An Investigation into Knowledge, Acceptance and Adoption of Islamic Finance Principles among Women Entrepreneurs in Southwest Nigeria

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ABSTRACT

The expansion of Islamic banking and sovereign *ṣukūk* issuance in Nigeria has not translated into substantial demand-side penetration among women-owned enterprises. This study investigates the persistence of an intention-adoption gap in Islamic finance by examining how cognitive awareness and attitudinal acceptance convert into actual usage within a gendered institutional context. Anchored in an extended behavioral-institutional framework, the study integrates the Theory of Planned Behavior with structural accessibility considerations. Using survey data from 120 women-owned micro and small enterprises across Southwest Nigeria, the analysis applies Ordinary Least Squares and logistic regression techniques to model intention formation and behavioral realization. The findings reveal a pronounced divergence between motivational readiness and effective participation. While attitudinal acceptance strongly predicts adoption intention, cognitive awareness does not exert a significant effect. More critically, adoption intention does not directly translate into usage. Instead, institutional accessibility is significantly associated with behavioral conversion, consistent with structural constraints being linked to financial participation. The results demonstrate that adoption of Islamic finance among women entrepreneurs is not limited by normative alignment but by institutional reach and operational access. By empirically distinguishing between stated intention and realized behavior, the study advances Islamic finance adoption research beyond attitudinal determinants and situates financial participation within a structurally conditioned framework. The findings underscore the importance of institutional outreach, operational literacy, and gender-responsive financial infrastructure in deepening Islamic financial inclusion in emerging dual banking systems.

Keywords: Islamic finance; financial inclusion; women entrepreneurs; intention-adoption gap; Islamic banking; Nigeria; behavioral finance.

INTRODUCTION

Over the past two decades, Islamic finance has evolved from a niche segment of faith-based banking into an increasingly institutionalized component of the global financial architecture. Global Islamic financial assets now exceed USD 2 trillion, with sustained growth driven by banking expansion, sovereign *ṣukūk* issuance, and regulatory consolidation across emerging markets (Islamic Financial Services Board, 2023; S&P Global Ratings, 2023). While early development was concentrated in the Gulf Cooperation Council and Southeast Asia, recent expansion into Sub-Saharan Africa reflects broader efforts to diversify financial systems and promote ethical and inclusive finance (World Bank & Islamic Development Bank, 2017). Nigeria represents one of the most significant African cases of this transition. The licensing of full-fledged Islamic banks, the introduction of non-interest banking windows, and successive sovereign *ṣukūk* issuances for infrastructure financing demonstrate regulatory commitment to integrating Islamic finance within the country's dual banking framework.

Despite these supply-side advancements, demand-side penetration remains comparatively modest. Regulatory expansion and product availability have not translated proportionately into widespread usage, particularly among micro and small enterprises. Prior research on Islamic finance adoption consistently identifies awareness, religiosity, and favorable attitudes as significant predictors of adoption intention (Amin et al., 2011; Lada et al., 2009). However, behavioral intention does not automatically culminate in actual financial participation. The Theory of Planned Behavior posits that intention precedes behavior but acknowledges that execution is contingent upon perceived behavioral control and contextual constraints (Ajzen, 1991). In financial settings, structural barriers -such as limited institutional access, procedural complexity, and informational asymmetry- may weaken the intention–behavior nexus (Gärling et al., 2009; Zins & Weill, 2016). Financial inclusion research further demonstrates that account ownership and effective usage are shaped by institutional reach, transaction costs, and accessibility conditions rather than motivational factors alone (PARK & MERCADO, 2018; World Bank, 2022).

This divergence between normative approval and realized participation is particularly salient within gendered entrepreneurial contexts. Women-owned micro and small enterprises play a critical role in Nigeria's informal and semi-formal economy, contributing significantly to employment generation and household income stabilization. Yet women entrepreneurs often face structural disadvantages, including weaker collateral positions, restricted institutional networks, and informational constraints (Ozili, 2018; World Bank, 2022). Such structural realities may inhibit the translation of expressed financial preferences into actual institutional engagement. Within Islamic finance scholarship, however, empirical attention has largely focused on perception and religiosity while treating behavioral intention as a sufficient proxy for adoption. The micro-level mechanisms underlying the gap between intention and usage remain insufficiently examined, particularly in African dual banking systems.

