

What drives to adopt Islamic banking products and services: is it shariah compliance or convenience?

Islamic
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Abstract

Purpose – The main issue is whether customers prefer convenience over Shariah compliance or the opposite when they decide their Islamic banking needs. The purpose of this paper is to explore why customers adopt Islamic banking products and services: Shariah compliance or convenience?

Design/methodology/approach – Using convenience sampling, 310 respondents' data were collected through online survey. For testing the fit and hypotheses of the proposed model, AMOS 25 software and Smart-PLS 4.0 software have been used.

Findings – Attitude, Islamic value and convenience have significant determinants of Islamic banking products and services. Shariah compliance has no direct or indirect influence on neither intention nor actual behaviour to adopt Islamic banking services. Furthermore, gender has no such differential effect on the adoption.

Practical implications – Managers and marketers of Islamic banks may benefit from the findings of this study, which demonstrate fresh insights regarding the factors which help in strategy formulations to promote Islamic banking services.

Originality/value – The growth of Islamic banks, branches and windows is remarkable in both Muslim-majority and Muslim-minority countries in the world. This paper postulates the behavioural finance studies in Islamic banking and finance research stream by extending the theory of planned behaviour of Ajzen (1985) as all the three new constructs (Islamic value, convenience and Shariah compliance) are statistically fit for further studies. However, only Islamic value and convenience are the two significant factors which drive customers to take decision in the proposed model. This study gives insights to the bankers and authority about the consumer behaviour.

Keywords Islamic banking, Perception, Adoption, Shariah compliance, Convenience, Islamic finance

Paper type Research paper

1. Introduction

Modern financial system is based on interest, sale of risk, speculation and uncertainty (Chapra, 2000). The base of this system is interest or *riba* which is one of the major reasons for inflation and unsustainable economic growth (Ahmed and Chapra, 2002). This system makes money out of money and this concept is not allowed in the eye of Islam (Usmani, 2002). Islamic financial



system is capable of freeing modern man from the debt-ridden and vulnerable economy by ensuring justice and equity (Ahmad, 1980). This system is based on some guiding principles derived from major sources: the Al-Quran (the revelations), the Hadiths (the Prophetic traditions) and the Fiqh manuals (the jurisprudence of the major schools of thoughts). It has been considered as an alternative system that is growing rapidly in the world. Alongside with other financial institutions such as takaful (Islamic insurance), sukuk (Islamic bonds), Islamic stocks and Islamic funds, Islamic bank is the most dominant one in the Islamic financial system. According to Ahmad (1980), there is a door open for modern banking with Islamic principles. Interest-free banking concept emerged at the 1960s with a very limited scale. After that, the number of Islamic banks and other financial institutions is growing around the world.

Contemporary Islamic banking and finance (IBF) practices have some critical arguments (El-Gamal, 2006; Khan, 2010). The importance of these debates is not trivial, and we should work for developing a comprehensive and holistic Islamic banking model. If we look at the history of Islamic banking, we can find that the banking model was based on profit-loss sharing (PLS) and fee-based operations (Uzair, 1978). Gradually, non-profit-loss sharing (non-PLS) operations become more dominants, and also it is argued that Islamic banking has just change the name of “interest” into “profit or mark-up rate” (Kuran, 2004). However, Muslims should give preference to Islamic banks over conventional banks for their religious obligation (Usmani, 2002). But many studies have found that Islamic banks are not compatible with conventional banks and even the service quality of conventional banks is better than Islamic banks.

The growth of Islamic banking industry is faster than conventional banks and comparatively less affected in the 2007–2008 financial crisis and the pandemic (Ramlan and Adnan, 2016; Research and markets, 2023). Islamic banking is still a new concept comparative to conventional banking practice. Many irregularities and misconceptions are still in exist in the operations (Ali *et al.*, 2022; Alam and Al-Amri, 2020). Several researchers have done studies particularly on operational mechanisms and their constructive criticisms too (Khan, 2010; El-Gamal, 2006; El-Hawary and Grais, 2004). It is evident that IBF need to be studied from different dimensions (Kaakeh *et al.*, 2018). It is also necessary to study both operational framework (*Shariah* compliance and other corporate governance) and industry growth factors. Hence, this paper is an attempt to study Islamic banking industry from a behavioural science perspective. Last 50 years, many researches have been done in the behavioural side as well (Kaakeh *et al.*, 2018). Few studies emphasized that the convenience and tangible benefits are most significant factors for their usage and retention of the Islamic banking services. On the contrary, customers doubt about the banks’ *Shariah* compliance (Belwal and Al Maqbali, 2019) and also mention that non-compliance is not only embarrassing for themselves but also acted as barriers to non-users (Butt *et al.*, 2018). However, it is argued that customers are in twofold problems; one is compromising with *Shariah* principles, and the other one is convenience factor.

Currently, Bangladesh has 10 complete Islamic banks, 23 Islamic banking branches and 511 Islamic banking windows consist of 27% the market share among the total 61 scheduled banks in Bangladesh. These percentages are really remarkable, but there is a debate going on whether these Islamic banks are purely Islamic or just using the brand of Islam. Also, the above data reflect that Islamic banking institutions are better position than many Muslim-majority countries. So, the query arises what factors drive the Bangladeshi customers to adopt the Islamic banking services. The major research problem is going to solve in this study is that whether customers prefer convenience over *Shariah* compliance or the opposite. In Bangladesh, few studies can be found working on this area (Iqbal *et al.*, 2018; Hoque *et al.*, 2022), but this research paper has particularly highlighted the behavioural action by extending the theory of planned behaviour (TPB) proposed by Ajzen (1985). With the existing variables

of the TPB model, three additional variables are, namely, “Islamic value”, “Convenience” and “*Shariah* Compliance” tested for understanding what factors really matter most while using Islamic banking services. Furthermore, there are very few studies emphasizing gender effect on the actual usage of Islamic banking services (ElMassah, and Abou-El-Sood, 2022). Thus, this paper aims to explore what factors are the most influential for the customers to choose Islamic banking products and services. Put differently, the purpose of this paper is to explore why customers adopt Islamic banking products and services: *Shariah* compliance or convenience?

The key contributions of this paper are mainly twofold. One is to understand the factors driving Bangladeshi Muslim customers to adopt Islamic banking products and services. In the past two decades, some conventional banks have transformed their operations to Islamic banking system. Besides, majority conventional banks have opened Islamic banking windows (Bangladesh Bank, 2023). Why Bangladesh as a sample case? Because Bangladesh is the third largest Muslim majority country in the world with more than 160 million Muslims and also the share of Islamic banking is almost 30% in the banking industry of Bangladesh (Bangladesh Bank, 2023). The other contribution is to explore extended theoretical framework of TPB by adding and testing new variables. Our contributions are to see what factors act as determinants other than existing TPB model. We have taken three new constructs: *Shariah* compliance, convenience and Islamic values. We have explained the justifications to add and test these three variables in the literature reviews and discussed the findings accordingly.

The remaining of the paper is organized as follows: Section 2 reviews the existing literature review and proposes a research framework after following this Introduction section. Section 3 describes the research items and research methodology of the paper. The main findings and discussion are presented in Section 4, and finally, Section 5 concludes the paper.

