical studies that specifically investigate FEBI students in the Indonesian context remain scarce. This constitutes a research gap that this study seeks to address.

Accordingly, this study aims to analyze the factors influencing the intention of FEBI students at UIN Sunan Gunung Djati Bandung to use Islamic banking services. By focusing on a specific group with an Islamic economics educational background, this study offers novelty in explaining why Islamic financial knowledge does not always lead to Islamic banking adoption. The findings are expected to provide theoretical contributions to the literature on Islamic banking adoption and practical implications for Islamic banks and policymakers in designing more effective strategies to increase usage among young and educated Muslim consumers.

The number of active FEBI students indicates that this faculty represents a relevant and strategic population for research related to the behavior of Islamic banking service usage. With their academic background in Islamic economics and finance, FEBI students are theoretically expected to demonstrate a higher level of rational evaluation toward Islamic banking services, including assessments of perceived benefits, ease of use, trust, and social influence. However, preliminary observations and empirical realities indicate that not all FEBI students actively use Islamic banking services, despite their formal exposure to Islamic financial principles. This discrepancy highlights a specific research problem, namely the gap between Islamic financial knowledge and students' intention to use Islamic banking services.

From a behavioral perspective, intention is widely recognized as a key predictor of actual behavior (Ajzen, 1991). In the context of financial service adoption, several established models explain how intention is formed. The Technology Acceptance Model (TAM) proposes that perceived usefulness and perceived ease of use are fundamental determinants of an individual's intention to adopt a technology-based service (Davis, 1989). Nevertheless, the persistence of low or varying intention among FEBI students suggests that technological perceptions alone may not fully explain their intention to use Islamic banking services.

The Technology Acceptance Model (TAM) employed in this study refers to the original model proposed by Davis (1989b) with several adjustments made to suit the research context. These adjustments include the exclusion of the constructs *attitude toward using* and *actual system use*, as this study focuses on usage intention (*behavioral intention*) as the dependent variable and relies on perception-based survey data. In this model, perceived ease of use is regarded as an initial factor influencing perceived usefulness. Subsequently, both constructs play a role in shaping the intention to use Islamic banking services. In addition, this study incorporates external variables relevant to the context of Islamic banking among students, such as trust and social influence, as factors affecting students' perceptions of the ease and usefulness of the services. This model is selected because it can explain the acceptance of Islamic banking services in a more realistic manner and is compatible with the SEM-PLS approach, which emphasizes predictive relationships among latent constructs.

Research on the acceptance of digital-based Islamic banking services widely employs the Technology Acceptance Model (TAM) as the main theoretical framework for explaining user behavior. TAM is considered relevant because it

explains how individuals' perceptions of usefulness (*perceived usefulness*) and ease of use (*perceived ease of use*) influence their intention to use digital Islamic banking services. Several empirical studies indicate that the core constructs of TAM have a significant influence on the intention to use Islamic banking services. (Alharbi & Drew, 2014) Found that perceived usefulness and perceived ease of use positively affect the acceptance of Islamic banking systems, while (Amin, Isa, et al., 2011) demonstrated that the ease of use of technology-based Islamic banking services contributes to increased usage intention. In Indonesia, (Purwanto, 2021) also confirmed that perceived usefulness and ease of use are important determinants in the acceptance of sharia-based digital banking services. Beyond the core TAM constructs, several studies have extended the model by incorporating external variables to achieve a more comprehensive understanding. Trust is a crucial factor in the context of digital Islamic banking, as it relates to perceptions of security, system reliability, and compliance with sharia principles (Karmanto, 2019). In addition, social factors and user characteristics, such as Islamic financial literacy, also influence the intention to use digital Islamic banking services, particularly among students who tend to exhibit relatively high levels of technology adoption (Sardiana & Zulfison, 2018).

Previous studies in Islamic banking adoption further indicate that non-technological factors also play a crucial role in shaping intention. Trust has been identified as a critical determinant in financial services, particularly in Islamic banking, where compliance with Sharia principles, institutional credibility, and data security are essential considerations. In addition, social influence arising from family, peers, and academic environments has been shown to affect individuals' financial decisions, especially among students. Moreover, switching cost, which reflects the perceived economic, psychological, and time-related costs of moving from conventional banking to Islamic banking, may act as either a barrier or a motivating factor depending on users' characteristics.

Despite the growing body of literature on Islamic banking adoption, empirical findings remain inconsistent, particularly with regard to the relative influence of perceived usefulness, perceived ease of use, trust, social influence, and switching cost on students' intention to use Islamic banking services. More importantly, studies that specifically focus on students of Islamic economics and finance who are expected to possess stronger normative and conceptual alignment with Islamic banking are still limited. This condition reveals a clear research gap and reinforces the need for a more focused investigation.