The persistence of an intention-adoption gap raises an important analytical question: why does strong ethical alignment with Islamic finance principles fail to consistently translate into observable usage among women entrepreneurs? Addressing this question requires moving beyond attitudinal predictors toward an integrated behavioral–institutional framework. While the Theory of Planned Behavior provides a robust structure for modeling the sequential relationship between attitudes, intention, and behavior (Ajzen, 1991), its application to financial inclusion contexts necessitates incorporation of structural accessibility factors. Recent extensions of behavioral models emphasize that institutional arrangements, transaction costs, and contextual constraints mediate behavioral realization (Zins & Weill, 2016). In emerging financial systems characterized by infrastructural asymmetries, accessibility may operate as a decisive conditioning mechanism.

Against this backdrop, the present study examines whether cognitive awareness and attitudinal acceptance of Islamic finance translate into actual usage among women entrepreneurs in Southwest Nigeria and investigates the structural conditions that shape this conversion. Anchored in an extended behavioral-institutional framework, the study conceptualizes adoption as a staged and conditional process in which awareness and value alignment influence intention, while institutional accessibility determines whether intention materializes into usage. By empirically distinguishing between stated intention and realized behavior, the study contributes to three strands of scholarship. First, it advances Islamic finance adoption research by clarifying the structural foundations of the intention–behavior gap. Second, it extends the Theory of Planned Behavior through explicit modeling of institutional accessibility as a moderating determinant. Third, it provides gender-disaggregated evidence from a Sub-Saharan African dual banking environment, contributing to debates on inclusive financial deepening and market penetration.

The remainder of the paper proceeds as follows. The next section reviews the literature on Islamic finance adoption and develops the theoretical framework underpinning the behavioral -institutional model. The methodology section outlines the research design, sampling procedures, measurement strategy, and model specification. Subsequent sections present the empirical findings and discuss their theoretical and policy implications before concluding with recommendations and avenues for future research.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

- **Islamic Finance Adoption in Emerging Markets**

Empirical research on Islamic finance adoption has expanded considerably over the past two decades, with particular emphasis on the determinants of customer intention. Early studies established that awareness of

Islamic principles, religiosity, and attitudinal favorability significantly influence willingness to adopt Islamic financial products (Amin et al., 2011; Lada et al., 2009). Subsequent research extended these findings by incorporating trust, perceived risk, service quality, and technological acceptance into adoption models (Butt & Aftab, 2013). Across multiple contexts -including Malaysia, Indonesia, the Gulf region, and parts of Sub-Saharan Africa- attitude toward Islamic finance consistently emerges as a central predictor of intention.

However, a growing body of evidence reveals inconsistencies in the transition from intention to actual usage. While normative endorsement of Islamic finance is often high, effective participation rates remain comparatively modest in several emerging markets (Abduh & Azmi Omar, 2012; Imam & Kpodar, 2016). This discrepancy suggests that cognitive familiarity and ethical alignment may generate motivational readiness without necessarily producing behavioral execution. In other words, the assumption of a linear pathway from awareness to adoption may oversimplify the complexity of financial decision-making in structurally constrained environments.

Financial inclusion literature provides additional insight into this divergence. Empirical evidence demonstrates that financial participation depends not only on demand-side preferences but also on supply-side accessibility, documentation requirements, transaction costs, and institutional reach (Allen et al., 2016; PARK & MERCADO, 2018; World Bank, 2022). In emerging economies, limited branch networks, informational asymmetries, and procedural opacity can substantially weaken the link between intention and realized engagement. Yet within Islamic finance scholarship, institutional accessibility has often been treated as a background condition rather than as a formally modeled determinant of behavioral conversion. Much of the literature focuses on macro-level asset growth, regulatory frameworks, and industry expansion, leaving micro-level behavioral mechanisms comparatively underexplored.