2. Literature review

2.1 Islamic banking operations

Islamic bank is a form of non-conventional banking platform. It is a comparatively new institution in Islamic economic system. Islamic banking is a unique model proposed by Muslim economic thinkers on the basis of Islamic commercial law (*Fiqh Muamalat*). Banking in Islamic framework should be based on risk-sharing instead of interest and two-tier *mudarabah* should be the form of operational basis. Banks should offer banking services with profits from partnerships, fees and commissions from other services (Uzair, 1978). Also, *Mudarabah* contract binds the financier only in terms of financial liability; the working partner bears no part of the loss accruing to capital extended by the financier. It is stated that there should have transparency and ethics in both sides otherwise moral hazard is inevitable due to asymmetric information (Khan, 2010). Other than profit-loss sharing products (*Mudarabah* and *Musharakah*), some non-PLS (trade-based) products and services are, namely, *Murabaha* (markup), *Ijarah* (lease), *Bay' Salam* (deferred delivery), *Bay Muajjal* (deferred payment), *Jo'alah* (service fee) and *Qard al hasana* (interest-free loan or charity loan) are being offered by the Islamic banks (Uzair, 1978; Saiti, 2017; Juisin *et al.*, 2023).

According to Statista (2023), the global Islamic finance markets' gross asset value is amounted to about US\$3.95tn in 2021, and it is projected to US\$5.9tn by 2026. Bangladesh is in the ninth position in global Islamic banking assets in 2021 (Zawya, 2023). Islamic banking industry started operations in 1970s and is now a growing segment in the banking system and its market share is increasing year after year (Ali *et al.*, 2022). Islami Bank Bangladesh Limited, the first Islamic bank in Bangladesh, was established in 1983 (Hassan *et al.*, 2023a). Currently, Bangladesh has 10 complete Islamic banks, 23 Islamic banking branches and 511

Islamic banking windows. The percentage of total deposit is 26.19, total investment is 28.52 and the market share is 26.80 among the total 61 scheduled banks in Bangladesh. Although the Bangladesh Bank, the central bank, made a guideline in 2009 for the Islamic banking industry, there is an absence of monitoring activities of Islamic banks (Alam *et al.*, 2019). Due to the absence of a separate law and a full-pledged guideline, Islamic banks individually have developed their customized *Shariah* governance mechanisms that serve their purposes (Hassan *et al.*, 2023b). It is not only in the case of Bangladesh; many Muslim countries are in the similar circumstances. The issue is not only guideline or framework but also in implementation. Besides, the current financial system itself is unfavourable to implement any comprehensive unique guideline (Alam *et al.*, 2019).

2.2 Adoptions of Islamic banking services

Perception creates a sense of awareness about something (Kaakeh *et al.*, 2018). Adoption means to take something, to use or to acquire. If a person perceives something goodness, he or she is prone to adopt that thing. Adoption has a close link with intention and leads to final consumption (Kaakeh *et al.*, 2018). Many researches have been done for testing adoption of Islamic financial institutions. Majority studies of the previous works are based on Asian context. The previous studies have found that knowledge and awareness, religious motivation, attitude, religiosity, subjective norm, perceived behavioural control (PBC), self-efficacy and compatibility are the major determining factors (Kaakeh *et al.*, 2018; Han *et al.*, 2018; Hoque *et al.*, 2022). Knowledge and awareness, convenience and religious motivation are the most dominant factors in this category. This means that the more aware customers are, the more they tend to adopt Islamic banking services. Religious motivation and obligation drive customers to adopt and even shift from the conventional banks. Convenience which means comfort or easiness to open account and operate account is one of the key drivers. In the socio-demographic category, income and education are the most discussed ones. The more the customers are educated, the more they are prone to adopt the Islamic banking services. Few studies have been done on comparative analysis between Muslims and non-Muslims' customers and found the differences in motivation for adopting Islamic banking services (Lujja *et al.*, 2018).

Customer perceptions regarding Islamic banks have been discussed by using different marketing theories. The most significant factors are service quality, tangible benefits, convenience, bank image and reputation, trust, *Shariah* compliance, customer loyalty and brand equity of the banks (Kaabachi and Obeid, 2016; Anouze *et al.*, 2019; Abdullrahim and Robson, 2017; Fianto *et al.*, 2020; Hoque *et al.*, 2022; Ab Hamid *et al.*, 2023; Moosa and Kashiramka, 2023). Besides, some studies focus on the role of fintech, customer relationship management and shariah compliance on the adoption of e-banking among the Islamic banks' customers (Hasan *et al.*, 2020; Mulia *et al.*, 2021; Usman *et al.*, 2022; Tegambwage and Kasoga, 2023; Mustapha *et al.*, 2023). There are few studies explaining the mediating and moderating effect of price, religiosity, attitude and subjective norm (Han *et al.*, 2018; Hoque *et al.*, 2022). There are no such findings explaining the mediating and moderating effect of convenience or *Shariah* compliance. Hence, there is a clear research gap to explore. Furthermore, this is one of the premier research works on multi-group analysis (MGA) for identifying the gender influences on behavioural intention of the Islamic banking services.

2.3 Ajzen's theory of planned behaviour and theoretical framework of the study

Theory of reasoned action (TRA) and TPB are the two most discussed theories for identifying the adoption factors of Islamic banking services (Olaniyi and Echchabi, 2012; Kaakeh *et al.*, 2018; Ali *et al.*, 2022). The TRA theory is one of the popular theories in

behavioural analysis of business and economics area. It postulates that behaviour consists of three theoretical dimensions: attitude, subjective norm and intention (Fishbein and Ajzen, 1975). This theory is the pioneer framework TPB developed by Ajzen (1985). Attitude and subjective norm are the common determinants of the intention in both the theories. However, PBC as self-efficacy factor has been included to identify the intention of the TPB model which is the extension of TRA model (Ajzen, 1985). It is stated that most of the papers are based on the analysis of behavioural science theories for exploring customers' purchase intention. There are some papers addressing marketing theories as well. Here, many papers are based on *SERVQUAL model* for exploring marketing-related factors (Amirzadeh and Shoorvarzy, 2013, Altaf et al., 2017).

TPB model is the most discussed one in behavioural science studies. This theory extends and incorporates the non-voluntary constructs of behaviour: attitude, PBC, subjective norm and intention (Ajzen, 1985). In this study, TPB comprises three additional variables that determine intentions and behavioural actions to engage in Islamic banking services: Islamic value, *Shariah* compliance and convenience.

2.3.1 Attitude. This variable defines an evaluative influence of perceptions on performing specific behaviour (Ajzen, 1985). In the TPB, attitude is stated to as how an individual evaluates the influence of positive or negative perceptions while performing a particular behaviour (Ajzen, 1985). Besides, it has a good link with intentions of doing something. Many empirical studies had been done by researchers to explore association between the intention of adopting Islamic banking services and how customers' attitude influences this intention. There is a positive and significant association between attitude and intention for identifying determining factors of using Islamic banking services (Charag et al., 2020; Han et al., 2018). From the above discussion, the following hypothesis is:

H1. Customer attitudes will have a positive and significant impact on behavioural intentions.

2.3.2 Subjective norm. This element is a common but inevitable construct of both the TPB and the TRA models (Fishbein and Ajzen, 1975; Ajzen, 1985). According to Ajzen (1985), it has a direct effect on one's behaviour because of social pressure and influence on decision-making. The previous studies have found mixed outcomes. For instance, Zinser (2019) have found that the subjective norm or social group's influence neither creates nor exerts any significant impact on customers' intention to buy some product or service of Islamic banks. However, Atal et al. (2020) have demonstrated that there is a substantial and positive effect of the social group's influence on customers' intention to buy Islamic banking products or services. Hence, the following hypothesis is:

H2. The subjective norm (SN) will have a positive and significant impact on the intention.

