

# Determinants of Islamic Digital Banking Adoption: Extending UTAUT3 with Islamic Lifestyle Moderation in Indonesia

*Determinants of  
Islamic Digital  
Banking Adoption*

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**1365**

Submitted:  
November 21, 2025

Revised:  
January 3, 2026

Accepted:  
January 29, 2026

Published Online:  
January 31, 2026

## ABSTRACT

*The rapid digitalization of financial services has transformed global banking, yet the adoption of Islamic digital banking remains limited in emerging economies. The study examines the effects of performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness on customers' behavioral intention to adopt Islamic digital banking. This study investigates the determinants of Islamic digital banking adoption in Indonesia by extending the Unified Theory of Acceptance and Use of Technology 3 (UTAUT3) with Islamic lifestyle as a moderating factor. The research uses quantitative and survey data from 147 active Islamic banking customers across Sumatra and employs Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that all UTAUT3 constructs significantly and positively influence adoption intention, indicating that both rational-instrumental and behavioral-psychological factors shape digital banking decisions. Furthermore, Islamic lifestyle significantly moderates these relationships, enhancing the impact of technological and behavioral determinants when services align with Islamic values. The study contributes theoretically by integrating UTAUT3 with Islamic Lifestyle Theory and offers practical guidance for Islamic banks and policymakers to design Sharia-compliant digital strategies that combine efficiency with ethical and religious value alignment, highlighting the importance of value congruence in sustainable adoption.*

**Keywords:** Behavioral Intention, Islamic Digital Banking, Islamic Lifestyle, Sharia-Compliant Banking, UTAUT3.

## INTRODUCTION

The rapid advancement of digital technologies has fundamentally transformed global banking, reshaping the delivery, access, and consumption of financial services. Digital platforms such as mobile banking, internet banking, and QR-based payments enhance operational efficiency, customer experience, and financial inclusion (Vives, 2019; Barroso & Laborda, 2022; Nandru et al., 2024). In Indonesia, digital banking adoption has accelerated due to smartphone penetration, improved internet infrastructure, and government support, yet adoption is uneven across banking segments. Conventional banks have rapidly scaled their services, while Islamic banks lag behind. As of mid-2025, Islamic banking's market share remained around 7.31%, indicating that strong religious-demographic potential does not automatically translate into higher adoption of Islamic digital financial services.

Venkatesh et al. (2012) and Farooq et al. (2017) note that digital banking adoption depends on perceived usefulness, ease of use, social influence, infrastructure readiness,

**JIMKES**

Jurnal Ilmiah Manajemen  
Kesatuan  
Vol. 14 No. 1, 2026  
pp. 1365-1376  
IBI Kesatuan  
ISSN 2337 - 7860  
E-ISSN 2721 - 169X  
DOI: 10.37641/jimkes.v14i1.4832

perceived value, and habits. In Islamic banking, these factors interact with religious values, ethical considerations, and Sharia compliance (Qadri & Bhatti, 2020; Alam et al., 2022; Akhlaq & Asif, 2024). Despite technological availability, adoption remains low due to limited capital, cybersecurity concerns, and uneven infrastructure, especially outside Java. These challenges are pronounced in Sumatra, where a large Muslim population faces heterogeneous digital readiness, highlighting the complex interplay of technological, behavioral, and religious factors in shaping Islamic digital banking adoption.

Beyond structural and technological constraints, behavioral and value-based factors play a decisive role in shaping adoption decisions. Digital banking adoption is not merely a rational, utility-maximizing choice but also a value-laden behavioral process influenced by habits, hedonic motivations, and personal innovativeness (Oliveira et al., 2014; Farooq et al., 2017). In Islamic finance, religious identity and lifestyle further moderate this process, shaping how customers evaluate financial technologies in terms of permissibility, ethical alignment, and spiritual congruence (Gilani, 2015; Aziz et al., 2022). To explain adoption behavior, the Unified Theory of Acceptance and Use of Technology (UTAUT) and its extensions have been widely applied. UTAUT2, developed by Venkatesh et al. (2012), extends the original model by incorporating hedonic motivation, price value, and habit, offering stronger explanatory power in consumer contexts, while Farooq et al. (2017) introduced UTAUT3 by adding personal innovativeness to capture individual openness to new technologies. Empirical evidence indicates that UTAUT3 provides a comprehensive framework for understanding digital service adoption, particularly in emerging markets with uneven technological diffusion and high user heterogeneity.