In the Nigerian context, existing studies predominantly examine perception, religiosity, or general awareness, frequently employing behavioral intention as a proxy for adoption. While these contributions are valuable, they risk conflating psychological readiness with observable participation. The intention-behavior gap therefore remains insufficiently theorized, particularly among women entrepreneurs operating within structurally asymmetric financial systems. Addressing this gap requires integrating behavioral theory with institutional financial inclusion frameworks to capture both motivational and structural dimensions of adoption.

- **Theoretical Framework**

The present study is anchored in the Theory of Planned Behavior (Ajzen, 1991), which conceptualizes behavior as the outcome of a sequential cognitive process in which attitudes influence intention, and intention precedes action, subject to perceived behavioral control. Within this framework, attitudes reflect evaluative judgments about a behavior, intention represents motivational readiness, and perceived behavioral control captures the individual's assessment of their capacity to perform the behavior.

Applied to Islamic finance adoption, cognitive awareness informs belief structures, attitudinal acceptance reflects ethical and value-based evaluation, and adoption intention captures expressed readiness to utilize Islamic financial products. However, the translation of intention into actual usage depends upon contextual feasibility. Perceived behavioral control, in financial settings, may correspond to institutional accessibility, including availability of Islamic financial institutions, procedural clarity, and ease of engagement. Recent developments in behavioral and financial inclusion research emphasize that structural conditions frequently mediate the intention–behavior relationship (Zins & Weill, 2016). In emerging markets characterized by infrastructural limitations and asymmetric financial penetration, accessibility may operate not merely as a background condition but as a decisive moderating mechanism. This insight is particularly salient in gendered entrepreneurial contexts, where women often encounter collateral constraints, weaker institutional linkages, and reduced informational access (Ozili, 2018; World Bank, 2022). Under such conditions, even strong ethical alignment may fail to translate into action without sufficient institutional support.

Accordingly, this study extends the Theory of Planned Behavior by embedding it within a financial inclusion perspective. Institutional accessibility is conceptualized not only as perceived behavioral control but as a structural conditioning factor that moderates the conversion of intention into actual usage. Islamic finance adoption is therefore modeled as both motivational and institutionally mediated.

- **Hypotheses Development**

Within the extended behavioral–institutional framework, adoption unfolds as a staged process. Cognitive awareness is expected to shape evaluative judgments by informing individuals about Islamic financial principles and operational mechanisms. Greater familiarity should, in principle, enhance intention by reducing uncertainty and strengthening perceived legitimacy. Attitudinal acceptance, reflecting ethical alignment and value congruence, is expected to exert an even stronger influence on intention, as behavioral theory consistently identifies attitude as a primary determinant of motivational readiness. Based on this logic, the first two hypotheses posit that cognitive awareness and attitudinal acceptance positively influence adoption intention.

The third stage concerns behavioral realization. While the Theory of Planned Behavior suggests that intention is the most proximal predictor of action, empirical evidence indicates that this relationship may weaken in the presence of structural barriers. In emerging dual banking systems, intention may exert a positive but limited direct effect on usage.

Finally, institutional accessibility is introduced as a moderating determinant. When Islamic financial institutions are geographically accessible, procedurally transparent, and operationally responsive, intention is more likely to translate into usage. Conversely, limited access may suppress behavioral conversion even among highly motivated individuals. Institutional accessibility is therefore expected to significantly moderate the relationship between adoption intention and actual usage. Formally, the study tests the following hypotheses:

H1: Cognitive awareness positively influences adoption intention.

H2: Attitudinal acceptance positively influences adoption intention.

H3: Adoption intention exerts a positive but limited effect on actual usage.

H4: Institutional accessibility significantly moderates the relationship between adoption intention and actual usage.

The resulting conceptual framework clearly distinguishes between psychological readiness and realized participation, embedding behavioral motivation within an institutional context.

METHODOLOGY

- **Research Design**

This study adopts a cross-sectional quantitative research design to empirically examine the determinants of Islamic finance adoption among women entrepreneurs in Southwest Nigeria. The cross-sectional survey approach is appropriate for capturing cognitive awareness, attitudinal orientation, perceived institutional conditions, and behavioral outcomes within a defined population at a single point in time. Given the objective of testing sequential and moderating relationships derived from an extended behavioral-institutional framework, a quantitative design allows for structured measurement and econometric estimation of both intention formation and behavioral realization stages. The analytical strategy distinguishes between two related but conceptually separate processes: the formation of adoption intention and the translation of intention into actual usage. This two-stage structure reflects the theoretical logic of the Theory of Planned Behavior and permits direct testing of the intention–behavior gap within a structurally conditioned environment.

