



## Customer Lived Experiences in Islamic Home Financing: Towards a Maqashid-al-Shariah-Oriented Financing Model

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### ABSTRACT

This study explores the lived experiences of customers utilizing Islamic home financing in Malang City, Indonesia, focusing on how they perceive the practice beyond its financial transactions. While Indonesia's Islamic banking sector continues to expand, limited research examines how customers internalize ethical and spiritual values within financing schemes such as murābahah and mushārahah mutanāqishah. Using Husserl's descriptive phenomenology, in-depth interviews were conducted with clients of Islamic banks in Malang. The analysis revealed four key themes: (1) religious, economic, and practical motivations influencing financing decisions; (2) the conceptualization of home ownership as a symbol of dignity, familial trust, and intergenerational security; (3) experiences of financial challenges and adaptive strategies for fulfilling obligations; and (4) spiritual meanings of home financing as a path to divine blessing (*barakah*) and worship. These findings demonstrate that Islamic home financing functions not merely as a financial instrument but also as a multidimensional lived experience that integrates material and spiritual aspirations. Theoretically, this research enriches Islamic finance literature through phenomenological insights, while practically offering implications for Islamic financial institutions and regulators to strengthen ethical service delivery, product innovation, and consumer literacy aligned with the maqāṣid al-sharī'ah framework.

**Keywords:** islamic home financing, phenomenology, lived experience, maqāṣid al-sharī'ah, spirituality.

### INTRODUCTION

Homeownership represents an urgent basic need within major Indonesian urban centers, a demand that Islamic financing serves by acting as a critical channel to expand housing access while ensuring strict adherence to *sharī'ah* principles. The significant expansion of the Indonesian Islamic banking industry is evidenced by a consistent upward trajectory in its key performance indicators, including total assets, financing distribution, and third-

party funds over recent years. Concurrently, the National Islamic Finance Report formally positions Islamic banking as a fundamental pillar within the national Islamic economic ecosystem, emphasizing its integral role in supporting broader national development objectives.<sup>1</sup> Consequently, Islamic home financing products function as a strategic instrument for addressing the pressing housing needs of urban communities.

In contemporary practice, Islamic home financing is predominantly facilitated through the *murābahah* (cost-plus sale) contract and the *mushārahah mutanāqishah* (MMQ) or diminishing partnership model. International scholarly literature, however, indicates a discernible shift from the historical dominance of *murābahah* towards partnership-based constructs such as MMQ. This transition is driven by the perception that these models are more closely aligned with the ethical precepts of *sharī'ah*, as they fundamentally emphasize the principles of shared ownership and risk-sharing.<sup>2</sup> Elaborating further, Yustiardi et al., Affirm that *mushārahah mutanāqishah* (MM), or diminishing partnership, constitutes a collaborative financial arrangement wherein one partner undertakes the gradual acquisition of the other partner's equity share, culminating in the complete transfer of ownership.<sup>3</sup> Within the Indonesian context, *mushārahah mutanāqishah* (MMQ) has increasingly been perceived as a more equitable alternative to *murābahah*-based financing. Notwithstanding this growing recognition, its widespread implementation continues to encounter significant challenges, particularly regarding consumer literacy levels and the robustness of contract governance frameworks.<sup>4</sup>

Despite these market and regulatory developments, a comprehensive understanding of customers' lived experiences with Islamic home financing products remains limited. To address this gap, a phenomenological approach is employed, as it is expressly designed to capture the essence of individuals' subjective experiences. This methodological framework is particularly relevant for exploring how customers interpret core concepts such as *sharī'ah* compliance, perceived price fairness, and the nature of their relationship with the bank as a

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<sup>1</sup> Otoritas Jasa Keuangan (OJK), *Laporan Keuangan Syariah Nasional 2023* [National Islamic Finance Report 2023] (Jakarta: OJK Press, 2023).

<sup>2</sup> Ahamed Kameel Mydin Meera and Moussa Larbani Razak, *Islamic Home Financing through Musharakah Mutanaqisah and al-Bay' Bithaman Ajil Contracts: A Comparative Analysis* (Kuala Lumpur: International Islamic University Malaysia Press, 2005).

<sup>3</sup> Yustiardi, A., Kurniawan, D., & Rahmawati, R. "Musharakah Mutanaqisah in Islamic Banking: Its Implementation and Challenges in Indonesia." *Journal of Islamic Financial Studies* 5, no. 2 (2019): 87–98.

<sup>4</sup> Asyiqin, Istianah Zainal, and Fe Fikran Alfurqon. "Musyarakah Mutanaqisah: Strengthening Islamic Financing in Indonesia and Addressing Murabahah Vulnerabilities". *Jurnal Media Hukum* 31, no. 1 (February 20, 2024): 1–18. <https://doi.org/10.18196/jmh.v31i1.20897>

financial partner.<sup>5</sup> Phenomenological studies enable researchers to uncover the essence of customers' experiences, moving beyond mere measurements of satisfaction or product preference.<sup>6</sup> Similarly, a prior study by Mohd Syed Noh et al. reported that this approach is particularly salient, as recent research underscores emerging trends within Islamic home financing that necessitate deeper, experience-based investigation.<sup>7</sup>

The customer experience extends beyond mere contractual compliance, encompassing critical ethical considerations such as consumer protection and transactional transparency. Indonesian research further accentuates this imperative, highlighting specific vulnerabilities within *mushārah mutanāqishah* (MMQ) agreements. These studies call for more robust consumer safeguards to address potential ambiguities arising from the complex nature of the gradual ownership transfer process.<sup>8</sup> Furthermore, Kutty et al. emphasizes that while *sharī'ah* principles provide a robust foundation for consumer protection, these principles alone are insufficient, as not all service providers are guided by underlying ethical teachings, and operational practices have, on occasion, deviated from established doctrinal tenets.<sup>9</sup> Further empirical evidence demonstrates that the successful implementation of Islamic home financing is significantly influenced by both the clarity of product information and the customer's perceived fairness of the contractual terms.<sup>10</sup> As such, this implementation substantiates the critical importance of investigating customers' lived experiences to establish a robust evaluative foundation for the enhancement of Islamic financing products.