Despite the robustness of UTAUT-based research, studies on Islamic banking adoption remain fragmented. Many focus on UTAUT or UTAUT2 without incorporating UTAUT3's personal innovativeness, underestimating the role of individual agency. Most treat religiosity or Islamic values as direct predictors rather than examining their moderating influence, and there is a geographical bias toward Java, leaving regions like Sumatra underrepresented despite their strategic importance. Moreover, the concept of Islamic lifestyle is under-theorized in digital banking literature. Islamic lifestyle extends beyond ritual religiosity to daily consumption patterns, ethical orientations, social relationships, and environmental responsibility grounded in Islamic teachings (Azizibabani et al., 2022; Puspardini et al., 2024). From this perspective, technology adoption is filtered through a normative framework, where financial choices are evaluated not only for efficiency or convenience but also for alignment with Islamic values such as justice (*‘adl*), transparency (*amanah*), and avoidance of *riba* and *gharar*. Customers with stronger Islamic lifestyle orientations may therefore respond differently to technological stimuli than less religiously oriented users.

This study addresses gaps in Islamic digital banking research by extending the UTAUT3 framework with Islamic lifestyle as a moderating variable to explain customers' adoption intentions in Indonesia. Using survey data from Islamic banking customers across Sumatra and employing Partial Least Squares Structural Equation Modeling (PLS-SEM), the study examines how performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness affect adoption intention, and how Islamic lifestyle orientation strengthens or weakens these relationships. The study offers three key contributions: it advances technology adoption literature by integrating UTAUT3 with Islamic lifestyle theory, providing a context-sensitive model; it contributes empirically by focusing on Sumatra, an underexplored yet strategically important region for Islamic banking; and it offers actionable insights for Islamic banks and regulators to design digital strategies that address both functional user needs and the ethical and religious values of Muslim consumers.

## LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

### Unified Theory of Acceptance and Use of Technology 3 (UTAUT3)

UTAUT3 represents the most advanced evolution of the UTAUT framework, extending UTAUT2 by incorporating personal innovativeness as a central determinant of

behavioral intention (Aliu et al., 2024; Antonio & Kurniawan, 2025). The model posits that technology adoption intention is shaped by eight constructs performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness and has demonstrated stronger explanatory power than earlier versions, particularly in banking, fintech, and digital service contexts within emerging markets characterized by uneven technological diffusion and high consumer heterogeneity (Oliveira et al., 2014; Bouteraa, 2024). In Islamic digital banking, UTAUT3 is especially pertinent because it integrates rational–instrumental factors such as usefulness, ease of use, and infrastructure with behavioral–psychological dimensions including enjoyment, habit, and innovativeness, thereby offering a more comprehensive explanation of adoption behavior than UTAUT2 or the original UTAUT and providing a robust framework for analyzing technology adoption across varying levels of technological readiness (Farooq et al., 2017; Mulazid et al., 2024).

The adoption of digital banking technologies has been widely examined from behavioral and information systems perspectives, particularly regarding consumer acceptance and financial technology usage (Alnemer, 2022; Anagreh et al., 2024; Nagy et al., 2024). In Islamic banking, however, digital adoption is more complex due to the dual demands of technological efficiency and compliance with Sharia principles, as customers evaluate not only speed, convenience, and cost but also ethical legitimacy, religious alignment, and perceived Sharia compliance (Ahmed et al., 2022; Afdawaiza et al., 2024; Hasanudin et al., 2024; Jamshed & Uluyol, 2024). Prior research further shows that trust in Islamic financial institutions, perceived congruence with Islamic values, and confidence in Sharia governance significantly influence customers' willingness to adopt digital services (Abedifar et al., 2016; Harahap et al., 2023; Ahmad et al., 2024). However, trust and religiosity alone are insufficient to explain digitally mediated adoption behavior. As services become increasingly sophisticated, customers assess them through multidimensional considerations such as usability, social influence, enjoyment, habitual use, and personal innovativeness, dimensions comprehensively encompassed within the UTAUT framework and its extensions (Handani, 2024).