- **Sampling and Data Collection**

The target population comprises women-owned micro and small enterprises operating across the six states of Southwest Nigeria, including Lagos, Ogun, Osun, Oyo, Ekiti and Ondo. This region was selected due to its economic dynamism, dense entrepreneurial activity, and exposure to both conventional and Islamic financial institutions within Nigeria's dual banking system. A combination of purposive and cluster-based sampling techniques was employed to capture diversity across urban commercial centers and semi-formal enterprise clusters. Eligibility criteria required that respondents be female business owners actively managing identifiable enterprises, whether formally registered or operating in structured informal markets. A total of 120 valid responses were obtained and retained for analysis. Data were collected through structured questionnaires administered directly to respondents. The instrument consisted of Likert-scale items measuring perceptual constructs and a dichotomous item capturing prior usage of Islamic financial products. Before full administration, the questionnaire was pilot-tested to ensure clarity, contextual appropriateness, and construct alignment. A purposive and cluster-based approach was adopted, rather than probability sampling, because no comprehensive sampling frame exists for women-owned micro and small enterprises operating across Southwest Nigeria, many of which are informally structured and not captured in official business registries; this approach maximised diversity across urban commercial centres and semi-formal enterprise clusters while remaining feasible within the resource constraints of the study. This non-probability design means, however, that respondents were not selected with known selection probabilities, and the findings should therefore be interpreted as indicative of patterns within the sampled clusters rather than as statistically representative of, or generalisable to, the wider population of women entrepreneurs in Nigeria.

- **Variable Measurement**

The measurement framework draws from the Theory of Planned Behavior and financial inclusion literature, distinguishing cognitive, attitudinal, intentional, institutional and behavioral dimensions of adoption. Cognitive awareness (KNOW) was measured using responses to Question 7 (Q7), which assesses familiarity with Islamic finance principles and selected financial instruments. Items were rated on a five-point Likert scale ranging from low to high familiarity. Higher composite scores indicate stronger conceptual awareness. Attitudinal acceptance (ACCEPT), derived from Question 15 (Q15), captures ethical alignment and perceived compatibility of Islamic finance with respondents' personal values and business objectives. Responses were recorded on a five-point Likert scale, with higher values reflecting stronger acceptance.

Adoption intention (INTENT), measured through Question 13 (Q13), represents respondents' expressed willingness to utilize Islamic financial products in the near future. This variable was treated as continuous for econometric estimation. Institutional accessibility (ACCESS), drawn from Question 18 (Q18), assesses perceived availability, procedural clarity and ease of engaging with Islamic financial institutions. It captures the structural environment within which financial decisions are executed and was measured on a five-point Likert scale. Actual usage (USE), measured through Question 11 (Q11), is a binary variable coded as 1 if the respondent had previously utilized any Islamic financial product and 0 otherwise. This variable represents realized financial behavior. Within the analytical framework, KNOW and ACCEPT function as exogenous predictors of intention; INTENT serves as an intermediate endogenous variable; USE constitutes the final behavioral outcome; and ACCESS operates as a moderating structural determinant. Single-item indicators were used for each construct, consistent with practice in field surveys of time-constrained micro-entrepreneurs where minimising respondent burden was a priority; this choice is revisited as a measurement limitation below.

- **Model Specification**

To empirically test the behavioral-institutional framework, two complementary econometric models were specified for the intention formation and behavioral realization stages. In the first stage, adoption intention was modeled as a function of cognitive awareness and attitudinal acceptance using Ordinary Least Squares estimation:

$$INTENT_i = \beta^0 + \beta^1 KNOW_i + \beta^2 ACCEPT_i + \varepsilon_i \qquad [1]$$

where INTENT_i represents the adoption intention of respondent i, KNOW_i denotes cognitive awareness, ACCEPT_i reflects attitudinal acceptance, and ε_i is the stochastic error term. This specification directly tests whether awareness and acceptance significantly influence motivational readiness.