2.3.3 Perceived behavioural control. This variable is an extension to TRA model. According to Ajzen (1985), other than attitude and subjective norm, PBC has a great impact on the decision-making process of a customer. It is induced by the presence of sufficient resources and capacity to control barriers to behaviours (Ajzen, 1985). Many studies have been done on assessing the relationship between Islamic banking services and PBC (Hoque et al., 2022a; Han et al., 2018; Hatta et al., 2022). Some studies have found the role of PBC in positively influencing customers' intention to use the products and services of Islamic banks (Mindra et al., 2022; Atal et al., 2020). Hence, the following hypothesis was formulated on the basis of previous literature:

H3. Perceived behavioural control will have a positive and significant impact on the intention.

2.3.4 Intention. This factor shapes an individual's affinity to perform in a particular way towards something particularly buying product or service. According to [Ajzen \(1985\)](#), intention has a direct relationship with behavioural action. Intention drives a customer's inner mind before, during and post-purchase of a product or service ([Altunel and Koçak, 2017](#)). In the Islamic banking sector, behavioural intention is a common determinant to predict consumer behaviour, from both sides: behavioural aspects ([Han et al., 2018](#); [Hoque et al., 2022](#)) and marketing aspects ([Hossain and Leo, 2009](#); [Anouze et al., 2019](#)). Many previous studies have found significant relationship with behavioural action or actual usage of Islamic banking services in different contexts ([Khurshed et al., 2021](#)).

H4. Intentions will have a positive influence on the behavioural action to use Islamic banking services.

2.3.5 Behaviour. Intention is a part of the attitude component of mental volition and a strong predictor of behaviour ([Fishbein and Ajzen, 1975](#)). Intention is not the actual behaviour rather it is deciding element of doing something practically. Behaviour is the ultimate and final stage of both TPB and TRA models ([Ajzen, 1985](#)). It varies with individual to individual. To understand the bank client behaviours, many studies have been done ([El Mallouli and Sassi, 2022](#); [Charag et al., 2020](#); [Han et al., 2018](#); [Altunel and Koçak, 2017](#)).

2.3.6 Islamic value. Islamic values refer to the values and beliefs through which one adheres to religious practices in his or her daily life ([Suhartanto et al., 2020](#)). These values create religious obligation ([Hoque et al., 2022](#)). Islamic values or religiosity is a difficult thing to study particularly assessing the bank selection criteria ([Hatta et al., 2022b](#); [Hoque et al., 2022](#)). Previous studies have demonstrated that Islamic value has a positive influence on the selection of Islamic banking services ([Hatta et al., 2022a](#); [Mindra et al., 2022](#)). For instance, [Mindra et al. \(2022\)](#) suggested that strong Islamic values drive a customer to use and retain the Islamic banking services. It is argued that customers with high Islamic values are highly likely to give a preference towards adopting services from Islamic banks than the services from conventional banks. However, there is a variation of faith and religious motivation among the Muslims ([Hoque et al., 2022](#)). Based on the discussion, the following hypothesis is:

H5. Customer intentions towards Islamic banking services are significantly influenced by Islamic values.

2.3.7 Convenience. This factor refers as a comfort while doing something. It has significant relationship with bank selection criteria and continuing the services particularly Islamic banking context ([Haque et al., 2009](#); [Anouze et al., 2019](#); [Butt et al., 2018](#)). Bank's functional ATM network, proximity of bank branch to university campus, friendliness and professional bank staff are the major determinants of the bank selection among Nigerian students ([Ezeh and Nkamnebe, 2018](#)). Moreover, "availability of large branch networks", "goodwill of the bank", "convenient access to ATM location" and "good complaint management" are the important factors to open bank account and continue the banking services ([Anouze et al., 2019](#); [Hossain and Leo, 2009](#)). Some studies have found that convenience has mediating association between attitude and intention while using adopting Islamic banking services ([Butt et al., 2018](#); [Haque et al., 2009](#)). Hence, there is a gap of

studying the mediating effect of convenience on the behavioural actions instead of only intentions. Also, there is no work studying moderating of convenience between intention and actual usage. So, the hypotheses are:

- H6. Convenience in Islamic banks will have a direct and positive impact on the intentions of customers towards Islamic banking services.
- H7. Convenience in Islamic banks will have a direct and positive impact on the behavioural actions of customers towards Islamic banking services.
- H8. Convenience in Islamic banks will have indirect effects on the behavioural actions of customers towards Islamic banking services through intention.
- H9. Convenience in Islamic banks will have moderating relationship between intention and the actual behaviour to adopt the Islamic banking services.

2.3.8 Shariah compliance. Compliance means due diligence or complying the set rules. The shariah compliance refers to customers' perceptions about the Islamic banking transactions which are free from prohibited activities (Kaakeh *et al.*, 2019). To elaborate, the Muslim religious scholars and economic thinkers have firmly opined that all Muslims must also avoid financial transactions that involve *riba* (literal meaning is excess), excessive *gharar* (uncertain outcome), *mayasir* (gambling) and haram (religiously forbidden) products (Uzair, 1978). The argument behind the ban of those elements in financial transactions is to ensure economic justice as well as social justice (Chapra, 2000). It is evident that many things are clearly stated in *Fiqh Muamalat* (Islamic Commercial Law) (Ahmad, 1980). Previous studies have demonstrated that *Shariah* compliance is a major determining factor of choosing and using Islamic banking services (Jan and Shafiq, 2021; Kaakeh *et al.*, 2019; Lee and Ullah, 2011). For instance, Lee and Ullah (2011) have found that customers have high reverence towards the *Shariah* compliance issue and they change their behaviour if the Islamic banks do not maintain *Shariah* principles. To understand *Shariah* compliance, respondents should have proper knowledge of *Shariah* and how the principles function in Islamic banking transactions (Usman *et al.*, 2022). Furthermore, Saqib *et al.* (2016) demonstrated that *Shariah* compliance acts as a moderator between service quality and customer satisfaction in Islamic banks. *Shariah* compliance has mediating relationship between attitude and intention while using adopting Islamic banking services (Shome *et al.*, 2018). Hence, there is a gap of studying the mediating effect of *Shariah* compliance on the behavioural actions instead of only intentions. Also, there is no work studying moderating of *Shariah* compliance between intention and actual usage. Hence, the hypotheses are:

- H10. *Shariah* compliance in banks has direct and positive impact on the intentions of customers towards Islamic banking services.
- H11. *Shariah* compliance in banks has direct and positive impact on the intentions of customers towards Islamic banking services.
- H12. *Shariah* compliance will have indirect effects on the behavioural actions of customers towards Islamic banking services through intention.
- H13. *Shariah* compliance will have moderating relationship between intention and the actual behaviour to adopt the Islamic banking services.