Based on this problem, the present study aims to analyze the factors influencing the intention of students at the Faculty of Islamic Economics and

Business, UIN Sunan Gunung Djati Bandung, to use Islamic banking services. To examine the relationships among multiple latent variables simultaneously, this study employs the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach, which is suitable for predictive analysis and does not require normally distributed data (Hair et al., 2017). The findings are expected to contribute to a deeper understanding of the determinants of behavioral intention in Islamic banking and to provide practical insights for Islamic banking institutions in designing strategies to increase service usage among FEBI students.

Methodology

Based on this research design, the study focuses on a specific population that is considered relevant to the research context. This study adopts a quantitative approach aimed at examining the relationships among variables within the technology acceptance model in relation to students' intention to use Islamic banking services. The quantitative approach is chosen because the research data are analyzed statistically to test the formulated hypotheses (Sugiyono, 2017).

The population of this study consists of active students of the Faculty of Islamic Economics and Business (FEBI), UIN Sunan Gunung Djati Bandung. The selection of this population is based on the relevance of students' academic background to the study of Islamic banking, making it appropriate for analysis.

The sampling technique used in this study is non-probability sampling with an incidental sampling method, whereby respondents who are encountered by chance and meet the research criteria may be selected as samples (Sugiyono, 2015). The determination of sample size is conducted using the Slovin formula with an error margin of 10%, as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{3344}{1 + 3344(0.1)^2} \approx 97.1$$

Where

n = sample size
N = population size
e = margin of error

Based on the Slovin formula calculation, the minimum sample size obtained in this study is approximately 97 respondents. This number is considered sufficient to conduct analysis using the Structural Equation Modelling–Partial Least Squares (SEM-PLS) method.

Data The data used in this study are primary data obtained through the distribution of an online questionnaire using Google Forms. The questionnaire is developed based on indicators for each research variable and includes respondent criteria, namely FEBI UIN Sunan Gunung Djati Bandung students who have experience or knowledge related to Islamic banking services. Respondents' answers are measured using a five-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). The collected data are then analyzed using the SEM-PLS method to examine the relationships among variables and to test the research hypotheses.

Considering the population characteristics, this study applies a non-probability sampling technique to determine the research sample. In the process of testing the measurement model using SEM-PLS, an evaluation of indicator validity and reliability is conducted. The test results indicate that several indicators do not meet the convergent validity criteria and therefore need to be eliminated to improve the quality of the research model.

Following the research design and analytical procedures described in the methodology section, this study proposes a conceptual framework to examine the determinants of students' intention to use Islamic banking services. The framework is developed based on the Technology Acceptance Model (TAM) and supported by relevant empirical findings.

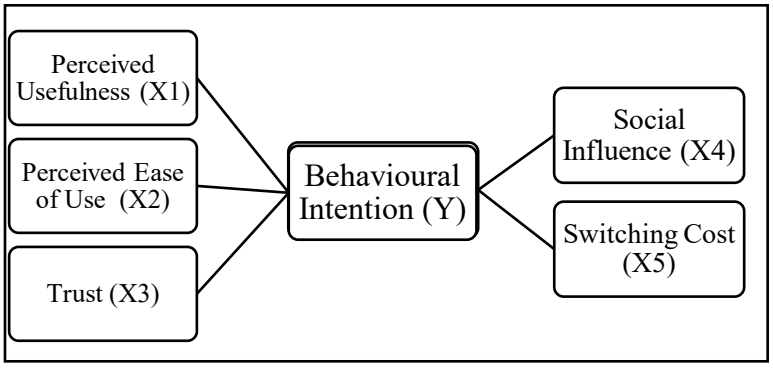

Figure 1. Conceptual Framework

The conceptual framework (Figure 1) of this study is designed to illustrate the relationships between exogenous variables (X) and the endogenous variable (Y) in analyzing the intention of students at the Faculty of Islamic Economics and Business (FEBI), UIN Sunan Gunung Djati Bandung, to use Islamic banking services. The exogenous variables in this study consist of perceived usefulness (X1), perceived

ease of use (X2), trust (X3), social influence (X4), and switching cost (X5). Meanwhile, the intention to use Islamic banking services (*behavioral intention*) is positioned as the sole endogenous variable (Y).