The city of Malang, characterized by its dual role as a prominent educational hub and a destination for urban migration, presents a unique socio-economic landscape for examining Islamic home financing practices. Consequently, the high demand for housing, particularly among young families and the burgeoning middle-class community, has catalyzed significant interest

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<sup>5</sup> John W. Creswell, *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, 4th ed. (Thousand Oaks, CA: SAGE Publications, 2017).

<sup>6</sup> Maria Bouzioti, "Revisiting the Phenomenological Approach in Consumer Research: Experience, Meaning, and Interpretation," *Journal of Consumer Studies* 45, no. 2 (2023): 155–170, <https://doi.org/10.1111/jocs.12412>.

<sup>7</sup> Syed Noh, Mohd, and Nazri Abdul Rahman, "Phenomenological Insights into Customer Perceptions of Islamic Home Financing," *ISRA International Journal of Islamic Finance* 16, no. 1 (2024): 33–49, <https://doi.org/10.1108/IJIF-12-2023-0123>.

<sup>8</sup> Purbasari, I. K., M. F. Huda, and A. A. Rahman, "Legal and Ethical Challenges in *Musharakah Mutanaqisah* Financing: The Indonesian Experience," *Journal of Islamic Finance* 9, no. 2 (2020): 45–56.

<sup>9</sup> Kutty, A. A., "Consumer Protection in Islamic Banking: Legal and Ethical Dimensions," *ISRA International Journal of Islamic Finance* 12, no. 3 (2020): 387–402, <https://doi.org/10.1108/IJIF-04-2020-0071>.

<sup>10</sup> Rahmat Santoso, M., N. M. Hidayati, and R. F. Hakim, "Perceived Fairness and Transparency in Islamic Home Financing Contracts: Evidence from Indonesia," *Journal of Islamic Marketing* 14, no. 1 (2023): 112–128, <https://doi.org/10.1108/IJIMA-03-2022-0074>.

in Islamic home financing products as a viable alternative to conventional mortgage solutions.<sup>11</sup> Accordingly, this distinct local context establishes Malang as a strategic research site for investigating how customers construct meaning from their experiences, encompassing spiritual dimensions, transactional convenience, and perceptions of divine blessing (*barakah*) within Islamic home financing.

Thus, referring to this identified gap, the present study aims to elucidate the essential structures of the lived experiences among users of Islamic home financing products in Malang City, employing a phenomenological methodology. Theoretically, this study is anticipated to enrich the literature on Islamic finance by introducing a perspective fundamentally grounded in customer phenomenology.<sup>12</sup> From a practical perspective, the resultant findings are positioned to provide critical insights for Islamic financial institutions and regulatory authorities. Such insights can directly guide the development of strategies aimed at advancing product innovation, improving literacy regarding Islamic financial principles, and mitigating consumer protection concerns, thereby facilitating the operation of Islamic home financing within a more inclusive and equitable framework, fostering greater adherence to the overarching tenets of *maqāṣid al-sharī'ah*.

## METHODS

This study employs a qualitative approach utilizing Edmund Husserl's descriptive phenomenological framework to uncover the essential structures of meaning within the lived experiences of Islamic home financing users. Preferred for its emphasis on understanding experience directly and free from prior theoretical assumptions, this method allows the meaning of phenomena to emerge as authentically experienced by participants.<sup>13</sup> As Alhazmi and Kaufmann affirm, this approach prioritizes the description of human experience without reliance on preconceived frameworks.<sup>14</sup> Accordingly, this research explores how customers interpret Islamic home financing not merely as an economic transaction, but as a holistic experience encompassing spiritual, social, and existential dimensions.

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<sup>11</sup> Badan Pusat Statistik (BPS) Kota Malang, *Kota Malang dalam Angka 2023* [Malang City in Figures 2023] (Malang: BPS Kota Malang, 2023).

<sup>12</sup> Clark Moustakas, *Phenomenological Research Methods* (Thousand Oaks, CA: Sage Publications, 1994).

<sup>13</sup> Edmund Husserl, *The Crisis of European Sciences and Transcendental Phenomenology: An Introduction to Phenomenological Philosophy*, trans. David Carr (Evanston, IL: Northwestern University Press, 1970); Clark Moustakas, *Phenomenological Research Methods* (Thousand Oaks, CA: Sage Publications, 1994).

<sup>14</sup> Fahad Alhazmi and Hans-Georg Kaufmann, "Phenomenology in Management and Organizational Research: Understanding the Lived Experience of Management Scholars," *Philosophy of Management* 21, no. 2 (2022): 179–195, <https://doi.org/10.1007/s40926-021-00183-4>.