2.3.9 *Gender influences in behavioural adoption.* Elmassah and Abou-El-Sood (2022) has investigated the impact of gender in adopting Islamic banking services in the context of UAE. It is argued that male and female may show different behaviours while choosing Islamic banking services. For instance, the preferences of banks and their product usage vary from male to female customers (Almossawi, 2001). When making decisions, the relational aspects are the top-most concerns because they love community and socially orientation than male, whereas men’s main stimuli is the core features of any service, as it is argued that they are more material and goal-oriented (Iacobucci and Ostrom, 1993). In the banking industry, cost is more significant factor for men than women (Yu, 2012). In this study, there is an attempt to study the moderating effect of gender while adopting Islamic banking services in Bangladesh. So, the hypothesis is:

H14. There is a moderating effect of gender in adopting Islamic banking services.

After reviewing the previous literatures, the conceptual framework of this paper is presented in Figure 1.

3. Methodology

3.1 The research design

The major aim of this study is to explore the perceptions the customers while adopting the Islamic banking services in Bangladesh. Besides, this study also aims to identify differential impact of independent variables on dependent variables in respective to the male and female gender group. The research approach of this research is exploratory in nature. Deductive approach has been applied as the study has been extending the TPB proposed by Ajzen (1985). The TPB theory is highly studied theory in Islamic finance and banking literatures (Hoque *et al.*, 2022). One of the major reasons is that many new behavioural theories are evolved using fundamental basis of the TPB. Also it gives a wider horizon to understand,

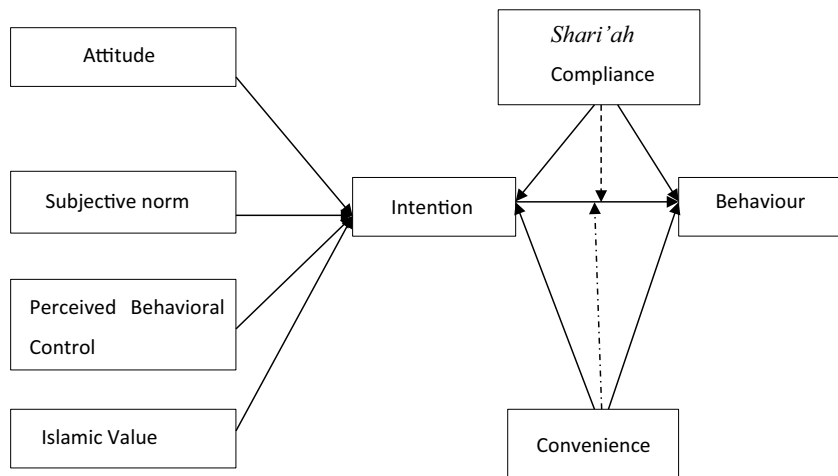


Figure 1.
Conceptual
framework

Source: Authors’ own work based on TPB model by Ajzen (1985)

predict or change of behaviour of respondents particularly behavioural intention or usage of particular things (Ajzen, 2020).

A quantitative method has been chosen as the design for this research to identify the leading factors to adopt the Islamic banking services in Bangladesh. According to Creswell (2012), the quantitative approach enables the researchers to empirically test a theory by identifying the relationship between the constructs.

3.2 The sample of the research

In this study, the authors have used a convenience sampling approach, as there is confidentiality issue from the bank side and also there is a restriction to access exact number of clients in different Islamic banks in Bangladesh. Furthermore, the convenience sampling is the most applicable sampling procedure in for identifying Islamic banking adoption or selection criteria (Kaabachi and Obeid, 2016; Kaakeh *et al.*, 2018, 2019; Ezeh and Nkamnebe, 2020; Suhartanto *et al.*, 2020; Mulia *et al.*, 2021; Rahman *et al.*, 2023; Hoque *et al.*, 2022; Mohd Thas Thaker *et al.*, 2022; Atal *et al.*, 2020). These papers have been published in good quality journals by the authors studying different contexts: South Asia, East Asia, Middle-East, Europe and Africa.

This paper has used the formula presented by Tabachnick and Fidell (2007) for calculating the required sample size. Their method is the highly cited and used in survey-based research design (Memon *et al.*, 2020). Suggest that the total number of independent variables studied determines the minimum number of cases needed: $N > 50 + 8m$ (where m = number of independent variables). In this study, 310 is the sample size which is statistically significant to study a model.

The descriptive profile of the study (Table 1) indicates that male participants (56%) are higher than female participants (44%). In the sample, 48% of the respondents are aged between 21 and 30, and 30% of the respondents belong to 31–40 age group. Majority of the respondents are undergraduates or graduates' levels which consist of 79% and others comprise 21%. Besides, private sectors' respondents comprise 40% and the percentage of the business is 34%. All of them have been using Islamic banking services at least two years.

Variable	Description	Respondent(s)
Gender	Male	175
	Female	135
Age group	21–30	130
	31–40	113
	41–50	47
	51–above	20
Education level	Secondary	30
	Higher secondary	45
	Bachelors	110
	Masters and above	135
Occupational sector	Public	54
	Private	106
	Business	80
	Others	70

Source: Authors' own work

Table 1.
Demographic data

3.3 Instruments and data collection

This study uses survey approach by using structured questionnaires. The data has been collected only from those who have an account in any Islamic bank's branch or Islamic window branch of conventional bank. The data collection process has been designed by structured questionnaires which takes into consideration about respondent's viewpoint on the Islamic banking services. There are two parts in the survey. In the first portion, six questions are for identifying demographic information of the respondents, and the second part consisted of 28 questions, focused on variables. A five-point Likert scale (1–5 ratio) has been used to measure the independent variables and the scale ranging from 1 (highly disagree) to 5 (highly agree). The variables and the items were adopted through reviewing previous studies. The items representing attitude, PBC, subjective norm and intention towards Islamic banking have been adapted from [Mindra et al. \(2022\)](#) and [El Mallouli and Sassi \(2022\)](#). The items representing Islamic values are taken from the work of [Hoque et al. \(2022\)](#). Convenience and *Shariah* compliance have been taken from the studies of [Arshad et al. \(2016\)](#) and [Han et al. \(2018\)](#). The questionnaires have been translated into Bangla for the clear understanding of the respondents. Only customers of Islamic banks and Islamic banking window of conventional banks of Bangladesh were taken as population for sampling. The data was collected from April to mid-June 2023. The surveys have been conducted online by using Google form. In total, 380 surveys were collected, from which 70 surveys were reduced due to less than 95% completion ([Hair et al., 2013](#)).

3.4 Data analysis

There are two phases in the data analysis. In the first phase, model fitness has been tested by examining the relationship between latent factors and the observed variables. In the second phase, the regression analysis has been done to explain the proposed mode's hypotheses through structured equation modelling (SEM) approach. SEM is one of the most popular methods to investigate the complex relationships among the latent constructs in behaviour in the business and management studies ([Hair et al., 2013](#)). In this study, IBM AMOS 25 and Smart-PLS 4.0 tools have been used for testing and analysing the proposed model. The reason behind using two SEM tools (one is CB-based and PLS-based) is to present a comprehensive analysis. CB-SEM using AMOS is better in providing model fitness indices, whereas PLS-SEM fit indices are still evolving ([Dash and Paul, 2021](#)). And so, this study uses CB-SEM for testing model fit indices, as there are three additional variables other than core variables in TPB model. PLS-SEM is a better tool for analysing structural model in case of analysis of the latent constructs with good visualization ([Hair et al., 2013](#); [Dash and Paul, 2021](#)). Then, PLS-SEM algorithm has been done for analysing measurement model and structural model to explore the relationship between independent variables and dependent variables. Both the mediation and moderation analysis have been done to explain specific indirect and total indirect effects. Furthermore, this study uses MGA between male and female group for identifying the differential impact of independent variables on dependent variables:

Regression model: $Y = a + bX_i + e$ ("a" represents constant, and "e" represents error term of the model).