In this study, the Technology Acceptance Model (TAM) is employed as the conceptual framework to analyze the effects of perceived usefulness, perceived ease of use, trust, social influence, and switching cost on individuals' behavioral intention to use Islamic banking services. Based on the development of the TAM framework, the research hypotheses are formulated as follows:

H1: Perceived usefulness influences the intention to use Islamic banking services.
H2: Perceived ease of use influences the intention to use Islamic banking services.
H3: Trust influences the intention to use Islamic banking services.
H4: Social influence influences the intention to use Islamic banking services.
H5: Switching cost influences the intention to use Islamic banking services.

The eliminated indicators include X1.2 and X1.3 for the perceived usefulness variable, X3.3 for the trust variable, X4.3 for the social influence variable, and X5.1 and X5.2 for the switching cost variable. Consequently, the operational definition Table 2 presented subsequently includes only indicators that have met the validity and reliability criteria and are utilized in the further analysis of this study.

Table 2. Operational Definition of Variables

Variable	Operational Definition	Indicators	Code	Reference
Perceived Usefulness (PU) (X1)	The degree to which FEBI students believe that using Islamic banking services provides benefits and enhances effectiveness in financial activities.	1. Easy to learn 2. No difficulty in using the service	X1.1 X1.4	Davis, (1989)
Perceived Ease of Use (PEOU) (X2)	The degree to which FEBI students believe that Islamic banking services are easy to learn and use without substantial effort.	1. Efficiency of financial transactions 2. Ease of financial management 3. Benefits in financial activities	X2.1 X2.2 X2.3	Davis, (1989)

Trust (X3)	The degree to which FEBI students believe that Islamic banking services are secure, trustworthy, and operate in accordance with sharia principles	1. Compliance with sharia principles 2. Security in service usage	X3.1 X3.2	Amin, Rahman, et al., (2011); Morgan & Hunt, (1994)
Social Influence (X4)	The extent to which people surrounding FEBI students influence them to use Islamic banking services.	1. Influence of important others 2. Influence of friends and family	X4.1 X4.2	Ajzen, (1991); Venkatesh et al., (2003)
Switching Cost (X5)	FEBI students' perceptions of the effort, time, and risk involved in switching from conventional banks to Islamic banking.	1. Cost of switching services	X5.3	Burnham et al., (2003); Kim et al., (2004)
Behavioral Intention (Y)	FEBI students' tendency to use and continue using Islamic banking services in the future.	1. Intention to use the service 2. Continuance intention 3. Willingness to recommend	Y1.1 Y1.2 Y1.3	Ajzen, (1991); Taylor & Todd, (1995); Venkatesh et al., (2003)

Source: Data processed by the authors, 2025.

The analytical methods employed in this study include descriptive analysis and Structural Equation Modelling (SEM). Descriptive analysis is used to describe respondent characteristics and response patterns toward the variables examined. Meanwhile, SEM is applied to test the relationships among variables simultaneously within a single research model. SEM is a second-generation multivariate analysis technique that integrates factor analysis and path analysis, enabling comprehensive examination of relationships between exogenous and endogenous latent variables (Ghozali & Latan, 2015).

The use of SEM in this study is considered appropriate because the examined variables are latent in nature and cannot be measured directly, but are instead represented by several indicators. According to (Bagozzi & Fornell, 1982) as cited in (Ghozali, 2008) SEM provides a comprehensive representation of complex inter-variable relationships that are difficult to optimally explain using conventional

multivariate techniques such as multiple regression. Therefore, SEM is selected to accommodate the complexity of relationships within the research model (Yamin & Kurniawan, 2009).

The Partial Least Squares (PLS) approach is applied in SEM analysis due to its high flexibility with respect to data characteristics. SEM-PLS does not require normally distributed data and can be applied with relatively small sample sizes (Ghozali, 2008). In addition, SEM-PLS allows for the assessment of both the measurement model (*outer model*), which explains the relationship between latent constructs and their indicators, and the structural model (*inner model*), which explains the relationships among latent constructs in this study (Henseler et al., 2016).

Results and Discussion

The total number of respondents in this study was 131, all of whom met the criterion of being students of the Faculty of Islamic Economics and Business (FEBI). All respondents were active students from various study programs and academic cohorts and were therefore considered representative in describing the respondent characteristics of this study.