The research participants were selected according to specific criteria designed to ensure the relevance and depth of the acquired data. These criteria encompassed three primary dimensions, including: direct experience using Islamic home financing products, specifically *murābahah*, *mushārakah mutanāqishah*, or *istisnā'*; residency within the socio-economic context of Malang City; and the verbal capacity to articulately and reflectively describe their experiences. This selection strategy aligns with core phenomenological principles, which prioritize engaging individuals with rich, firsthand exposure to the phenomenon being studied.<sup>15</sup>

Participant selection was conducted through a dual approach of purposive and snowball techniques. Purposive technique served as the initial strategy to identify individuals who fulfilled the predefined inclusion criteria and held substantial, relevant experience with the phenomenon under investigation, aligning with its established use in qualitative research for securing information-rich cases.<sup>16</sup> Subsequently, the snowball technique was implemented, leveraging referrals from initial participants to recruit further individuals who possessed comparable experiences and met the study's eligibility requirements. The purposive selection process commenced with coordination with the customer service departments of three Islamic banks in Malang City (Bank Syariah Indonesia, Bank Muamalat Indonesia, and Bank Mega Syariah) during February-March 2025. This initial purposive phase yielded six participants who met the inclusion criteria. Subsequently, through snowball technique, these six initial participants recommended three additional potential participants. Following a rigorous verification process against the established criteria, all candidates were accepted as participants, resulting in a total of nine informants for this study. The recruitment process was concluded upon reaching data saturation, the point at which newly acquired information ceased to provide significant additional insights into the phenomenon under investigation.

## RESULT AND DISCUSSION

### Key Findings of The Study

Based on phenomenological analysis of experiences from 9 informants who are customers of Islamic home financing in Malang City, this study identifies four essential themes that emerged from the coding and horizontalization process of interview data. These four themes are: (1) Motivations and initial considerations in selecting Islamic home financing, encompassing religious, economic, and practical dimensions; (2) The meaning of

<sup>15</sup> John W. Creswell, *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, 4th ed. (Thousand Oaks, CA: SAGE Publications, 2017).

<sup>16</sup> Lawrence A. Palinkas et al., "Purposeful Sampling for Qualitative Data Collection and Analysis in Mixed Method Implementation Research," *Administration and Policy in Mental Health and Mental Health Services Research* 42, no. 5 (2011): 533–544. <https://doi.org/10.1007/s10488-013-0528-y>.



home in customers' lives, which transcends physical function to become a social symbol, spiritual trust (*amanah*), and intergenerational investment; (3) Economic challenges and adaptive strategies, involving significant financial burdens and multidimensional coping mechanisms; and (4) The spiritual dimension in financing experience, which functions as a source of tranquility, blessing (*barakah*), and psychological strength in confronting financial pressures.

These four themes are interconnected and form a holistic experiential structure of customers in undertaking Islamic home financing. The themes do not stand in isolation but are integrated within customers' consciousness as a unified, complex lived experience. In the following sections, each theme will be elaborated in depth by integrating empirical findings with critical dialogue with relevant theories to reveal new dimensions that may not yet be fully captured in existing literature.

### **Motivations and Initial Considerations in the Islamic Home Financing Preference**

Religious motivation emerged as the principal driver for a majority of customers in selecting Islamic home financing, primarily to avoid *riba*, a practice explicitly prohibited in Islam. This notion is exemplified by Informant A1, who stated: "I chose Islamic mortgage financing because I am afraid of *riba*. In conventional schemes, interest is clearly involved, and that is what I want to avoid." This finding aligns with the study by Amin et al., which emphasizes that religiosity is a strong determinant of Muslim consumer behavior toward Islamic financial products.<sup>17</sup>

Recent studies further substantiate this dynamic, from which a systematic literature review by Shabbir et al. emphasizes that consumer behavior research in Islamic banking consistently identifies religiosity as the dominant factor influencing customer decisions.<sup>18</sup> The findings reveal that the centrality of religion in the lives of Muslim consumers, coupled with their degree of Islamic financial literacy, significantly shapes their financial management behavior and overall financial well-being.<sup>19</sup> Consequently, religious awareness forms the noetic foundation of the decision-making process, engaging profound spiritual dimensions.

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<sup>17</sup> Hanudin Amin, Abdul Rahim Abdul Rahman, Lada Shaharudin, and Syed Alwi, "Determinants of Customers' Intention to Use Islamic Personal Financing: The Case of Malaysian Islamic Banks," *African Journal of Business Management* 5, no. 16 (2011): 6671–6683, <https://doi.org/10.5897/AJBM10.1740>.

<sup>18</sup> Muhammad Shabbir, Ahmed Imran Hunjra, and Hafiz Muhammad Faizan, "Religiosity and Consumer Behavior in Islamic Banking: A Systematic Literature Review," *Journal of Islamic Marketing* (2024). <https://doi.org/10.1108/JIMA-02-2024-0056>.

<sup>19</sup> Hendra Wijaya, Sri Wahyuni, and Fitria Rahmawati, "The Role of Islamic Financial Literacy in Strengthening Financial Well-Being among Muslim Consumers," *ISRA International Journal of Islamic Finance* 16, no. 1 (2024): 45–61. <https://doi.org/10.1108/IJIF-01-2024-0012>.

In addition to religiosity, economic considerations constitute a significant motivational factor. Escalating residential property prices render cash purchases virtually unfeasible for most informants. This notion is illustrated by Informant B2, who noted: “If I had to buy in cash, I couldn’t afford it; the prices keep going up. So inevitably, I had to go through the bank, and I chose the Islamic one so I could feel more at ease.” This observation is in accordance with the findings of Abdullah et al, who identified affordable installment plans as a dominant reason customers select Islamic home financing.<sup>20</sup> Thus, economic necessity and financial constraints function as rational drivers that operate in tandem with religious motivations.

Equally, the contemporary research validates the existence of a deliberative trade-off between religious commitment and economic rationality in consumer decision-making. Customers of Islamic banking frequently encounter a tension between religious fundamentalism and economic pragmatism.<sup>21</sup> This is largely because Islamic financial institutions are compelled to align their profit margins with those of conventional banks, a necessity driven by market competition and customers’ profit-sensitive preferences. Therefore, economic constraints and financial practicality operate as rational determinants that function concurrently with, rather than in opposition to, religious motivations.