Dependent variable (Y): Behaviour

Independent variables (Xi): attitude, subjective norm, perceived behavioural control, Islamic value, convenience, *Shariah* compliance and intention.

4. Results and discussion

4.1 The analysis of measurement model

This study has exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) for testing the measurement model. In EFA, the maximum likelihood method has been used. Factor loadings above 0.6 are considered for further testing a model (Hu and Bentler, 1999). To know the reliability and validity of the model, CFA has been recorded.

In Table 2, the CMIN/DF value is $2.298 \leq 3$ which indicates an acceptable fit of the model (Kline, 2005). AGFI value of 1 indicates a perfect fit (Kline, 2005). In this study, the value of AGFI is 0.837 which proves the fitness of the model. CFI value closed to 1 shows a perfect fit (Hu and Bentler, 1999). In this study, the value of CFI is 0.914 which represents the very good fit of the proposed model. The RMSEA value ranging from 0.05 to 0.08 is considered acceptable, and value ≤ 0.05 is considered excellent (MacCallum et al., 1996). In this study, the value of RMSEA is 0.065 which is acceptable range. In the SEM model, the exogenous factors (attitude, subjective norm, PBC, Islamic value, *Shariah* compliance and convenience) and the endogenous factors (intention and behaviour) have been tested for the analysis. Figure 2 shows the CFA of the proposed model (exogenous and endogenous factors). Furthermore, the CFA analysis includes the variances and covariances of the model. It has been found that all the items and the constructs are significantly explained the model (Kline, 2005).

In this study, factor loadings, Cronbach's alpha, average variance extracted (AVE) and composite reliability (CR) have been used to check internal consistency, construct reliability and convergent validity of the model, respectively. The acceptable value of factor loadings should be 0.6 and above, the value of Cronbach's alpha and the value of composite reliability should be 0.6 and 0.7 and above, respectively, and the value of AVE should be 0.5 and above (Hair et al., 2013). According to the results shown in Table 3, the values of factor loadings are between 0.632 and 0.938, the values of Cronbach's alpha are between 0.671 and 0.903, the values of composite reliability are between 0.775 and 0.939 and the values of AVE are between 0.563 and 0.838, which are in the acceptable ranges.

Furthermore, the Fornell–Larcker criterion (Table 4) and the HTMT ratio (Table 5) have been tested for analysing discriminant validity According to Fornell and Larcker (1981), the value of Fornell–Larcker criterion and the square root of the AVE of all the constructs should be greater than paired intercorrelation between the latent constructs. In this study, the principle of Fornell–Larcker criterion has been met, as all the values are greater than paired intercorrelation. HTMT values detect the multi-collinearity problem of the constructs and the values above 0.90 indicating a lack of discriminant validity (Gold et al., 2001). In this study, the lowest HTMT ratio is 0.230 and the highest ratio is 0.900 which shows there is no multi-collinearity problems in the model.

This study has also tested R^2 , R^2 adjusted and Q^2 predict to determine the predictive relevance of the model (Table 6). It is shown that almost 50% of the values of intention are

Model	NPAR	CMIN	DF	CMIN/DF	CFI	AGFI	RMSEA	<i>P</i>
Default model	76	514.804	224	2.298	0.914	0.837	0.065	0.000
Saturated model	300	0.000	0		1.00			
Independence model	24	4,197.37	276	15.208	0.000	0.163	0.214	0.000

Notes: NPAR = number of parameters; CMIN = chi-square value; DF = degrees of freedom; CFI = comparative fit index; AGFI = adjusted goodness-of-fit index; RMSEA = root-mean-square error of approximation; *p*-value = significance