### **The Determinants of Behavioral Intention**

Customer intention to adopt Islamic digital banking is determined by an interplay of technological, behavioral, social, and value-oriented factors. Performance expectancy captures customers' belief that using digital banking platforms will enhance their efficiency, streamline financial management, and provide easier access to Sharia-compliant financial services, positioning it as a crucial predictor of adoption behavior (Venkatesh et al., 2012). Similarly, effort expectancy, or the perceived ease with which these services can be used, significantly influences adoption; digital platforms with intuitive interfaces, clear navigation, and transparent Sharia-related features reduce cognitive effort and encourage more frequent and confident usage (Intarot et al., 2018; Kurniawan, 2024). Meanwhile, social influence highlights the importance of interpersonal and community factors in the adoption process (Vrain et al., 2022). Recommendations and expectations from family, peers, religious authorities, and broader community norms play a substantial role in shaping individuals' intentions, reflecting the deeply embedded social and cultural dimensions of financial behavior within Islamic contexts (Gilani, 2015). Together, these factors demonstrate that adopting Islamic digital banking is not only a matter of perceived usefulness or ease of use but also a socially mediated and context-sensitive decision.

Facilitating conditions, including reliable internet, technical support, and compatible devices, are critical, especially in regions with uneven infrastructure such as Sumatra, as inadequate conditions can limit even motivated users (Oliveira et al., 2014). Hedonic motivation highlights that enjoyment and pleasure derived from using digital banking enhance engagement and intention to adopt (Harahap et al., 2023; Malhotra, 2025). Price value emphasizes the trade-off between perceived benefits and costs, including fairness and transparency in fees, which affects adoption in price-sensitive markets. Habit reflects

the automaticity of repeated digital banking use, which reinforces continued intention through familiarity and ease. Finally, personal innovativeness captures an individual's willingness to try new technologies, which is crucial in Islamic banking as users navigate unfamiliar Sharia-based features (Farooq et al., 2017).

H1: Performance expectancy has a positive and significant effect on behavioral intention.

H2: Effort expectancy has a positive and significant effect on behavioral intention.

H3: Social influence has a positive and significant effect on behavioral intention.

H4: Facilitating conditions have a positive and significant effect on behavioral intention.

H5: Hedonic motivation has a positive and significant effect on behavioral intention.

H6: Price value has a positive and significant effect on behavioral intention.

H7: Habit has a positive and significant effect on behavioral intention.

H8: Personal innovativeness has a positive and significant effect on behavioral intention.

### **Islamic Lifestyle as a Moderating Variable**

Islamic lifestyle represents a holistic orientation toward life grounded in Sharia values, encompassing personal conduct, ethical consumption, social relations, and environmental responsibility (Muttaqien et al., 2025). Beyond acting as a direct predictor, Islamic lifestyle functions as a normative filter through which individuals evaluate technological attributes, shaping how users interpret performance, ease of use, social influence, facilitating conditions, enjoyment, price fairness, habitual use, and personal innovativeness in digital banking (Tanjung, 2025; Ali et al., 2025). Consumers with strong Islamic lifestyle orientations are more likely to perceive digital banking as acceptable and trustworthy when aligned with Sharia principles such as fairness, transparency, and ethical appropriateness, amplifying or attenuating the impact of conventional adoption determinants (Setiawan & Rahmiati, 2025). Empirical evidence from Indonesian Islamic digital services shows that religious orientation and value congruence strengthen the relationship between perceived usefulness and behavioral intention, highlighting the moderating role of Islamic lifestyle in shaping adoption decisions (Arbol & Ramli, 2024).

Accordingly, this study posits that Islamic lifestyle positively moderates the relationships between all UTAUT3 constructs performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness and customers' intention to adopt Islamic digital banking, as the alignment of technological benefits with ethical and Sharia-compliant values enhances adoption likelihood and engagement among Muslim users (Timur et al., 2024; Setiawan & Rahmiati, 2025).

H9: Islamic lifestyle positively moderates the relationship between performance expectancy and behavioral intention.

H10: Islamic lifestyle positively moderates the relationship between effort expectancy and behavioral intention.

H11: Islamic lifestyle positively moderates the relationship between social influence and behavioral intention.

H12: Islamic lifestyle positively moderates the relationship between facilitating conditions and behavioral intention.

H13: Islamic lifestyle positively moderates the relationship between hedonic motivation and behavioral intention.

H14: Islamic lifestyle positively moderates the relationship between price value and behavioral intention.

H15: Islamic lifestyle positively moderates the relationship between habit and behavioral intention.

H16: Islamic lifestyle positively moderates the relationship between personal innovativeness and behavioral intention.