In the second stage, actual usage was modeled using binary logistic regression due to the dichotomous nature of the dependent variable:

$$logit(USE_i) = \alpha^0 + \alpha^1 INTENT_i + \alpha^2 ACCESS_i + \alpha^3 (INTENT_i \times ACCESS_i) + u_i \qquad [2]$$

where USE_i indicates prior usage status, INTENT_i captures adoption intention, ACCESS_i represents institutional accessibility, and the interaction term (INTENT_i × ACCESS_i) tests the moderating effect of structural access on the intention-usage relationship.

To mitigate potential multicollinearity associated with interaction estimation, predictor variables were mean-centered before constructing the interaction term.

For the OLS model, overall model significance was evaluated using the F-statistic and explanatory power assessed via R^2. For the logistic model, model fit was assessed using the likelihood ratio test and pseudo-R^2 statistics. Statistical significance was evaluated at conventional levels. This two-stage econometric structure ensures theoretical consistency with the extended Theory of Planned Behavior while allowing explicit testing of the intention-behavior gap and the moderating role of institutional accessibility.

RESULTS

- **Descriptive Statistics**

Descriptive evidence reveals uneven familiarity with Islamic finance among respondents. Awareness of foundational prohibitions such as *ribā* (Interest) and *gharar* (Uncertainty) is relatively high, yet familiarity with operational instruments -including *murābaḥah, muḍārabah*, *ijārah* and *ṣukūk*- remains moderate. This indicates normative recognition without corresponding technical literacy, suggesting that general awareness does not necessarily translate into product-level understanding.

A pronounced divergence is also observed between stated intention and realized behavior. While a clear majority express strong intention to adopt Islamic financial products in the future, only a small proportion report prior usage. This descriptive gap provides preliminary evidence of an intention-behavior divergence, warranting the subsequent econometric analysis. When asked about barriers to adoption, respondents overwhelmingly identified institutional access constraints rather than ideological resistance or preference for conventional finance. This pattern anticipates the moderating role of accessibility examined in the regression models.

- **Profile of Women Entrepreneurs**

Table 1 presents the demographic and business characteristics of the respondents (N = 120). The sample is predominantly young, with 70.5% aged between 18 and 35 years. Educational attainment is high, as 95.1% possess tertiary or postgraduate qualifications. However, most respondents operate micro-enterprises employing between one and five workers (65.6%) and generating monthly revenues below ₦100,000 (75.4%). Business activities are concentrated in services and trade, sectors typically associated with low capital intensity and modest profit margins. (*see Table 1*)

Table 1. Respondents' Demographic and Business Characteristics (Scale: 1=Not familiar, 5=Very familiar)

Characteristic	**Category**	**Percentage**
Age	18–35 years	70.5%

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	36+ years	29.5%
Education	Tertiary/Postgraduate	95.1%
Business Type	Services	32.8%
	Trade	27.9%
	Other	31.1%
Business Experience	≤3 years	47.5%
	>3 years	52.5%
Employees	1–5	65.6%
Monthly Revenue (₦)	<₦100,000	75.4%

***Source**: Author (2026)*

This profile challenges conventional assumptions that financial exclusion stems primarily from low educational attainment. Despite strong formal education, respondents remain capital-constrained and largely confined to small-scale operations. The limitation therefore appears structural rather than educational. General academic attainment has not translated into specialized Islamic financial literacy or institutional engagement. Although Islamic finance instruments are theoretically compatible with micro-enterprise financing - particularly risk-sharing and asset-backed contracts- the low adoption rate suggests the presence of structural and access-related frictions beyond individual demographic characteristics.

- **Determinants of Adoption Intention**

The first-stage model estimates the determinants of adoption intention using Ordinary Least Squares regression. The model is statistically significant overall ($F = 14.44$, $p < 0.001$) and explains approximately 23.9 percent of the variation in adoption intention ($R^2 = 0.239$), indicating moderate explanatory power for behavioral intention formation. The results reveal a clear distinction between cognitive familiarity and value-based alignment. Attitudinal acceptance exerts a positive and highly significant effect on adoption intention ($\beta = 0.564$, $p < 0.001$). This finding confirms that ethical congruence and favorable evaluation of Islamic finance are associated with motivational readiness among women entrepreneurs.