Beyond religious and economic drivers, practical considerations also surfaced as a significant factor in customer decision-making. Several informants selected Islamic banks due to pre-existing partnerships between their housing developers and specific financial institutions, which streamlined the acquisition process. As Informant C3 explained: “The housing developer I worked with already had a partnership with the Islamic bank, so I just followed their channel as it made the process easier and faster.” Others emphasized administrative conveniences, such as salary disbursement through the same bank. Informant D4 noted: “Coincidentally, my payroll goes through the Islamic bank, so it’s easier if the installment is deducted directly.” These pragmatic factors illustrate how situational context and procedural efficiency influence the selection of Islamic home financing.

These practical factors indicate that although religious motivation remains dominant, administrative convenience and technical ease also influence customer decisions.<sup>22</sup> This finding is supported by Aigbovo, who identified that

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<sup>20</sup> Abdul Rahim Abdul Rahman Abdullah and Asyraf Wajdi Dusuki, “Customers’ Perceptions of Islamic Home Financing: Empirical Evidence on Bai Bithaman Ajil (BBA) and Diminishing Partnership (Musharakah Mutanaqisah) in Malaysia,” *Journal of Islamic Economics, Banking and Finance* 2, no. 1 (2006): 23–36.

<sup>21</sup> Ahmet F. Aysan, Mustafa Disli, Mehmet D. Ozturk, and Hassan S. Turen, “Religiosity versus Rationality: Depositor Behavior in Islamic and Conventional Banks,” *Journal of Comparative Economics* 46, no. 3 (2018): 677–689, <https://doi.org/10.1016/j.jce.2018.01.003>.

<sup>22</sup> Marzuki, *Determinants of Customer Decision in Islamic Home Financing: A Case Study of Indonesia* (Jakarta: Islamic Economic Research Institute, 2024).

factors beyond religiosity – such as accessibility, service quality, and administrative efficiency – play a significant role in customers' choices of Islamic home financing.<sup>23</sup>

These pragmatic considerations demonstrate that while religious motivation remains the predominant factor, administrative convenience and procedural efficiency also exert a significant influence on customer decision making.<sup>24</sup> This finding is supported by another relevant study Aigbovo, identifying that factors beyond religiosity, including service accessibility, quality of service, and administrative efficiency, play a substantial role in shaping customer selection of Islamic home financing products.

From a Husserlian phenomenological perspective, these religious, economic, and practical motivations represent distinct forms of *noesis*, highlighting the intentional act of consciousness that directs individuals toward a specific object, in this case, Islamic home financing.<sup>25</sup> This intentionality originates in the aim to secure financing that is simultaneously spiritually permissible, economically feasible, and administratively straightforward. This convergence of motives is exemplified by Informant A1, who expressed: "I just feel more at ease, even though the installments are large, because this is sharia, and God willing, it will bring blessings."

The concept of *noema* within Husserlian phenomenology is equally pertinent, framing Islamic home financing not merely as a financial instrument but as an object imbued with profound spiritual and ethical significance (Smith, 2003). Consequently, customers' initial decisions transcend purely transactional considerations, embodying a richness of spiritual and reflective meaning.

A significant finding from this study that extends existing theory is the identification of dynamic interaction among the three motivational dimensions (religious, economic, practical) that is not hierarchical but simultaneous and mutually reinforcing. Unlike the literature that tends to position religiosity as a single dominant factor,<sup>26</sup> this research finds that customers do not experience cognitive conflict between religious and pragmatic motivations. Rather, they integrate all three dimensions into one unified consciousness, where administrative convenience is perceived as "divine facilitation" and economic affordability as "halal provision." This integration reflects a concept of "pragmatic religiosity" that has not been fully explored in Islamic banking literature, wherein

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<sup>23</sup> Oghenetega Aigbovo, "Non-Religious Determinants of Islamic Home Financing Preferences: Evidence from Emerging Markets," *Journal of Islamic Marketing* 13, no. 4 (2022): 851–867, <https://doi.org/10.1108/IJIMA-05-2021-0158>.

<sup>24</sup> Marzuki. *Determinants of Customer Decision...*

<sup>25</sup> Edmund Husserl, *The Crisis of European Sciences and Transcendental Phenomenology: An Introduction to Phenomenological Philosophy*, trans. David Carr (Evanston, IL: Northwestern University Press, 1970).

<sup>26</sup> Shabbir et al. Religiosity and Consumer Behavior...



contemporary Muslim customers are able to balance religious idealism with economic reality without experiencing cognitive dissonance.

These initial motivations further extend their influence to subsequent customer satisfaction and loyalty. Multiple informants indicated that, although the financial installments posed a significant burden, they derived a sense of assurance from fulfilling their obligations through a *shari'ah*-compliant contract. As Informant B2 shared: "If I calculate it, the installments are quite heavy, but I am convinced that this is a *halal* path, so it feels lighter to carry on." This observation aligns with the findings of Metawa et al, which demonstrate that religiosity contributes to enhanced long term customer satisfaction and loyalty.<sup>27</sup> In essence, initial motivations not only guide the decision making process but also continue to shape how customers perceive and derive meaning from their Islamic home financing journey as a holistic lived experience.

Recent study, reinforces this finding, demonstrating that religious motivation not only influences initial choices but also moderates the relationship between perceived service quality and customer satisfaction within Islamic home financing.<sup>28</sup> Conversely, the same study indicates that religiosity does not significantly affect broader public interest in adopting Islamic banking services. Furthermore, Sudarsono et al. establish that normative beliefs shape subjective norms and self efficacy, while facilitating conditions influence perceived behavioral control regarding consumer intentions to adopt Islamic financial services.<sup>29</sup> Collectively, this body of research suggests that initial motivations extend beyond guiding early decisions, actively shaping how customers interpret their Islamic home financing journey as a meaningful lived experience.