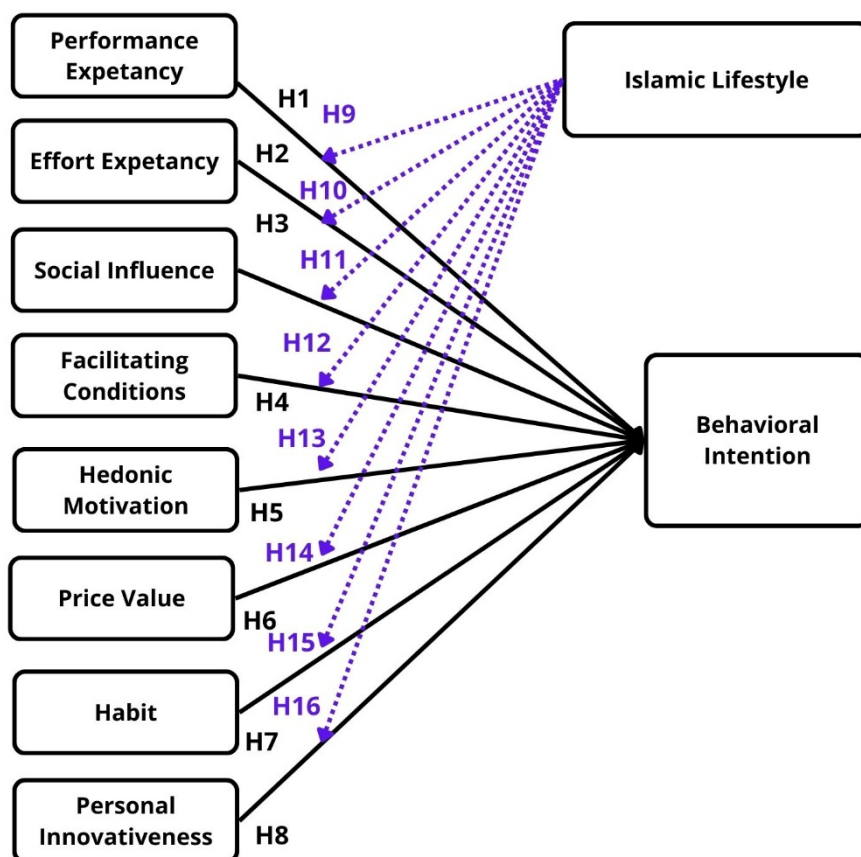


Figure 1. Conceptual Framework

The study's conceptual framework is shown in Figure 1. Customer intention is thought to be directly influenced by several factors, including performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal inventiveness. The concept incorporates the Islamic lifestyle as a moderating influence. The figure illustrates the possible ways in which these elements might influence consumer behavior. Both direct and indirect effects on behavioral intention are highlighted by the framework.

## RESEARCH METHODS

This study uses a quantitative, cross-sectional survey to examine factors influencing customers' intention to adopt Islamic digital banking in Sumatra, Indonesia. Targeting active Islamic bank customers with recent digital banking experience, data were collected via online and field surveys between September and October 2025. Using purposive sampling, 147 valid responses were obtained, sufficient for PLS-SEM analysis of hypotheses based on the UTAUT3 framework and Islamic lifestyle theory.

All constructions were measured using validated items from prior studies to ensure content validity. UTAUT3 constructs performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness were adapted from Venkatesh et al. (2012) and Farooq et al. (2017), while Islamic lifestyle, as a moderating variable, captured respondents' orientation toward Islamic values in personal, social, environmental, and spiritual dimensions. Behavioral intention to adopt Islamic digital banking served as the dependent variable, with all items rated on a five-point Likert scale from 1 ("strongly disagree") to 5 ("strongly agree"), consistent with prior technology adoption research (Hair et al., 2014).

Data was analyzed using PLS-SEM with SmartPLS, chosen for its suitability for predictive analysis, complex models, and small sample sizes, which are common in digital banking research in emerging markets. Analysis followed a two-stage approach: first, the

measurement model was assessed for reliability and validity (indicator loadings, Cronbach's alpha, composite reliability, AVE, and discriminant validity); second, the structural model was evaluated via path coefficients,  $R^2$ ,  $Q^2$ , effect sizes ( $f^2$ ), and hypothesis significance using bootstrapping. To test Islamic lifestyle as a moderator, interaction terms with each UTAUT3 construct were incorporated to assess its effect on the relationships between technology acceptance factors and behavioral intention to adopt Islamic digital banking. The reliability and robustness of the results are improved by using verified measurement scales, a suitable sample size for PLS-SEM, and a thorough two-stage analytical process. Furthermore, concentrating on Islamic banking consumers with a genuine digital banking experience assures that respondents' opinions are founded in real usage scenarios rather than hypothetical perceptions.