Table 3. Respondent Demographics

Respondent Characteristics	Frequency	Percentage
Gender		
Male	70	53,4%
Female	61	46,6%
Study Program		
Islamic Economics	46	35,1%
Islamic Financial Management	35	26,7%
Islamic Accounting	15	11,5%
Management	16	12,2%
Halal Industry Management	19	14,5%
Cohort		
2021	17	13,0%
2022	17	13,0%

Respondent Characteristics	Frequency	Percentage
2023	45	34,4%
2024	19	14,5%
2025	33	25,2%
Experience Using Islamic Banking Services		
Have used Islamic banking services	30	22,9%
Have never used Islamic banking services	101	77,1%

Source: Data processed by the authors, 2025.

Table 3 presents the demographic characteristics of respondents in this study. Based on gender, the respondents were predominantly male, accounting for 53.4%, while female respondents comprised 46.6%. In terms of study program, the majority of respondents were from the Islamic Economics program, representing 35.1%, followed by Islamic Financial Management at 26.7%. Based on academic cohort, the largest proportion of respondents came from the 2023 cohort, accounting for 34.4%, indicating a dominance of students in the middle phase of their academic studies. Furthermore, with regard to experience in using Islamic banking services, most respondents stated that they had never used Islamic banking services, accounting for 77.1%, while 22.9% of respondents reported having prior experience using such services.

Convergent validity is used to measure the extent to which indicators are correlated with their respective latent constructs. The correlation between each indicator and its latent construct can be observed through the loading factor (outer loading) values. An indicator is considered valid if it has an outer loading value greater than 0.70. Based on the test results presented in Table 4, all indicators in this study have loading factor values exceeding the specified threshold. Therefore, all indicators are deemed valid, fulfill the convergent validity criteria, and no indicators were eliminated from the research model.

Table 4. Convergent Validity Results

Indicator Description	Code	Loadings	Alpha	CR	AVE
Perceived Usefulness			0.272	0.753	0.615
Islamic banking services are	X1.1	0.600			
perceived as easy to learn, easy to	X1.4	0.933			

use, uncomplicated in transaction processes, and do not cause difficulties in use.					
Perceived Ease of Use			0.304	0.701	0.411
Islamic banking services are considered efficient in financial transactions, facilitate financial management, and provide benefits in students' financial activities.	X2.1 X2.2 X2.3	0.672 0.591 0.656			
Trust			0.155	0.701	0.541
Students believe that Islamic banking services operate in accordance with sharia principles, are safe to use, and are able to protect customer data confidentiality.	X3.1 X3.2	0.800 0.665			
Social Influence			0.325	0.729	0.585
The use of Islamic banking services is influenced by encouragement from important others, friends and family, and support from the campus environment.	X4.1 X4.2	0.589 0.907			
Switching Cost			1.000	1.000	1.000
Students consider the time and effort required, the adjustment process, and the costs incurred when switching from conventional banks to Islamic banking.	X5.3	1.000			
Behavioral Intention			0.272	0.669	0.406
Students have the intention to use Islamic banking services, continue using them, and are willing to recommend them to others.	Y1.1 Y1.2 Y1.3	0.708 0.530 0.659			

Source**:** Data processed by the authors, 2025.

Construct reliability test in this study was evaluated using Cronbach's Alpha and Composite Reliability (CR). A construct is considered reliable if it has Cronbach's Alpha and Composite Reliability values greater than 0.70; however, according to Malhotra (2007), Cronbach's Alpha values above 0.60 are still acceptable. In addition, the Average Variance Extracted (AVE) test was used to assess the level of convergent validity, with a required AVE value greater than 0.50. The results indicate that all constructs have met the required criteria for reliability and convergent validity.

Table 5. Cross Loading

Indicator	Perceived Usefulness (X1)	Perceived Ease of Use (X2)	Trust (X3)	Social Influence (X4)	Switching Cost (X5)	Behavioral Intention (Y)
X1.1	0.107	0.096	0.092	0.153	0.600	0.177
X1.4	0.237	0.113	0.205	0.227	0.933	0.155
X2.1	0.041	-0.044	0.159	0.080	0.077	0.672
X2.2	0.225	0.178	0.104	0.219	0.050	0.591
X2.3	0.053	0.248	0.158	0.130	0.226	0.656
X3.1	0.143	0.800	0.264	0.154	0.132	0.097
X3.2	-0.025	0.665	0.212	0.126	0.051	0.188
X4.1	0.042	0.157	0.138	0.589	0.195	0.128
X4.2	0.082	0.150	0.264	0.907	0.197	0.183
X5.3	1.000	0.092	0.176	0.085	0.237	0.140
Y1.1	0.148	0.208	0.708	0.206	0.171	0.164
Y1.2	0.173	0.131	0.530	0.127	0.045	0.149
Y1.3	0.035	0.269	0.659	0.186	0.153	0.122

Source: Data processed by the authors, 2025

Discriminant validity testing aims to ensure that each latent construct has sufficient distinction from other constructs, such that the indicators used genuinely represent the construct being measured. Cross-loading analysis was conducted by comparing the correlation values between each indicator and its respective construct with the correlations between the indicator and other constructs. An indicator is considered to have good discriminant validity if its loading value on the intended construct is higher than its loadings on other constructs. Based on the cross-loading test results, all indicators exhibit the highest loading values on their respective constructs. Therefore, it can be concluded that the research model has satisfied the discriminant validity criteria.