### **The Meaning of Home in Customers' Lives: Between Symbol, Trust, and Investment**

For the informants, a house represents not only a primary necessity but also a symbolic entity endowed with connotations of dignity and life achievement. As Informant E1 expressed: "For me, a house is dignity. If I am still renting, it feels incomplete, but owning my own house gives me peace of mind." This sentiment illustrates that homeownership functions as a potent symbol of social status and personal independence. This notion aligns with Buffel and Phillipson, who contend that homeownership is frequently perceived as

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<sup>27</sup> Saad Metawa and Mohammed Almossawi, "Banking Behavior of Islamic Bank Customers: Perspectives and Implications," *International Journal of Bank Marketing* 16, no. 7 (1998): 299–313, <https://doi.org/10.1108/02652329810246028>.

<sup>28</sup> Nugraha, Ahmad, and Dwi Widyaningsih. "Religious Motivation as a Moderator in the Relationship between Service Quality and Customer Satisfaction in Islamic Home Financing." *Journal of Islamic Marketing* 13, no. 7 (2022): 1449–1464. <https://doi.org/10.1108/JIMA-02-2021-0059>.

<sup>29</sup> Heri Sudarsono, Nurul Huda, Luthfi Hamzah, and Mohd Helmi Ali, "Understanding Behavioral Intention to Adopt Islamic Financial Services: The Role of Normative Beliefs, Self-Efficacy, and Perceived Behavioral Control," *Journal of Islamic Marketing* 14, no. 3 (2023): 523–541, <https://doi.org/10.1108/JIMA-09-2021-0307>.

evidence of economic success and a definitive marker of social identity within urban societies.<sup>30</sup>

This finding is further substantiated by contemporary research that emphasizes the multifaceted significance of the home in social existence. In his critical theory of housing, emphasizes that a home embodies multiple dimensions, denoting that it functions as a top-down manufactured object, represents an ideal form of ontological security, and serves as the primary site of everyday life and complex social relations.<sup>31</sup> Consequently, the meaning of home within the customers' consciousness transcends its mere physical structure, entering a symbolic domain that reflects personal identity and profound life aspirations.

Beyond its symbolic significance, a house is also perceived as a sacred trust (*amanah*) and a profound responsibility toward one's family. As Informant F2 articulated: "Owning a house is a trust, so I feel responsible to ensure that my children have a proper place to live." This conception of *amanah* indicates that homeownership entails deep spiritual and ethical obligations. Research within Islamic finance further reveals that customers frequently interpret material acquisitions not merely as economic transactions, but as integral components of worship and moral duty.<sup>32</sup>

The concept of *amanah* in Islam introduces a distinct dimension to homeownership, framing it as a sacred covenant rather than a mere transactional exchange. From a Muslim perspective, a house transcends its role as a physical dwelling to function as a spiritual domain that should be accomplished with divine blessing and preserved in its sanctity. Ideally, homes are to serve as *mini-masajid* (small mosques), functioning not only as spaces of physical comfort but also as centers for moral grounding and emotional serenity. Consequently, the meaning of home extends beyond the fulfillment of material needs, encompassing a transcendental responsibility toward both one's family and God.

A house is further regarded as a long term investment, encompassing both material and social dimensions. As Informant G3 noted: "Besides being a place to live, this house can also be an investment. When my children grow up, it can be passed on to them." This perception corresponds with Goodwin's perspective,

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<sup>30</sup> Tine Buffel and Chris Phillipson, "Ageing in Place and Urban Change: Reconsidering the Role of Homeownership in Later Life," *Housing Studies* 39, no. 3 (2024): 345–362, <https://doi.org/10.1080/02673037.2023.2178452>.

<sup>31</sup> David Handel, *Theories of Housing and the Meaning of Home* (London: Routledge, 2019), 45.

<sup>32</sup> Abdul Rahim Abdul Rahman Abdullah and Asyraf Wajdi Dusuki, "Customers' Perceptions of Islamic Home Financing: Empirical Evidence on Bai Bithaman Ajil (BBA) and Diminishing Partnership (Musharakah Mutanaqisah) in Malaysia," *Journal of Islamic Economics, Banking and Finance* 2, no. 1 (2006): 23–36.

which posits that homeownership represents one of the most stable mechanisms of intergenerational asset accumulation for middle class families.<sup>33</sup>

Other studies further reinforce this understanding by demonstrating how housing functions as a pivotal instrument for intergenerational wealth formation. Elaborating further, acknowledge that housing exerts significant socioeconomic, demographic, and political influences on the structure of social life.<sup>34</sup> Within Muslim contexts, a house is positioned not only as an economic asset but also as a mechanism for ensuring generational continuity and sustaining family well being.<sup>35</sup> Consequently, the concept of *halal* investment in property has gained increased relevance, enabling Muslims to generate rental income and accumulate wealth through means that adhere to *sharī'ah* principles.

Within a phenomenological framework, the experiences articulated by the informants reflect the *noema*, denoting the essential meaning of the house as it is constituted within their consciousness.<sup>36</sup> The house is perceived not unidimensionally, but as a multidimensional phenomenon as it is apprehended as a social symbol, a spiritual trust, and an investment asset. This is exemplified by Informant H4, who stated: "When you own your own house, life feels more valuable. The direction of life becomes clearer." This articulation illustrates that a house is comprehended not merely as a physical structure, but as an integral component in the meaningful construction of a life imbued with purpose and value.

The multifaceted meaning of home aligns with established sociological theories of housing, which emphasize its role in structuring social existence. As highlighted in recent research, housing operates not merely as physical shelter but also as a fundamental determinant influencing a range of sociological outcomes.<sup>37</sup> This complexity is further compounded within the context of Islamic financing, where spiritual imperatives and material considerations engage in a dynamic interplay.