Source: Authors' own work

Table 2.
Model fit indices

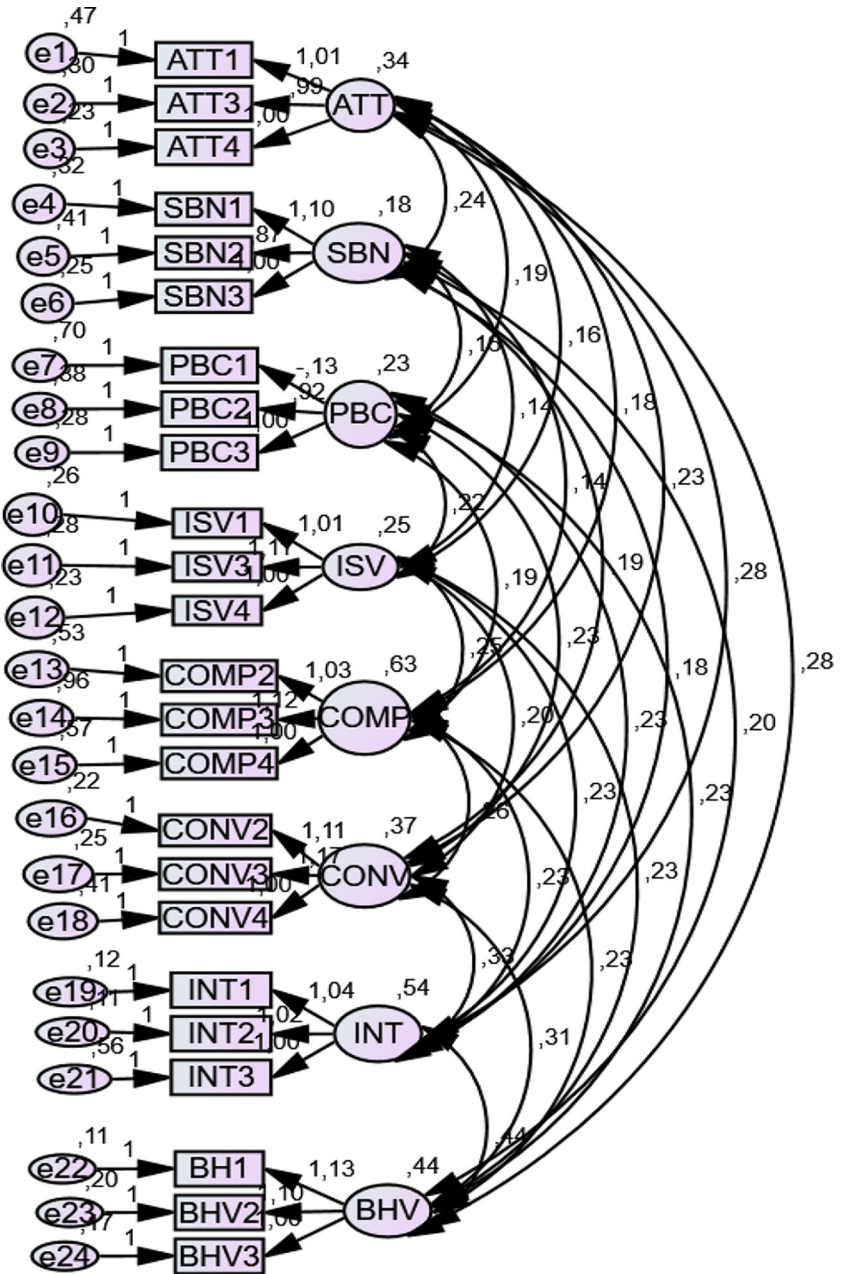


Figure 2.
Confirmatory factor
analysis of studied
model

Source: Authors' own work

Items/variable	Factor loadings	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
ATT1	0.808			
ATT3	0.828			
ATT4	0.825			
Attitude (ATT)		0.757	0.860	0.673
BH1	0.938			
BHV2	0.911			
BHV3	0.901			
Behaviour (BHV)		0.903	0.939	0.838
COMP2	0.829			
COMP3	0.821			
COMP4	0.817			
Compliance (COMP)		0.757	0.861	0.673
CONV2	0.877			
CONV3	0.883			
CONV4	0.815			
Convenience (CONV)		0.818	0.892	0.733
INT1	0.926			
INT2	0.929			
INT3	0.818			
Intention (INT)		0.871	0.921	0.796
ISV1	0.805			
ISV3	0.822			
ISV4	0.837			
Islamic value (ISV)		0.760	0.861	0.674
PBC1	0.720			
PBC2	0.775			
PBC3	0.733			
Perceived behavioural control (PBC)		0.682	0.794	0.563
SBN1	0.755			
SBN2	0.662			
SBN3	0.791			
Subjective norm (SBN)		0.671	0.775	0.532

Table 3.
Construct reliability
and validity

Source: Authors' own work

collectively explained by all independent variables while 74% of the variance in behaviour is also explained by all independent variables. According to Cohen (1988), if the value of R^2 is greater than 0.26, then it is considered as substantial. In the current research, R^2 values of all dependent variables lie in substantial case. Also, this study has analysed Q^2 predict to assess the model's practical relevance and value of Q^2 should be more than 0 ($Q^2 > 0$) (Hair *et al.*, 2013). In this study, the proposed model is highly relevant with the practice as both the constructs have values more than 0.

4.2 The analysis of the structural model and the hypotheses

After the analysis of measurement model, the next step is to determine the proposed hypotheses to run two things in SmartPLS 4.0 such as algorithm as well as bootstrapping

technique. In this study, there are 14 hypotheses for testing the proposed model, nine of which are direct, two of which are indirect (mediating) and three of them are moderating (Figure 3). Five of the direct hypotheses are supported, while just four of them are not (Table 7). As evidenced by the *t*-values of 1.224 and *p*-value 0.221 > 0.05, *t*-values of 0.456 and *p*-value 0.648 > 0.05, respectively, compliance to behaviour and intention have no significant relationship. PBC to intention with *t*-values 0.987 and *p*-value 0.324 > 0.05, and subjective norm to intention with *t*-values of 0.123 and the *p*-values of 903 > 0.05 have no significant relationship.

With a *t*-value of 3.733 and a *p*-value 0.000 < 0.05, attitude has a significant impact on intention. With *t*-value of 6.315 and *p*-value 0.000 < 0.05 and *t*-value of 4.326 and *p*-value 0.000 < 0.05, convenience has a substantial influence on both intention and actual behaviour, respectively. The Islamic value construct also has an influence on intention to adopt Islamic banking services. The intention has the strongest influence on the actual behaviour with *t*-values of 13.423 and 0.000 < 0.05.

Table 4.
Discriminant validity
(Fornell–Larcker
criterion)

Variable	ATT	BH	COMP	CONV	INT	ISV	PBC	SBN
ATT	0.820							
BH	0.620	0.915						
COMP	0.299	0.370	0.820					
CONV	0.523	0.678	0.428	0.856				
INT	0.560	0.834	0.322	0.641	0.892			
ISV	0.439	0.583	0.476	0.543	0.514	0.821		
PBC	0.483	0.544	0.378	0.604	0.518	0.641	0.750	
SBN	0.725	0.590	0.340	0.563	0.515	0.521	0.533	0.729

Source: Authors' own work

Table 5.
Heterotrait-monotrait
ratio (HTMT)

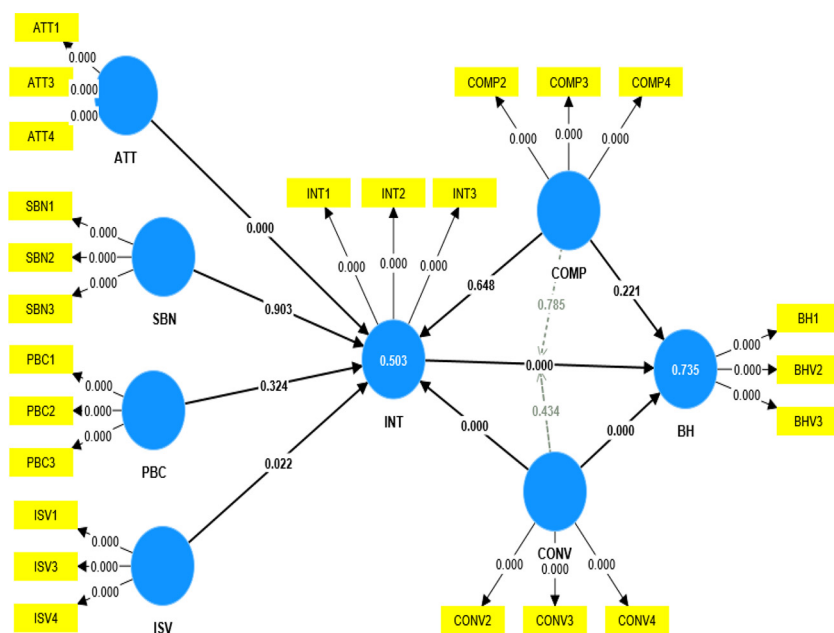
Variable	ATT	BH	COMP	CONV	INT	ISV	PBC	SBN
ATT								
BH	0.645							
COMP	0.347	0.456						
CONV	0.603	0.790	0.558					
INT	0.594	0.891	0.402	0.757				
ISV	0.698	0.749	0.633	0.690	0.898			
PBC	0.705	0.756	0.582	0.867	0.750	0.883		
SBN	0.900	0.779	0.431	0.798	0.660	0.851	0.895	

Note: The limit of HTMT ratio is no more than 0.90
Source: Authors' own work

Table 6.
Predictive relevance
of the study

Variable	<i>R</i> ²	<i>R</i> ² adjusted	<i>Q</i> ² predict	RMSE
Behaviour (BH)	0.738	0.734	0.539	0.685
Intention (INT)	0.496	0.486	0.460	0.744

Note: **p* < 0.05 (two-tailed test)
Source: Authors' own work



Source: Authors' own work

Figure 3. Path coefficients of the structural model

Path	Sample mean (M)	Standard deviation (STDEV)	t-statistics (O/STDEV)	p-values (***)	Results
ATT → INT	0.261	0.072	3.733	0.000	Supported
COMP → BH	0.055	0.044	1.224	0.221	Not supported
COMP → INT	-0.023	0.047	0.456	0.648	Not supported
CONV → BH	0.209	0.048	4.326	0.000	Supported
CONV → INT	0.387	0.062	6.315	0.000	Supported
INT → BH	0.656	0.049	13.423	0.000	Supported
ISV → INT	0.158	0.069	2.293	0.022	Supported
PBC → INT	0.069	0.066	0.987	0.324	Not supported
SBN → INT	0.000	0.072	0.123	0.903	Not supported

Note: * $p < 0.05$ (two-tailed test)

Source: Authors' own work

Table 7. Results of structural model

Along with analysis of direct hypotheses, this study has two indirect hypotheses (Table 8). Intention significantly mediates the relationship between convenience and actual usage (p -value $0.000 < 0.05$). Whereas intention has no significant mediation between *Shariah* compliance and actual usage of Islamic banking services (p -value $0.419 < 0.05$).