The data processing results presented in Table 5 indicate that all indicators in this study have higher correlation coefficients with the constructs they are intended to measure than with other constructs. This finding indicates that each indicator appropriately represents its corresponding latent construct. Therefore, it can be

concluded that the research model satisfies the discriminant validity criteria based on the cross-loading test.

Table 6. Fornell Lacker Criterion

Variable	Perceived Usefulness (X1)	Perceived Ease of Use (X2)	Trust (X3)	Social Influence (X4)	Switching Cost (X5)	Behavioral Intention (Y)
Perceived Usefulness (X1)	1.000					
Perceived Ease of Use (X2)	0.092	0.736				
Trust (X3)	0.176	0.264	0.637			
Social Influence (X4)	0.085	0.154	0.206	0.765		
Switching Cost (X5)	0.237	0.132	0.171	0.195	0.784	
Behavioral Intention (Y)	0.140	0.097	0.164	0.128	0.177	0.641

Source: Data processed by the authors, 2025.

Discriminant validity testing was further conducted using the Fornell–Larcker criterion by comparing the square root of the Average Variance Extracted (AVE) for each construct with the correlations between that construct and other constructs. A construct is considered to have good discriminant validity if the square root of its AVE is greater than its correlations with other constructs. Based on the Fornell–Larcker test results, all constructs in this study meet the specified criteria. Thus, it can be concluded that the research model demonstrates a satisfactory level of discriminant validity.

The results shown in Table 6 indicate that the square root of AVE for each construct is greater than its correlation with other constructs. This finding suggests that each construct has a stronger relationship with its own indicators than with other constructs. Therefore, it can be concluded that the research model fulfils the discriminant validity requirements.

Structural model testing aims to examine the influence of independent latent variables on the dependent latent variable in the research model. The evaluation of the structural model is conducted by examining the coefficient of determination (R^2). The R^2 value indicates the proportion of variance in the dependent latent variable that can be explained by the independent latent variables. A higher R^2 value reflects a greater explanatory power of the independent variables toward the dependent variable, indicating that the proposed research model has strong predictive capability.

Table 7. R-SQUARE

	R-Square	R-Square Adjusted
Behavioral Intention	0,191	0,159

Source: Data processed by the authors, 2025.

Table 7 presents the R-Square and Adjusted R-Square values for the variable of intention to use Islamic banking services. The R-Square value of 0.191 and the Adjusted R-Square value of 0.159 indicate that the intention to use Islamic banking services is explained by 19.1% of the variables included in this research model. The remaining 80.9% is influenced by other factors outside the scope of this study that are not captured by the tested variables. This R-Square value suggests that although the variables in the model have a measurable influence, a substantial proportion of external factors affecting the intention to use Islamic banking services remains unexplored in this study.

Path coefficients indicate the direction of the relationship between variables, with values ranging from −1 to +1. The results presented in Table 8 indicate that all variables have positive relationships with behavioral intention. This is evidenced by the original sample values, which fall within the range of 0 to 1, indicating positive relationships among the variables. These values represent the magnitude of the influence of each independent variable on the dependent variable. In other words, higher values of the independent variables tend to be associated with a higher intention to use Islamic banking services. Although all relationships are positive, the magnitude of influence varies across variables.

Table 8. Path Coefficients

Variable	Perceived Usefulness (X1)	Perceived Ease of Use (X2)	Trust (X3)	Social Influence (X4)	Switching Cost (X5)	Behavioral Intention (Y)
Perceived Usefulness (X1)						0.083
Perceived Ease of Use (X2)						0.111
Trust (X3)						0.251
Social Influence (X4)						0.177
Switching Cost (X5)						0.103

Source: Data processed by the authors, 2025.

To determine the significance level of the influence of independent latent variables on the dependent latent variable, hypothesis testing was conducted using a significance level (α) of 5% (0.05). The testing criterion is based on the *t-statistics* value, where a hypothesis is accepted if the *t-statistics* value exceeds 1.96. This testing procedure was carried out using the bootstrapping technique in SEM-PLS. The results are presented in the following table.