A significant contribution of this study to the literature is the identification of the "triple embodiment of home" concept within Islamic home financing contexts, where home is simultaneously embodied as (1) symbolic capital representing social status and life achievement, (2) spiritual trust (*amanah*)

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<sup>33</sup> John Goodwin, *The Sociology of the Middle Class: Intergenerational Mobility and Housing Assets* (London: Routledge, 2021).

<sup>34</sup> Jane R. Zavisca and Theodore P. Gerber, "The Socioeconomic, Demographic, and Political Effects of Housing," *Annual Review of Sociology* 42 (2016): 347–367, <https://doi.org/10.1146/annurev-soc-081715-074356>.

<sup>35</sup> Maulina, Ulfa, Rahmatina Kasri, and Siska Putri, "Islamic Home Ownership and Family Well-Being: Empirical Evidence from Indonesia," *Journal of Islamic Accounting and Business Research* 14, no. 3 (2023): 512–530, <https://doi.org/10.1108/JIABR-02-2022-0058>.

<sup>36</sup> Dermot Moran, *Introduction to Phenomenology* (London: Routledge, 2012).

<sup>37</sup> Katrin B. Anacker, "Housing as a Social Determinant of Well-Being: Emerging Perspectives in Urban Sociology," *Housing Policy Debate* 34, no. 1 (2024): 1–15. <https://doi.org/10.1080/10511482.2024.00001>.

carrying transcendental responsibility, and (3) material investment for intergenerational continuity. Conventional housing literature tends to separate the economic and symbolic functions of home,<sup>38</sup> while Islamic finance literature emphasizes more the spiritual dimension.<sup>39</sup> This research finds that in Muslim customers' consciousness, these three dimensions are not separate but integrated into one holistic meaning unity. This integration creates "sacred materialism" – a perspective where material ownership does not contradict spirituality but becomes a medium for actualizing spiritual values in everyday life.

Additionally, the multifaceted conception of home reveals how consumers contextualize Islamic home financing within a spiritual and existential framework. A property acquired through *Sharia*-compliant contracts is perceived not merely as legally permissible (*halal*) but also as a conduit for divine blessing (*barakah*) and profound inner tranquility. This sentiment is exemplified by Informant E1's account: "Even though the installments are heavy, I feel more sincere because this is a *halal* house. So, the house feels more blessed for my family." This finding corroborates the work of Amin et al.,<sup>40</sup> who established that the perceived presence of *barakah* and rigorous *Sharia* compliance are pivotal factors in fortifying customer satisfaction.

The concept of *barakah* (blessing) within the context of homeownership via Islamic financing encompasses profound multidimensionality. Within Islamic tradition, *barakah* signifies not merely a material increase but also spiritual enrichment and inner tranquility. Consequently, a residence obtained through Islamic financing is conceptualized as a symbol, a trust (*amanah*), and an investment validated with spiritual significance, wherein material and spiritual dimensions become seamlessly integrated within the lived experience of its occupants.

### **Economic Challenges and Adaptive Strategies in Islamic Home Financing**

A majority of informants acknowledged that the most significant challenge associated with Islamic home financing is the substantial burden of monthly repayments. Several participants reported that the installment amount constitutes nearly half of their total household income. This is exemplified by Informant I1's account: "This house installment takes up almost 40 percent of my salary. It feels heavy, but I must keep going because housing is a primary need."

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<sup>38</sup> John Goodwin, *The Sociology of the Middle Class: Intergenerational Mobility and Housing Assets* (London: Routledge, 2021).

<sup>39</sup> Abdul Rahim Abdul Rahman Abdullah and Asyraf Wajdi Dusuki, "Customers' Perceptions of Islamic Home Financing: Empirical Evidence on Bai Bithaman Ajil (BBA) and Diminishing Partnership (Musharakah Mutanaqisah) in Malaysia," *Journal of Islamic Economics, Banking and Finance* 2, no. 1 (2006): 23–36.

<sup>40</sup> Hanudin Amin, Abdul Rahim Abdul Rahman, Lada Shaharudin, and Syed Alwi, "Determinants of Customers' Intention to Use Islamic Personal Financing: The Case of Malaysian Islamic Banks," *African Journal of Business Management* 5, no. 16 (2011): 6671–6683, <https://doi.org/10.5897/AJB10.1740>.

This finding is consistent with the research of Ma'in et al., who identified the debt service ratio as a critical factor influencing household financial resilience.<sup>41</sup> Consequently, it is evident that while Islamic home financing offers a pathway to ownership, it simultaneously introduces significant affordability concerns that require prudent management.

A considerable number of informants reported concurrently holding multiple financing products, a practice that substantially intensifies their financial strain. As Informant J2 stated: "I have two mortgages, one for my own house and another as an investment. So every month, it feels quite heavy." This phenomenon suggests a dual orientation in financing motivations: addressing immediate housing requirements while concurrently pursuing property investment. Research in the Indonesian context corroborates that segments of the middle class perceive Islamic mortgages not merely as instruments to fulfill housing needs but also as vehicles for asset accumulation,<sup>42</sup> revealing a tension between real needs and long-term financial strategies.