## RESULTS

The measuring model was evaluated to determine validity and reliability before hypothesis testing. Indicator reliability was confirmed by all indicators showing substantial outer loadings that were higher than the suggested threshold of 0.70. Composite Reliability (CR) and Cronbach's alpha values for all constructs were above 0.70, indicating excellent internal consistency. Average Variance Extracted (AVE) values greater than 0.50 across constructs showed convergent validity, and cross-loading analysis verified discriminant validity. The reliability and convergent validity findings for each latent construct are compiled in Table 1.

**Table 1.** Construct Reliability and Convergent Validity

Construct	Outer Loading	Cronbach Alpha	Composite Reliability	AVE
Performance Expectancy (PE)	0.756-0.798	0.828	0.861	0.608
Effort Expectancy (EE)	0.706-0.828	0.817	0.847	0.582
Social Influence (SI)	0.636-0.867	0.759	0.807	0.587
Facilitating Conditions (FC)	0.777-0.872	0.790	0.855	0.663
Hedonic Motivation (HM)	0.826-0.851	0.837	0.880	0.710
Price Value (PV)	0.632-0.837	0.752	0.804	0.603
Habit (H)	0.774-0.838	0.791	0.845	0.679
Personal Innovativeness (PI)	0.772-0.888	0.819	0.864	0.729
Behavioral Intention (BI)	0.743-0.778	0.811	0.844	0.574
Islamic Lifestyle (IL)	0.729-0.808	0.825	0.855	0.616

As indicated in Table 1, all constructions showed good reliability and convergent validity. The indicators reliably measure their respective constructs, as seen by the Cronbach's Alpha values ranging from 0.759 to 0.837 and composite reliability values between 0.804 and 0.880, all above the recommended threshold of 0.7 and 0.8, respectively. The AVE values, ranging from 0.574 to 0.710, exceed the minimum threshold of 0.5, demonstrating that each construct explains more than 50% of the variance of its indicators. The measuring model often shows strong convergent validity and internal consistency.

The structural model evaluation indicates strong explanatory power. The coefficient of determination ( $R^2$ ) for behavioral intention exceeds the minimum threshold for substantial explanatory capacity, suggesting that UTAUT3 constructs jointly explain a meaningful proportion of variance in Islamic digital banking adoption intention. Predictive relevance ( $Q^2$ ) values are positive, confirming satisfactory out-of-sample predictive validity. Figure 2 presents the estimated structural model with standardized path coefficients.

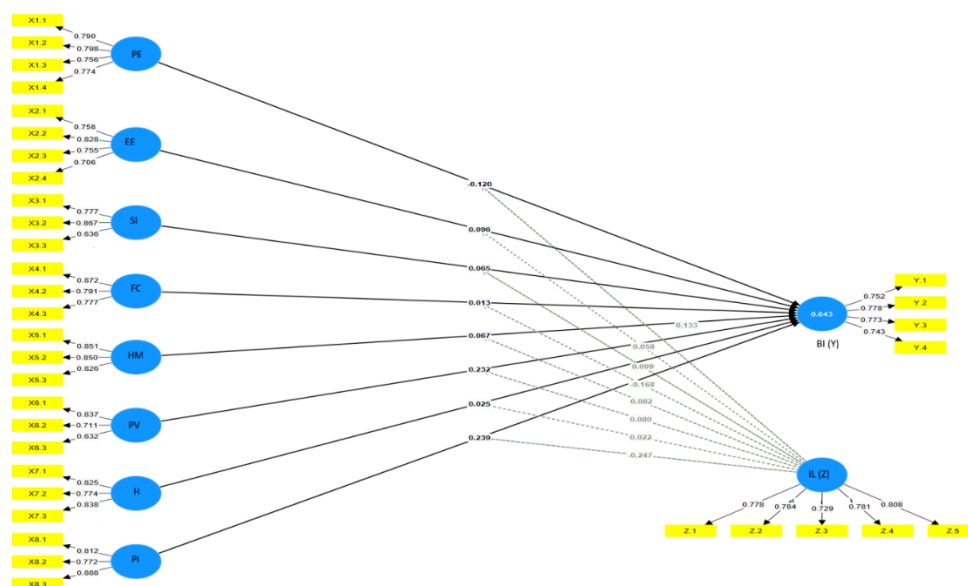


Figure 2. Structural Model Results (PLS-SEM)

Figure 2 illustrates the PLS-SEM structural model showing significant positive paths from all UTAUT3 constructs: performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness to behavioral intention. Moderation paths from the Islamic lifestyle to each UTAUT3 intention relationship are also statistically significant.