Based on the *t-statistics* values shown in Table 9, two hypotheses are rejected due to having *t-statistics* values below 1.96, namely the effect of perceived usefulness (X1) on behavioral intention (Y) with a *t-statistics* value of 1.131, and the effect of social influence (X4) on behavioral intention (Y) with a *t-statistics* value of 0.943. Meanwhile, the remaining hypotheses are accepted because their *t-statistics* values exceed 1.96, namely the effect of perceived ease of use (X2) on behavioral intention (Y) with a *t-statistics* value of 2.988, the effect of trust (X3) on behavioral intention (Y) with a *t-statistics* value of 1.924, and the effect of switching cost (X5) on behavioral intention (Y) with a *t-statistics* value of 1.233. Figure 1 illustrates the results of the structural model (inner model) and measurement model (outer model) analysis examining the factors influencing behavioral intention.

Table 9. T-Statistics

Relationship Between Variables	Original Sample	Sample Mean	Standard Deviation	T-Statistics
Perceived Usefulness → Behavioral Intention	0.103	0.105	0.091	1.131
Perceived Ease of Use → Behavioral Intention	0.251	0.248	0.084	2.988
Trust → Behavioral Intention	0.177	0.180	0.092	1.924
Social Influence → Behavioral Intention	0.083	0.086	0.088	0.943
Switching Cost → Behavioral Intention	0.111	0.109	0.090	1.233

Source**:** Data processed by the authors, 2025.

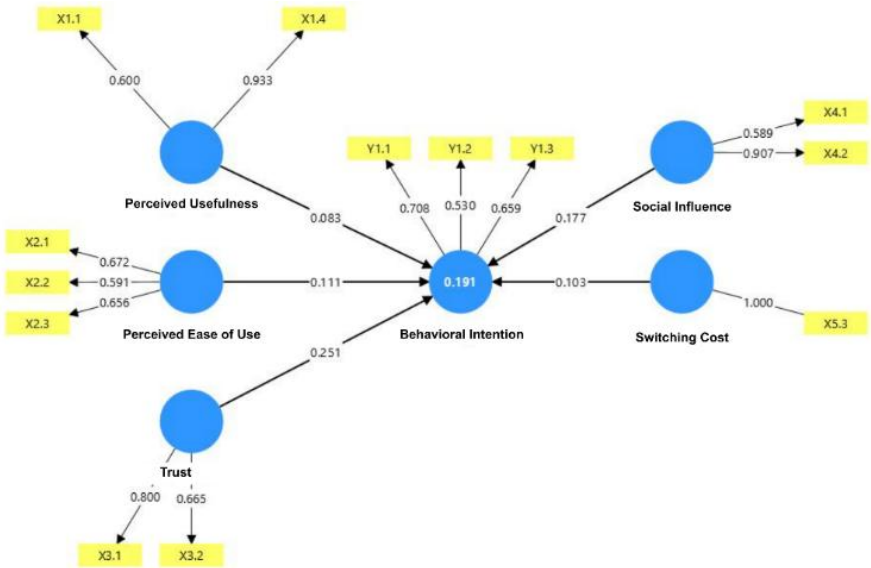

Figure 2. Results of the Structural Model (Inner Model) and Measurement Model (Outer Model) Testing

Model fit testing aims to evaluate the overall suitability of the research model. In this study, model fit evaluation is conducted by examining the Normed Fit Index (NFI). Values closer to 1 indicate a better representation of the relationships among the tested variables.

Table 10. Model Fit

Model Fit Indicator	Saturated Model	Estimated Model
SRMR	0.124	0.124
d_ULS	2.911	2.911
d_G	0.594	0.594
Chi-Square	426.297	426.297
NFI	-0.340	-0.340

Source: Data processed by the authors, 2025.

Based on the Table 10, the model fit evaluation results indicate SRMR values of 0.124, d_ULS values of 2.911, d_G values of 0.594, Chi-Square values of 426.297, and NFI values of −0.340 for both the saturated and estimated models. In the Structural Equation Modelling–Partial Least Squares (SEM-PLS) approach, global model fit indices such as SRMR, Chi-Square, and NFI are not the primary criteria for assessing model adequacy, as SEM-PLS emphasizes predictive capability and the testing of structural relationships among latent variables.

The negative NFI value indicates that covariance-based fit indices are less relevant in SEM-PLS. Therefore, interpretation of the research model is more appropriately focused on the results of construct reliability and validity testing, the coefficient of determination (R-Square), and the significance of relationships among variables as indicated by path coefficients and *t-statistics*, all of which have met the required statistical criteria in this study.