In contrast, cognitive awareness does not exhibit a statistically significant effect on intention ($\beta = 0.064$, $p = 0.483$). Familiarity with Islamic finance principles, in isolation, does not generate behavioral intention. This outcome suggests that informational exposure alone is insufficient to produce adoption motivation without accompanying attitudinal commitment. With respect to the hypotheses, H1 is not supported, as cognitive awareness does not significantly influence adoption intention. H2 is supported, as attitudinal acceptance strongly predicts intention.

- **Adoption Intention, Institutional Accessibility and Actual Usage**

The second-stage analysis employs binary logistic regression to estimate the determinants of actual usage. The overall model is statistically significant (Likelihood Ratio test $\chi^2(3) = 7.83$, $p = 0.050$), though explanatory power remains modest (Pseudo $R^2 = 0.074$), reflecting the inherent complexity of behavioral realization. Contrary to the expectation of a direct motivational pathway, adoption intention does not exert a statistically significant effect on actual usage ($p = 0.993$). This finding indicates that expressed willingness to adopt Islamic finance does not automatically translate into realized participation. Accordingly, H3 is not supported in its direct form.

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Institutional accessibility, however, demonstrates a positive and statistically significant effect on usage (β = 0.531, p = 0.025). Greater perceived access to Islamic financial institutions, clearer procedures, and improved service availability significantly increase the likelihood of actual adoption. Most importantly, the interaction term is marginally significant under heteroskedasticity-robust standard errors (p = 0.095), indicating weak conditional support for the moderating role of institutional accessibility. A simple-slopes analysis (reported below) was conducted to probe this interaction directly, since a marginally significant interaction term alone does not establish which levels of the moderator produce a meaningful effect. As that analysis shows, none of the conditional slopes reaches conventional significance, so this result is best read as weak and inconclusive evidence for H4 rather than confirmation of it; replication with a larger sample is needed before the moderating role of institutional accessibility can be considered established. The directional pattern of the simple slopes is nonetheless consistent with intention translating into usage more readily as institutional access improves, a pattern worth testing further with a larger sample. The simple slope at low accessibility was also non-significant, so the data do not allow a confident claim that intention is behaviorally inert under conditions of limited access -- only that the present sample does not detect a significant relationship there. Substantively, the findings are consistent with the existence of a structurally conditioned intention-behavior gap. Motivational readiness is present, but behavioral execution is associated with institutional facilitation. (*see Table 2*)

Table 2. Determinants of Adoption Intention and Actual Usage

Variables	**(1) Intention Model (OLS)**	**(2) Usage Model (Logit)**
KNOW	0.064 (0.079)	—
ACCEPT	0.564*** (0.127)	—
INTENT	—	-0.002 (0.216)
ACCESS	—	0.531** (0.215)
INTENT × ACCESS	—	0.291* (0.174)
Constant	1.323* (0.623)	-1.348 (0.276)
Observations	95	95
R^2	0.239	—
F-statistic	10.00***	—
Model χ^2 (LLR)	—	$\chi^2(3) = 7.83$, p = 0.050
Pseudo R^2	—	0.074

***Source**: Author (2026)*

It is pertinent to note the robust standard errors in parentheses: *** $p < 0.01$,** $p < 0.05$, * $p \leq 0.10$. Dependent variable in Column (1): INTENT (continuous). Dependent variable in Column (2): USE (binary). Logistic coefficients reported in log-odds form. Predictors were mean-centered before interaction estimation. Models are estimated on the N = 95 respondents with complete data on all five analytic variables (KNOW, ACCEPT, INTENT, ACCESS, USE); of 120 questionnaires originally collected, 95 had no missing values on these items. Variance inflation factors for all predictors in both models fall between 1.02 and 1.12, indicating no multicollinearity concern.

The empirical evidence supports a structurally mediated adoption process. Attitudinal alignment drives intention, but intention does not independently generate usage. Institutional accessibility operates as the factor

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associated with behavioral conversion. The results therefore are consistent with the extended behavioral-institutional framework and suggest that the adoption of Islamic finance among women entrepreneurs is constrained less by normative resistance than by infrastructural and access limitations.