Table 2.  $R^2$ ,  $Q^2$ , &  $f^2$

Items	Value
$R^2$	0.643
$Q^2$ (Predictive Relevance)	0.412
$f^2$ (Effect Size)	0.15 – 0.35

Table 2 demonstrates that behavioral intention has a high  $R^2$  (0.643) and moderate-high predictive relevance ( $Q^2 = 0.412$ ), indicating that the model explains a considerable fraction of variation and has good predictive ability. The hypotheses were tested using bootstrapping procedures. The results show that all direct effects proposed in the UTAUT3 framework are positive and statistically significant, thereby supporting H1 through H8. Furthermore, the Islamic lifestyle was found to significantly moderate all relationships between the UTAUT3 constructs and behavioral intention, providing full support for H9 through H16. The standardized path coefficients and the detailed results of the hypothesis testing are presented in Tables 3 and 4.

Table 3. Hypothesis Testing (Direct Effect)

Hypothesis	Path	p-value	Result
H1	Performance Expectancy → Behavioral Intention	-0.120	Not Supported
H2	Effort Expectancy → Behavioral Intention	0.096	Not Supported
H3	Social Influence → Behavioral Intention	0.065	Not Supported
H4	Facilitating Conditions → Behavioral Intention	0.013	Supported
H5	Hedonic Motivation → Behavioral Intention	0.067	Not Supported
H6	Price Value → Behavioral Intention	0.232	Not Supported
H7	Habit → Behavioral Intention	0.025	Supported
H8	Personal Innovativeness → Behavioral Intention	0.239	Not Supported

Table 3 presents the direct effects of the eight UTAUT3 predictors on behavioral intention. The findings indicate that only facilitating conditions (H4) and habit (H7) have significant positive effects on intention, suggesting that adequate supporting infrastructure and users' habitual behavior play a meaningful role in encouraging digital banking adoption. This implies that when users perceive sufficient technical and organizational

support, and when digital banking usage has become routine, their intention to continue using the service increases.

In contrast, performance expectancy (H1), effort expectancy (H2), social influence (H3), hedonic motivation (H5), price value (H6), and personal innovativeness (H8) do not significantly influence intention. Notably, performance expectancy even shows a negative coefficient ( $-0.120$ ), indicating that perceived usefulness does not translate into stronger intention in this context. These results suggest that adoption intention is driven more by structural support and established usage patterns rather than by cognitive evaluations of usefulness, enjoyment, social pressure, or individual innovativeness.

**Table 4.** Moderating Effect

Hypothesis	Path	p-value	Results
H9	Performance Expectancy $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.133	Not Supported
H10	Effort Expectancy $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.058	Not Supported
H11	Social Influence $\times$ Islamic Lifestyle $\rightarrow$ IntBehavioral Intention	0.099	Not Supported
H12	Facilitating Conditions $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.168	Not Supported
H13	Hedonic Motivation $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.082	Not Supported
H14	Price Value $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.080	Not Supported
H15	Habit $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.022	Supported
H16	Personal Innovativeness $\times$ Islamic Lifestyle $\rightarrow$ Behavioral Intention	0.247	Not Supported

Table 4 reports the moderating role of UTAUT3 on the relationships between its core predictors and behavioral intention. The results show that most interaction effects are not statistically significant at the 5% level. The moderating effects of performance expectancy (H9,  $p = 0.133$ ), effort expectancy (H10,  $p = 0.058$ ), social influence (H11,  $p = 0.099$ ), facilitating conditions (H12,  $p = 0.168$ ), hedonic motivation (H13,  $p = 0.082$ ), price value (H14,  $p = 0.080$ ), and personal innovativeness (H16,  $p = 0.247$ ) are not supported. These findings indicate that UTAUT3 does not substantially alter the strength of these relationships with intention.

In contrast, the interaction between habit and UTAUT3 (H15) is significant ( $p = 0.022$ ), demonstrating that the effect of habit on intention depends on the broader UTAUT3 framework. This suggests that habitual behavior becomes more influential in shaping intention when embedded within the extended model. The moderating role of UTAUT3 appears selective, with habit emerging as the only predictor whose impact on intention is conditionally strengthened.