Table 11. Hypothesis Testing Results

Relationship Between Variables	Original Sample (O)	Result
Perceived Usefulness → Intention to Use Islamic Banking Services	0.083	H1 Rejected
Perceived Ease of Use → Intention to Use Islamic Banking Services	0.111	H2 Rejected
Trust → Intention to Use Islamic Banking Services	0.251	H3 Accepted
Social Influence → Intention to Use Islamic Banking Services	0.177	H4 Accepted
Switching Cost → Intention to Use Islamic Banking Services	0.103	H5 Rejected

Source**:** Data processed by the authors, 2025.

Hypothesis testing in this study was conducted to examine the relationships among variables formulated in the research model. Based on the hypothesis testing results, the acceptance criteria were determined using a significance level of *p-value* < 0.05. The results indicate that out of the five hypotheses tested, two hypotheses are accepted and three hypotheses are rejected.

Based on Table 11, it can be concluded that trust and social influence are the primary factors that significantly influence students' intention to use Islamic banking services. In contrast, perceived usefulness, perceived ease of use, and switching cost do not exert a significant influence on intention to use Islamic banking services within the context of this study.

Discussion

This study investigates the determinants of students' intention to use Islamic banking services by integrating the Technology Acceptance Model (TAM) with additional behavioral and contextual variables, namely trust, social influence, Islamic financial literacy, and switching cost. The discussion is organized according to the proposed hypotheses (H1–H5) to provide a systematic interpretation of the empirical findings and their theoretical implications.

The Effect of Perceived Usefulness on Intention to Use Islamic Banking Services

The empirical results reveal that perceived usefulness does not have a significant effect on students' intention to use Islamic banking services. This finding suggests that the perceived functional benefits of Islamic banking such as efficiency, effectiveness, and performance improvement are not a decisive factor in influencing students' behavioral intention. One plausible explanation is that FEBI students already perceive most banking services, whether Islamic or conventional, as offering similar levels of technological utility. In an era where digital banking features are standardized across institutions, usefulness becomes a basic expectation rather than a motivating attribute.

From a theoretical perspective, this finding deviates from the original TAM framework proposed by (Davis, 1989), which positions perceived usefulness as a central predictor of technology acceptance. However, the result supports the argument that TAM's explanatory power may diminish in contexts where users are technologically sophisticated and highly familiar with digital platforms. Several recent empirical studies have also reported inconsistent or insignificant effects of perceived usefulness in explaining intention in mature technology environments, particularly among younger and educated users.

In the context of Islamic banking, this finding implies that emphasizing functional advantages alone may be insufficient to increase adoption among

students. Instead, Islamic banks must differentiate themselves through value-based attributes beyond technological performance, such as ethical commitment, Sharia compliance, and institutional credibility.

The Effect of Perceived Ease of Use on Intention to Use Islamic Banking Services

The results also indicate that perceived ease of use does not significantly influence students' intention to use Islamic banking services. This suggests that ease of use is no longer a critical determinant in shaping students' banking decisions. FEBI students, as digital natives, are accustomed to interacting with various financial applications and online platforms, leading them to perceive most banking technologies as inherently easy to use.

This finding challenges the conventional TAM assumption that perceived ease of use directly affects behavioral intention. However, it is consistent with studies arguing that usability has become a hygiene factor rather than a competitive advantage in digital service adoption. When all competing services are perceived as equally user-friendly, ease of use loses its explanatory power in predicting intention.

From a practical standpoint, this result implies that improving interface design or simplifying transaction procedures may not significantly enhance students' intention to use Islamic banking services. Instead, banks should shift their strategic focus toward building emotional attachment, ethical alignment, and social legitimacy among young users.

The Effect of Trust on Intention to Use Islamic Banking Services

The acceptance of the third hypothesis confirms that trust has a significant and positive effect on students' intention to use Islamic banking services. Trust emerges as one of the most influential determinants in the model, highlighting its central role in shaping behavioral intention. In this study, trust reflects students' confidence in the security of banking systems, the credibility of Islamic banking institutions, and their compliance with Sharia principles.

For FEBI students, trust is particularly salient due to their academic background in Islamic economics and finance. Their knowledge and awareness of Islamic financial principles lead to higher expectations regarding ethical conduct, transparency, and Sharia compliance. When Islamic banks are perceived as trustworthy and consistent with Islamic values, students are more likely to develop a strong intention to use their services.