Other than mediating analysis, this study has also tested moderation effects of the two exogenous variables (convenience and *Shariah* compliance) through using SEM. Although there is a mediating relationship between convenience and actual behaviour, there is no moderation effect between these two variables with convenience. Like mediating effect, this

study has found no moderating impact of *Shariah* compliance between intention and actual behaviour in Islamic banking services as the *p*-value of both the variables exceed 0.05 significance level (Table 9).

Furthermore, the study has done MGA to determine whether there are any gender-specific differences, and the findings represent that there is no significant difference between male and female groups in the actual usage of Islamic banking services. It is shown that eight out of the nine direct hypotheses have been shown to have no significant difference between the two groups (Table 10). However, there is a significant difference between the two groups in the impact of effort subjective norm on intention (*p*-value 0.000 < 0.05). Therefore, it has been discovered that the influence of the independent variable (subjective norm) on the dependent variable (intention) is greatest in the male group.

To find the model's comparative differences between two groups, the nested model comparisons have been tested by assuming unconstrained to be correct. The *p*-value of the constraint is 0.107 which shows no significant difference between male and female in the adoption of Islamic banking services in Bangladesh (Table 11).

Path	Sample mean (M)	Standard deviation (STDEV)	<i>t</i> -statistics (O/STDEV)	<i>p</i> -values (*)	Results
COMP → INT → BH	-0.023	0.027	0.808	0.419	Not supported
CONV → INT → BH	0.271	0.045	6.104	0.000	Supported

Table 8.
Indirect effects

Note: **p* < 0.05 (two-tailed test)
Source: Authors' own work

Path	Sample mean (M)	Standard deviation (STDEV)	<i>t</i> -statistics (O/STDEV)	<i>p</i> -values (***)	Results
CONV × INT → BH	-0.024	0.039	0.732	0.464	Not supported
COMP × INT → BH	-0.017	0.049	0.293	0.770	Not supported

Table 9.
Moderation effects

Note: **p* < 0.05 (two-tailed test)
Source: Authors' own work

Path	Path coefficients-diff (male – female)	<i>t</i> -value original (male vs female)	<i>p</i> -value new (male vs female) (***)	Results
ATT → INT	-0.026	0.160	0.873	Not supported
COMP → BH	-0.034	0.359	0.720	Not supported
COMP → INT	-0.032	0.379	0.705	Not supported
CONV → BH	-0.117	1.072	0.284	Not supported
CONV → INT	-0.180	1.260	0.209	Not supported
INT → BH	0.153	1.383	0.168	Not supported
ISV → INT	0.112	0.778	0.437	Not supported
PBC → INT	0.080	0.611	0.542	Not supported
SBN → INT	-0.002	0.010	0.017	Supported

Table 10.
PLS-MGA (multi-group analysis between male and female)

Note: **p* < 0.05 (two-tailed test)
Source: Authors' own work

4.3 Discussion of the findings

This paper aims to examine the direct and indirect relationship between the exogenous (attitude, subjective norm, PBC, Islamic value, convenience, *Shariah* compliance and endogenous variables (intention, behaviour) to explore the adoption factors of Islamic banking services in Bangladesh. There are 14 hypotheses, studied from previous literatures, which have been developed to test the proposed model. Both AMOS 25 and Smart-PLS 4.0 software have been used for the analysis. *H1* to test relationship between attitude and intention has been found statistically significant in the model. This paper's findings are consistent with the previous studies (Hoque *et al.*, 2022 Atal *et al.*,2020; Han *et al.*, 2018). The outcome of the study indicates that attitude is a good predictor of intention which leads to actual usage of Islamic banking services in Bangladeshi respondents. Attitude comes from the positive perceptions about something, and here majority respondents have positive feelings towards Islamic banks. *H2* and *H3* which test the relationship between subjective norm and PBC, respectively, with intention have been found statistically non-significant in the model. This is consistent with other findings of the previous studies. For instance, Mindra *et al.* (2022) and Zinser (2019) have found no significant relationship between PBC and intention in US context. Han *et al.* (2018) have found no significant relationship between subjective norm and intention. But there are some studies that have found the association between both independent variables (subjective norm and PBC) with intention. The above results illustrate that the social influence is not a significant predictor in the respondents' decision-making process. Also lack of knowledge of Islamic banking operations in Bangladesh is prevalent as PBC has no substantial relationship with neither intention nor behaviour. However, there is a significant relationship between Islamic value and intention and also actual usage of Islamic banking services. It means that respondents feel religious obligation to have account in Islamic banks and continue the services for this motivation. The finding of this study is consistent with other findings (Rahman *et al.*, 2023; Atal *et al.*, 2020; Hatta *et al.*, 2022b). *H5* is also significant which represents the relationship between intention and behaviour. It is also consistent with the previous studies.

H6 and *H7* which test relationship between convenience and both on intention and behaviour have been found statistically significant in the model. This is consistent with other findings of the previous studies (Haque *et al.*, 2009; Kamiyama and Kashiwagi, 2019). It is the most significant determinant of actual usage of Islamic banking services. It indicates that the respondents adopt the services of Islamic banks in Bangladesh due to convenience. Increasing comfort to the customers by adding new features should be one of the most important priority factors. Furthermore, intention acts as a mediator between convenience and behaviour of the customers as *H8* has also been found to be significant. This refers that convenience has both direct and indirect impact on actual adoption of

Model	DF	CMIN	P	NFI Delta-1	IFI Delta-2	RFI rho-1	TLI rho2
Measurement weights	16	31.515	0.012	0.007	0.007	-0.005	-0.005
Structural weights	25	143.431	0.000	0.030	0.034	0.014	0.016
Structural covariances	31	63.832	0.000	0.014	0.015	-0.008	-0.009
Measurement residuals	55	184.343	0.000	0.039	0.044	0.001	0.002
Constrain (male vs female)	1	2.591	0.107	0.001	0.001	0.000	0.000

Table 11.
Nested model
comparisons

Source: Authors' own work

Islamic banking services. However, according to the result of *H9*, there is no moderating effect of convenience between intention and actual behaviour.