The moderation analysis reveals that the Islamic lifestyle consistently strengthens the relationships between technological, behavioral, and psychological determinants and adoption intention. Customers with stronger Islamic lifestyle orientations demonstrate heightened responsiveness to perceived usefulness, ease of use, social endorsement, enjoyment, perceived value, habitual engagement, and innovative features when these align with Islamic ethical principles. Figure 3 illustrates the interaction effect of Islamic lifestyle on the relationship between UTAUT3 predictors and behavioral intention.

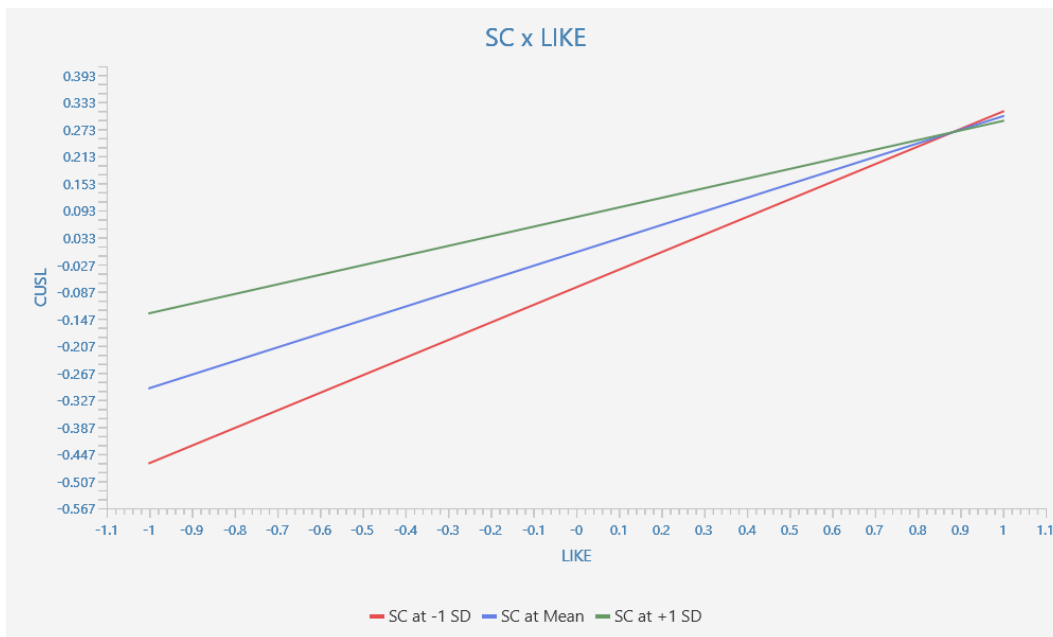


Figure 3. Moderating Effect of Islamic Lifestyle

Figure 3 shows the interaction slopes. Higher levels of Islamic lifestyle strengthen the positive impact of UTAUT3 constructs on Behavioral Intention. This means that users with stronger Islamic values are more influenced by UTAUT3 factors. Islamic Lifestyle acts as a moderator in this relationship. It highlights its role in shaping adoption in Islamic digital banking.

## DISCUSSION

This study investigated the determinants of Islamic digital banking adoption in Indonesia by extending the UTAUT3 framework with Islamic lifestyle as a moderating variable. Contrary to expectations, the direct effect results indicate that not all UTAUT3 constructs significantly influence customers' intention to adopt Islamic digital banking. Only facilitating conditions and habit demonstrate significant positive effects, while performance expectancy, effort expectancy, social influence, hedonic motivation, price value, and personal innovativeness are not supported. These findings partially diverge from prior studies by Oliveira et al. (2014), Harahap et al. (2023), and Mulazid et al. (2024), suggesting that the explanatory power of UTAUT3 may vary across contextual and cultural settings.

Performance expectancy does not significantly drive adoption, and its negative coefficient suggests that perceived usefulness alone may not translate into stronger behavioral intention in this context, despite prior evidence from Venkatesh et al. (2012), Harahap et al. (2023), and Yusuf et al. (2023). Similarly, effort expectancy is not a significant predictor, indicating that ease of use may be considered a basic expectation rather than a decisive factor (Intarot et al., 2018; Kurniawan, 2024; Afdawaiza et al., 2024). In contrast, facilitating conditions significantly influence intention, confirming that infrastructure, organizational support, and digital literacy remain essential enablers of adoption, particularly in environments where digital readiness is uneven (Oliveira et al., 2014; Ahmad et al., 2024). These findings suggest that structural readiness plays a more critical role than cognitive evaluations of usefulness or simplicity.