This finding is consistent with relationship marketing theory (Morgan & Hunt, 1994), which emphasizes trust as a key factor in sustaining long-term relationships,

as well as prior studies in Islamic finance contexts Amin, Rahman, et al., (2011) The result reinforces the notion that trust is not merely a supporting factor but a core determinant of adoption in Islamic financial services.

The Effect of Social Influence on Intention to Use Islamic Banking Services

The findings also demonstrate that social influence has a significant effect on students' intention to use Islamic banking services. This result indicates that the opinions, recommendations, and behaviors of significant others such as family members, peers, lecturers, and the campus environment play a crucial role in shaping students' banking choices. Within the FEBI academic context, which strongly emphasizes Islamic values, social norms can significantly reinforce individual behavioral intentions.

This finding aligns with the Theory of Planned Behavior Ajzen, (1991), which highlights the role of subjective norms in shaping intention, as well as the Unified Theory of Acceptance and Use of Technology (UTAUT) proposed by Venkatesh et al., (2003) Both theories emphasize that social pressure and normative beliefs can significantly influence individual decision-making, particularly in collectivist cultural settings.

The significance of social influence in this study suggests that Islamic banking adoption among students is not solely an individual decision but also a socially embedded process. Consequently, Islamic banks should actively engage with academic institutions, student organizations, and religious communities to strengthen positive social norms surrounding Islamic banking usage.

The Effect of Islamic Financial Literacy on Intention to Use Islamic Banking Services

Contrary to expectations, Islamic financial literacy does not have a significant effect on students' intention to use Islamic banking services. This finding indicates that possessing theoretical knowledge about Islamic finance does not necessarily translate into actual usage behavior. Although FEBI students are academically exposed to Islamic financial concepts, such knowledge alone is insufficient to drive behavioral intention.

This result highlights the existence of a knowledge behavior gap, where cognitive understanding does not automatically lead to behavioral change. Students may understand the principles of Islamic finance but still prefer conventional banking services due to habits, perceived convenience, or existing financial relationships. Similar findings have been reported in previous studies by

Addury, (2022); Albaity & Rahman, (2019), which suggest that financial literacy does not always exert a direct influence on intention.

This implies that educational initiatives aimed at increasing Islamic financial literacy should be complemented by experiential strategies, such as hands-on exposure, practical incentives, and trust-building mechanisms, to effectively encourage adoption.

Overall, the findings of this study indicate that not all variables in the proposed model significantly influence students' intention to use Islamic banking services. Trust and social influence emerge as the dominant factors, while technological and cognitive variables play a less prominent role. This suggests that in an environment characterized by high digital literacy and Islamic economic knowledge, psychological and social factors are more influential than technological considerations.

From an academic perspective, this study contributes to the literature by extending TAM within the context of Islamic banking and demonstrating its contextual limitations. The findings provide empirical evidence that the explanatory power of TAM variables may weaken when applied to technologically mature user groups, thereby supporting the need for integrating social and trust-based constructs in future research models.

From a practical standpoint, the results suggest that Islamic banking institutions should prioritize strategies that enhance trust, strengthen social endorsement, and reinforce ethical credibility rather than focusing solely on technological improvements. Such efforts are expected to increase students' intention and long-term commitment to using Islamic banking services.

Conclusion

This study empirically examined the determinants of students' intention to use Islamic banking services at the Faculty of Islamic Economics and Business (FEBI), UIN Sunan Gunung Djati Bandung, using the SEM-PLS approach. The findings indicate that trust and social influence have a significant positive effect on students' intention to use Islamic banking services, while perceived usefulness, perceived ease of use, and switching costs do not show significant influence. These results suggest that, within the FEBI student context, the intention to adopt Islamic banking services is driven more by psychological and normative factors than by technological or economic considerations. High digital literacy and academic exposure to Islamic economics reduce the relative importance of functional

benefits and system usability, placing greater emphasis on trust in institutional credibility, system security, and Shariah compliance.

This study contributes theoretically by extending technology acceptance perspectives through the integration of social and psychological dimensions in explaining Islamic banking adoption, particularly within Islamic higher education institutions in Indonesia. Methodologically, the use of SEM-PLS enables a comprehensive analysis of multiple latent constructs simultaneously. However, the study is limited by its focus on a single faculty and a restricted set of variables, as well as its cross-sectional design. Future research is encouraged to expand institutional coverage, incorporate additional factors such as religiosity, financial literacy, and perceived risk, and employ longitudinal or mixed method approaches to capture the dynamic nature of Islamic banking adoption behavior.

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