As such, informants adopted a range of adaptive economic strategies to mitigate these financial challenges. Certain participants supplemented their primary income by initiating secondary businesses. This is illustrated by Informant K3's account: "The installments are heavy, so I opened a small business at home for extra income." Alternative approaches involved spousal role-sharing; a common model entailed the husband responsible for the primary installments while the wife managed day-to-day household expenditures. These collective actions demonstrate household resilience and flexibility in navigating financial constraints, a finding consistent with the study of Conger et al., who observed that familial economic adaptation frequently involves such strategies of role-sharing and income diversification.<sup>43</sup>

Additionally, both psychological and spiritual dimensions function as critical adaptive mechanisms beyond purely economic strategies. As informant I1's narrative exemplified: "If I calculate it, it's actually heavy, but I always pray and believe that Allah will provide a way. That makes it easier to endure." This perspective illustrates how spirituality facilitates the mitigation of financial pressure. Further, the research of Birjaman et al. affirms that core Islamic values,

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<sup>41</sup> Ma'in, Mohd Shukri, Jariah Masud, and Siti Nor Bayah Abdul Halim, "Determinants of Financial Resilience among Malaysian Households: An Empirical Analysis," *Journal of Emerging Economies and Islamic Research* 4, no. 2 (2016): 45–56.

<sup>42</sup> Suharto, A. S., and M. K. Anwar. "Minat Masyarakat terhadap KPRS (Kredit Pemilikan Rumah Syariah) dengan Skema Murabahah pada BNI Syariah KC Surabaya." *Jurnal Ekonomi Islam* 1, no. 3 (2018).

<sup>43</sup> Rand D. Conger, Katherine J. Conger, and Glen H. Elder Jr., *Families in Troubled Times: Adapting to Change in Rural America* (New York: Aldine de Gruyter, 2010).



notably *ṣabr* (patience) and *tawakkul* (trust in God), serve as essential coping mechanisms for navigating financial hardship.<sup>44</sup>

This finding is substantiated by contemporary study that emphasizes the centrality of religiosity in shaping financial behavior. For instance, Wijaya et al. (2024), in their investigation into the impact of religiosity and financial literacy on Indonesian Muslims, concluded that “the centrality of religion in Muslim consumers’ lives, along with Islamic financial literacy, significantly influences their financial management behavior and overall financial well-being.” Therefore, customer adaptation manifests not merely on a material dimension but also within a robust spiritual dimension, which furnishes essential psychological resilience for confronting financial exigencies.

This interplay of challenges and adaptive strategies further underscores that customer experiences with Islamic home financing are deeply embedded within a broader socio-economic context. As Informant K3 explained: “[Whether we] Like it or not, we have to force ourselves to be disciplined, because if we’re late, it will be troublesome. So we must be smart in managing money.” This perspective aligns with the tenets of phenomenological inquiry, which states that understanding lived experience requires a holistic approach, one that integrates external pressures, adaptive strategies, and the subjective meanings individuals construct.<sup>45</sup>

An important contribution of this research to the literature is the identification of a “dual-track coping strategy” that combines instrumental-material and expressive-spiritual mechanisms simultaneously. Financial management literature tends to focus on instrumental coping strategies such as income diversification and role-sharing,<sup>46</sup> while Islamic finance literature emphasizes spiritual coping such as patience (*ṣabr*) and trust (*tawakkul*).<sup>47</sup> This study finds that customers do not choose one strategy over another but integrate both in their daily practices. Interestingly, spiritual strategy does not function as an escape from material reality but rather becomes motivational energy that drives instrumental action. Customers with strong spirituality tend to be more proactive in seeking economic solutions. This finding generates the concept of “spiritually-energized economic agency” that has not been explored in the

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<sup>44</sup> Mohd Faizal Birjaman, Mohd Shukri Hanapi, and Mohd Nasir Omar, “Spiritual Coping Mechanisms in Islamic Finance: Integrating *Ṣabr* and *Tawakkul* in Financial Decision-Making,” *Journal of Islamic Accounting and Business Research* 15, no. 1 (2024): 88–105;

<sup>45</sup> Max van Manen, *Researching Lived Experience: Human Science for an Action Sensitive Pedagogy*, 2nd ed. (New York: Routledge, 2016), <https://doi.org/10.4324/9781315421056>.

<sup>46</sup> Rand D. Conger, Katherine J. Conger, and Glen H. Elder Jr., *Families in Troubled Times: Adapting to Change in Rural America* (New York: Aldine de Gruyter, 2010).

<sup>47</sup> Mohd Faizal Birjaman, Mohd Shukri Hanapi, and Mohd Nasir Omar, “Spiritual Coping Mechanisms in Islamic Finance: Integrating *Ṣabr* and *Tawakkul* in Financial Decision-Making,” *Journal of Islamic Accounting and Business Research* 15, no. 1 (2024): 88–105.

financial coping literature, where spirituality is not passive-fatalistic but active-transformative in the context of financial management.

Consequently, this study demonstrates that Islamic home financing transcends a mere financial transaction, representing instead a multifaceted process of adaptation that integrates economic, social, and spiritual dimensions. These findings highlight the necessity of a holistic analytical framework for comprehending customer experiences, wherein coping strategies are not solely instrumental but also profoundly existential. These strategies encompass processes of meaning-making and spiritual support, which are essential for sustaining long-term financial commitments.

### **The Spiritual Dimension in the Experience of Islamic Home Financing**

The spiritual dimension constitutes a fundamental component of the customer experience within Islamic home financing. Numerous informants articulated that *Sharia* compliant contracts engender a profound sense of tranquility and confidence in divine blessing (*barakah*). As Informant M1 stated: "Through sharia financing, even though the installments are large, I feel more at ease because, God willing, it is *halal*." This empirically observed sense of ease is in accordance with the findings of Amin et al., who established a positive correlation between perceptions of religiosity and heightened customer satisfaction.<sup>48</sup>

This finding is significantly substantiated by contemporary study that emphasizes the centrality of spirituality within Islamic banking. In their investigation into the role of spirituality in the sustainability of Islamic banking, highlight that "understanding the role of spirituality in the sustainability of Islamic banking is crucial, yet the current literature in this field remains inadequate."<sup>49</sup> Applying the quadruple bottom line theory (Prosperity, People, Planet, Prophet), their analysis revealed that the spiritual dimension (Prophet) exerts a significant influence on the sustainability of Islamic banking. This indicates that spirituality transcends a mere background factor, constituting instead an integral affective experience that accompanies the entire financing journey.