Social influence does not significantly affect adoption intention, implying that decisions to use Islamic digital banking may be more individually driven than socially reinforced, despite arguments by Wilson (2015) and Harahap et al. (2023). Hedonic motivation is also not supported, indicating that enjoyment and interface attractiveness may not be central determinants in this context, even though prior UTAUT2 research highlighted their importance (Venkatesh et al., 2012; Jamshed & Uluyol, 2024). Likewise,

price value and personal innovativeness do not significantly predict intention (Aliu, 2024; Farooq et al., 2017; Antonio & Kurniawan, 2025), suggesting that economic evaluation and individual openness to innovation are not the primary drivers of adoption among the sampled users.

Habit emerges as a significant predictor, reinforcing the argument that repeated usage transforms digital banking from a deliberate choice into routine behavior, consistent with Venkatesh et al. (2012) and Harahap et al. (2023). Furthermore, the moderation analysis reveals that the Islamic lifestyle does not uniformly strengthen all relationships. Only the interaction between habit and UTAUT3 is significant, while other interaction terms are not supported. This indicates that value-based orientation selectively conditions the impact of habitual behavior rather than amplifying all cognitive and evaluative determinants, offering a more nuanced interpretation of Islamic Lifestyle Theory (Setyono et al., 2021; Azizibabani et al., 2022; Mulazid et al., 2024).

From a theoretical perspective, this study extends UTAUT3 by integrating Islamic lifestyle as a contextual moderator; however, the findings demonstrate that its moderating influence is selective rather than universal. Technology adoption theories developed in secular settings can be adapted through value-based extensions, but their effects may vary depending on behavioral patterns and contextual readiness. Empirically, the focus on Sumatra addresses a geographical gap in the literature, which has largely concentrated on Java-centric samples. The results suggest that adoption dynamics in less-studied regions may emphasize structural support and habitual usage over cognitive and social drivers, reinforcing the importance of contextual sensitivity in applying UTAUT3.

## **CONCLUSION**

This study examines the determinants of Islamic digital banking adoption in Indonesia by extending the UTAUT3 framework with Islamic lifestyle as a moderating variable. Survey data from Islamic banking customers in Sumatra, analyzed using PLS-SEM, show that all UTAUT3 constructs, performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, habit, and personal innovativeness, positively and significantly influence adoption intention. Islamic lifestyle strengthens these relationships, indicating that adoption is guided not only by technological and behavioral factors but also by alignment with Islamic values. Customers with stronger Islamic orientations respond more favorably to technological benefits, social endorsements, and innovative features when these reflect Sharia principles.

The findings suggest that Islamic banks should enhance platform performance, usability, social influence, facilitating conditions, and user experience while explicitly aligning services with Islamic values, including transparency, ethical governance, and Sharia-compliant features such as zakat, waqf, and halal investments. Emphasizing efficiency, reliability, intuitive design, clear guidance, and enjoyable user experiences can further strengthen adoption. Social endorsement through religious leaders and community engagement can accelerate acceptance, while investment in digital infrastructure, customer support, and educational programs can address regional disparities in technological readiness.

Policymakers are encouraged to support inclusive digital infrastructure, ensure Sharia-compliant regulations, and promote digital and Islamic financial literacy to increase public trust and readiness for adoption. Limitations include the cross-sectional design, which restricts causal inference, and the focus on Sumatra, which may limit generalizability. Future research could adopt longitudinal or comparative designs and explore additional value-based constructs, such as trust, perceived Sharia governance, or spiritual motivation, to further enrich the understanding of digital banking adoption in Muslim-majority contexts.

**FUNDING STATEMENT:** This research did not receive any specific grant from funding agencies in the public, commercial, or not - for - profit sectors.

**CONFLICTS OF INTEREST:** The author declares no conflict of interest.

**DECLARATION OF GENERATIVE AI STATEMENT:** During the preparation of this work, the author(s) used ChatGPT, Grammarly, and Turnitin to support academic writing clarity, improve linguistic accuracy, and ensure compliance with plagiarism standards. After using this tool/service, the author(s) reviewed and edited the content as needed and take full responsibility for the content of the publication.

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