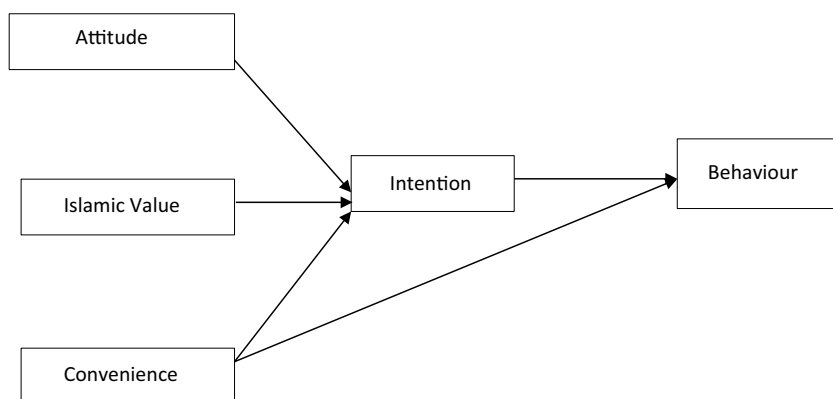
On the contrary, according to the result of *H10* and *H11*, *Shariah* compliance has no direct or even indirect impact on actual adoption of Islamic banking services. However, the previous studies have found significant influence of *Shariah* compliance of Islamic banks on intention to adopt services offered by the Islamic banks in the context of Malaysia from the findings of [Jan and Shafiq \(2021\)](#) and [Uddin \(2022\)](#) in Bangladesh. Besides, there is no moderating effect of *Shariah* compliance between intention and actual behaviour. This means that the customers usually do not bother about *Shariah* compliance of the banks. It can be the absolute obligation towards religious faith ([Hoque et al., 2022](#)) or they feel that Islamic banks usually follow *Shariah* rulings. Thus, it can be deduced that people use Islamic banking products and services due to religious obligation not for the shariah compliance issue. It is quite surprising and contrasting findings. What can be the reason? There are two probable reasons: one is the lack of Islamic financial literacy or shariah-related knowledge ([Yeni et al., 2023](#)) and the other one is lack of shariah governance guideline ([Alam et al., 2021](#)). The first one is supported, as PBC has no significant relationship neither with intention nor with actual behaviour. It is argued that literacy about shariah issue is not only evident among customers but also among employees. Even the shariah division officers have lack of Islamic commercial laws ([Alam et al., 2019](#)). And so, it can be deduced that there is a dearth of Islamic financial literacy or awareness about *Shariah* among the customers. Furthermore, there is no shariah governance framework and shariah guidelines from the central bank of Bangladesh. As a result, Islamic banks do not maintain complete shariah principles in their overall functions, and at the same time they try not to violate them fully ([Alam et al., 2021](#)). So, it can be opined that our findings reflect the current *status quo* of Islamic banking operations.

According to the result of *H14*, gender is not significant enough to explain differences among actual usage decision in the context of Bangladesh. This result is consistent with the findings of [ElMassah and Abou-El-Sood \(2022\)](#) in the context of UAE. This means that there is no differential impact on adoption decision of Islamic banking product and services between male and female group. However, only subjective norm shows significant differential construct between these two groups which means that male group is more socially influenced while decision-making process than the female group.

Above all, attitude, Islamic value and convenience have direct and indirect effect on behavioural intention and actual adoption of Islamic banking services. The above results indicate that the internal belief system and values learned from Islam act as a driver to adopt Islamic banking products and services ([Hoque et al., 2022](#)). Also, the respondents prefer comfort or convenience over *Shariah* compliance of the banking services offered by the Islamic banks in Bangladesh. Although there is no direct or indirect relationship between shariah compliance with behavioural intention to adopt Islamic banking products and services, Islamic value has shown significant influence on behavioural adoptions. Finally, it can be deduced that the customers are prone to choose and use Islamic products and services not only for belief but also for comfort. [Figure 4](#) shows the final proposed model of this thesis.

5. Conclusion

Modern banking is based on interest and biased in favour of the capitalists, whereas Islamic banking is based on cooperation (profit-loss sharing) among the parties and elimination of interest in all forms. Muslim societies never legitimized interest before the 19th century, but then interest has slowly penetrated practices in the Muslim world which is very unfortunate.



Source: Authors' own work

Figure 4.
Final proposed model

People are forced to deal with interest-based financial institutions; otherwise, they experience inconveniences. Interest-free Islamic banking in fact grew as a part of literature, and it can challenge the capitalist and socialist systems (Ahmad, 1980). Islamic banking industry is growing and getting popularity day by day, but the growth is not compatible with the needs. There are both positive and negative perceptions prevailing in the Islamic banking operations. It is argued by the scholars that Islamic banks need to emphasize both on *Shariah* compliance as a religious and ethical obligation. However, our findings suggest that Islamic banks should increase the comfort or convenience factors to attract more customers. Furthermore, attitude and Islamic values also drive a customer to adopt Islamic banking services.

5.1 Theoretical implications

This paper postulates the behavioural finance studies in IBF by testing three new constructs (Islamic value, convenience and *Shariah* compliance) with the existing TPB model. This paper has also explored a unique gap by mediation and moderation effect of two exogenous variables (convenience and *Shariah* compliance) on independent variables (intention and actual behaviour). Although there is no moderation effect of these two variables on behavioural adoption, there is a mediation effect of convenience between intention and behaviour. Along long with convenience and *Shariah* compliance, Islamic value as new exogenous variables has been fit for testing the TPB model of Ajzen (1985) which is a clear theoretical contribution of this thesis. This provides us scope to further studies in other contexts. However, in the final findings, attitude, Islamic value and convenience constructs show significant relationship with the intention and actual behaviour. PBC, social influence and shariah compliance do not have significant influence.

5.2 Practical implications

The practical implications of this research are related to organizational internal strategic changes. Like the previous findings, there is a significant relationship between Islamic values both on intention and usage of Islamic banking services. Islamic banks should not confuse customers in terms of shariah compliance, as they (banks) are encasing Islamic values of them (customers). Promoting Islamic values and holding Islamic values in the

organizational culture are very important issues. The findings demonstrate that the customers do not bother shariah compliance. According to the findings, customers prefer more on convenience than *shariah* compliance, Islamic banks should increase more facilities and capacities. For example, ATM booths and branches, installing automation like fast internet banking, creating friendly environment for the customers, developing easy-going service process and good complaint management are few of the top-most concerns. There are 50 more conventional banks, and so the competition is high. Innovative initiatives should be taken to offer more convenient services, and for this, Islamic should invest in research and development. The adoption of fintech in service management can be one of the impactful initiatives. Also, the integration of functional departments with customer service department is inevitable.

The findings demonstrate that the customers do not bother *Shariah* compliance. Also, there is no significant relationship between PBC with intentions. Lack of shariah-related knowledge and Islamic financial literacy could be the probable reasons. Islamic banks can take initiatives to make customers aware through different awareness campaigns. It is really essential to develop programmes by highlighting the differences of mechanisms and functions between conventional and Islamic banks. For example, country-wide information week through their branches. In this week, they can design several education programmes to aware customers about the importance and beauty of Islamic banking. For the policymakers and regulators, this study has a suggestion to take necessary measures to increase Islamic financial literacy in a mass level. Furthermore, the customers seem to adopt the services only for religious obligation and convenience and also, they do not bother whether Islamic banks fully follow sharia compliance or not. In comparison with Malaysia, Turkey and Pakistan, there is a dearth of policies and regulations related to shariah governance and compliance. Also, there is no higher educational programmes in Bangladesh related to Islamic finance and banking. There is only one private university offering a bachelor degree in IBF out of 100 more universities. Furthermore, the regulators should think for creating shariah compliance supervisory board for ensuring transparency and accountability of the Islamic banks.

5.3 Limitations and future scope

Firstly, this paper focuses on customers' perspectives due to the specificity of scope; there are opportunities of further studies on employees, board of directors, *Shariah* supervisory board, authorities and experts' perceptions. Secondly, Bangladesh has been taken as a context which cannot be used as generalization for the world. There is a new scope of doing cross-country research works. For example, Bangladesh as a Muslim-majority country and Germany as a Muslim-minority country. Thirdly, the paper has used only quantitative methodology. Future research can be possible by using qualitative methodology or mixed methodology. Through mixed methodology, it will be possible to triangulate the quantitative and qualitative data for a comprehensive study. Finally, there is possible new research that can be done by comparing conventional and Islamic banking services in Bangladesh context.

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