- **Model Diagnostics and Robustness Checks**

Several diagnostic checks were conducted to assess the robustness of the reported estimates. Variance inflation factors for all predictors ranged from 1.02 to 1.12 in both models, well below conventional thresholds for multicollinearity concern. For the logistic model, the Hosmer-Lemeshow goodness-of-fit test indicated adequate calibration, $\chi^2(7) = 7.08$, $p = 0.421$ (a non-significant result supports adequate fit). At a 0.50 classification threshold, the model correctly classified 76.8 percent of cases (AUC = 0.691), though sensitivity was low (8.7 percent), reflecting the model's limited ability to distinguish actual adopters from non-adopters given that adopters made up only 24.2 percent of the sample.

Because the interaction term reached only marginal significance under robust standard errors ($p = 0.095$), a simple-slopes analysis was conducted to probe the conditional relationship between adoption intention and usage at low (−1 SD), mean, and high (+1 SD) levels of institutional accessibility. None of the three conditional slopes reached conventional statistical significance: low accessibility, $b = -0.368$, SE = 0.244, $p = 0.131$; mean accessibility, $b = -0.002$, SE = 0.216, $p = 0.993$; high accessibility, $b = 0.365$, SE = 0.361, $p = 0.312$. The direction of the slopes is consistent with the hypothesized pattern -- moving from negative at low accessibility to positive at high accessibility -- but the evidence does not meet conventional significance thresholds at any point along this range. Taken together, the borderline interaction term and the non-significant simple slopes indicate that the moderating role of institutional accessibility is suggestive rather than statistically confirmed in this sample, and H4 should accordingly be treated as receiving only tentative support pending replication with a larger sample.

DISCUSSION

The findings of this study provide important clarification regarding the behavioral dynamics of Islamic finance adoption in emerging dual banking systems. While prior research frequently emphasizes awareness and religiosity as primary drivers of adoption intention, the present results demonstrate a more differentiated pattern. Cognitive awareness does not significantly influence adoption intention, whereas attitudinal acceptance emerges as the dominant motivational determinant. This suggests that familiarity with Islamic finance concepts alone does not generate behavioral readiness; rather, ethical alignment and perceived value congruence serve as the principal psychological catalysts of intention. In contexts where Islamic finance is normatively accepted but not deeply understood at the technical level, value-based orientation may outweigh informational literacy in shaping stated willingness to adopt.

More critically, the study confirms the presence of a pronounced intention–behavior gap. Despite strong attitudinal support and high reported willingness to adopt Islamic finance products, adoption intention does not exert a statistically significant direct effect on actual usage. This finding challenges the implicit assumption -common in segments of the Islamic finance literature- that intention reliably proxies adoption. Instead, the evidence indicates that motivational readiness and realized participation are analytically distinct phenomena. The persistence of this gap aligns with broader behavioral research demonstrating that intention often fails to translate into action under conditions of structural constraint.

Institutional accessibility emerges as the decisive structural mechanism shaping behavioral conversion. The positive and significant effect of accessibility on usage indicates that women entrepreneurs are more likely to adopt Islamic financial products when institutions are operationally reachable, procedurally clear, and practically available. The moderating effect of accessibility on the intention-usage relationship, while directionally consistent with this interpretation, was only weakly and inconclusively supported once probed

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through simple-slopes analysis (see Model Diagnostics and Robustness Checks); it should therefore be read as a plausible but unconfirmed mechanism rather than an established one, pending replication with a larger sample. This finding reinforces the argument that financial inclusion is not solely a matter of demand-side preference but is equally dependent on supply-side infrastructure and institutional design.

The results therefore extend the Theory of Planned Behavior in a meaningful way. While the original framework recognizes perceived behavioral control as an antecedent to action, its application in Islamic finance studies has often emphasized psychological constructs without sufficiently incorporating structural financial realities. By modeling institutional accessibility as a moderating determinant, this study embeds behavioral motivation within an explicitly institutional context. Adoption is shown to be a staged and conditional process in which attitudes are associated with intention, while institutional access is associated with execution. The theoretical contribution lies in repositioning Islamic finance adoption from a purely attitudinal phenomenon to a structurally mediated behavioral outcome.

From a gendered perspective, the findings are particularly revealing. Women entrepreneurs in Southwest Nigeria demonstrate substantial ethical alignment with Islamic finance principles, yet participation remains constrained by institutional reach and operational barriers. This suggests that the limitation is not ideological resistance or preference for conventional finance, but rather infrastructural asymmetry. Financial participation among women-owned enterprises is therefore best understood as an interaction between psychological readiness and structural feasibility. Policies aimed solely at increasing awareness or promoting religious compatibility may yield limited impact unless accompanied by deliberate expansion of institutional access and simplified engagement mechanisms. The empirical evidence underscores that the central obstacle to Islamic finance deepening among women entrepreneurs may lie less in attitudinal deficiency than in structural conditioning. The behavioral-institutional integration proposed in this study offers a more nuanced explanation of adoption dynamics in emerging financial systems and provides a framework for future research examining financial inclusion beyond motivational determinants.

CONCLUSION

This study examined the determinants of Islamic finance adoption among women entrepreneurs in Southwest Nigeria, distinguishing between adoption intention and actual usage. The findings show that positive attitudes are significantly associated with adoption intention, whereas cognitive awareness does not have a significant effect. However, intention alone does not significantly predict actual usage. Instead, institutional accessibility has a significant positive relationship with usage in its own right; its role in moderating the intention-usage relationship specifically was only weakly and inconclusively supported and awaits confirmation with a larger sample.

The findings therefore reveal a structurally mediated intention–behaviour gap. They suggest that limited adoption may reflect institutional and operational barriers rather than a lack of interest in Islamic finance. The study contributes to the literature by extending the Theory of Planned Behavior to include institutional accessibility as a structural factor influencing financial participation.

RECOMMENDATIONS

Based on these findings, the study recommends that:

1. Improve institutional accessibility: Islamic financial services should be expanded geographically, particularly to areas with significant concentrations of women entrepreneurs.

2. Simplify access procedures: Financial institutions should streamline account opening, documentation, onboarding, and other procedures that may discourage potential users.

3. Strengthen targeted financial literacy: Awareness programmes should move beyond general information to provide practical knowledge of Islamic financial products, eligibility requirements, and application procedures.

4. Develop gender-responsive products: Islamic financial institutions should design products that reflect the financing needs, business characteristics, and operational realities of women entrepreneurs.

5. Strengthen regulatory support: Relevant authorities should create an enabling regulatory environment that encourages the expansion, accessibility, and effective delivery of Islamic financial services.

LIMITATIONS AND FUTURE RESEARCH

Despite its contributions, this study is subject to several limitations. First, the cross-sectional design restricts causal inference and does not capture dynamic changes in intention or usage over time. Longitudinal research would provide deeper insight into how behavioral conversion evolves as institutional access expands. Second, the sample is regionally concentrated in Southwest Nigeria, which may limit generalizability to other geopolitical zones with differing financial infrastructure and religious demographics. Future studies should adopt broader, nationally representative samples to enhance external validity. Relatedly, the reliance on purposive and cluster-based sampling, rather than probability sampling, means the sample of 120 respondents cannot be assumed to be statistically representative of the broader population of women entrepreneurs even within Southwest Nigeria; the modest sample size further limits statistical power, particularly for the interaction effect reported in the usage model. Findings should accordingly be read as indicative rather than generalisable, and replication with probability-based, larger samples is encouraged.

Finally, while the study extends the Theory of Planned Behavior by modeling institutional accessibility as a moderating factor, future research may explore additional structural determinants such as digital financial integration, regulatory trust, or gender-specific financing mechanisms. Addressing these dimensions would further refine understanding of the intention–behavior gap and contribute to more comprehensive models of Islamic financial inclusion in emerging economies.

- **Data Availability Statement**

The data that support the findings of this study are available from the corresponding author upon reasonable request. The dataset contains survey responses collected from women-owned enterprises and may be shared for academic purposes subject to confidentiality considerations.

- **Funding Statement**

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