In addition, the spiritual dimension manifests not only as tranquility but also in the conviction that a residence acquired through *Sharia*-compliant contracts will bestow blessings (*barakah*) upon the family. Informant N2 articulated this belief: "I believe that since this house is *halal*, the livelihood that sustains it will also be more blessed for my children." This perspective resonates

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<sup>48</sup> Hanudin Amin, Abdul Rahim Abdul Rahman, Lada Shaharudin, and Syed Alwi, "Determinants of Customers' Intention to Use Islamic Personal Financing: The Case of Malaysian Islamic Banks," *African Journal of Business Management* 5, no. 16 (2011): 6671–6683, <https://doi.org/10.5897/AJBM10.1740>.

<sup>49</sup> Mohsen Hamidi, Rahmatina A. Kasri, and Sofyan S. Harahap, "Integrating Spirituality into Consumer Behavior: Insights from Islamic Marketing Perspectives," *Journal of Islamic Marketing* 15, no. 1 (2024): 112–130. <https://doi.org/10.1108/JIMA-06-2023-0189>.

with the work of Dusuki and Abdullah, who posit *barakah* as a foundational value within Islamic finance that fundamentally distinguishes it from conventional systems. Consequently, customer experiences reveal a direct nexus between contractual *Sharia* compliance and the spiritual conception of familial well-being.<sup>50</sup>

The spiritual dimension further operates as a critical source of resilience when confronting economic challenges. As Informant O3 explained: "When things get tough, I can only be patient and believe that Allah will provide a way out." This narrative exemplifies the application of *ṣabr* (patience) and *tawakkul* (trust in God) as distinctive coping mechanisms, which are central to the Islamic financial paradigm. Further, the study conducted by Widiastuti et al., note that religiosity serves a vital function in mitigating financial stress, as individuals reinterpret hardships as spiritual tests to be endured with sincerity (*ikhhlās*).<sup>51</sup> Consequently, spirituality empowers customers to reframe the burden of installments, transcending a perception of mere financial pressure to embrace it as an integral facet of a religious life journey.

From a Husserlian phenomenological perspective, these spiritual experiences constitute a distinct *noematic* dimension, an essential meaning-structure that emerges from the customer's intentional consciousness directed toward the *Sharia* contract. Informants consistently described their homes not as mere physical structures, but as spaces for worship (*ibadah*), a sacred trust (*amanah*), and a field for earning divine reward (*ajr*). This notion is illustrated by Informant P4's statement: "This house is not just a place to live, but also a place where I educate my children in an Islamic environment." These accounts underscore that a residence acquired through Islamic financing is fundamentally perceived as an arena for actualizing spiritual values, fortifying familial bonds, and cultivating a deeper closeness to God.<sup>52</sup>

An original finding from this study that extends theoretical understanding is the concept of "spiritual embeddedness in material transaction," where the spiritual dimension does not function as ex-post justification for economic decisions but becomes a meaning structure that is embedded in every stage of the financing experience. Unlike literature that tends to position spirituality as initial motivation or final outcome Hamidi et al., this research finds that spirituality functions as a "living framework" that actively shapes customers' interpretations of every experience—from bank selection, contract negotiation,

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<sup>50</sup> Dusuki, Asyraf Wajdi and Abdullah, Nurdianawati Irwani. "*Maqasid al-shariah, maslahah and corporate social responsibility*". Kuala Lumpur: explorations and implications. Islamic Book, 2008.

<sup>51</sup> Nurul Widiastuti, Fitri Nurul Hidayah, and Ahmad Zainal Abidin, "Religiosity and Financial Resilience: The Role of Spiritual Meaning in Coping with Economic Hardship," *Journal of Islamic Financial Studies* 8, no. 2 (2022): 112–125, <https://doi.org/10.1108/JIFS-08-2022-0041>.

<sup>52</sup> Max van Manen, *Researching Lived Experience: Human Science for an Action Sensitive Pedagogy*, 2nd ed. (New York: Routledge, 2016), <https://doi.org/10.4324/9781315421056>.

installment payments, to the meaning-making of financial difficulties.<sup>53</sup> Spirituality is not static as a belief system but dynamic as a meaning-making process that is continuously activated in daily practice. This finding generates the concept of "performative spirituality" in the Islamic finance context, where spiritual values are not only believed but "performed" in everyday actions and interpretations, creating an experience that is phenomenologically distinct from conventional financing.

Consequently, the spiritual dimension within Islamic home financing demonstrates a profound integration of material and transcendental aspects. Installments and contractual agreements are thus perceived not merely as financial obligations but equally as acts of worship (*ibadah*) and a pursuit of life's ultimate meaning. This synthesis is aptly summarized by Informant N2, stating: "Even though it's hard, I feel this house is part of my worship. Every time I pay the installment, it feels like I'm striving both for my family and for Allah."

This illustrates that Islamic home financing not only resolves the challenge of homeownership but also cultivates a profound spiritual awareness among its customers. As emphasized in contemporary study on Islamic resilience as a spiritual and psychological coping strategy, core Islamic values furnish a holistic framework for comprehending and navigating life's challenges, including those relating to finance and property acquisition.<sup>54</sup>

### **Conceptual Model of Customer Experience in Islamic Home Financing**

Based on the integration of empirical findings with theoretical dialogue above, this study generates a holistic conceptual model of customer experience in Islamic home financing (Figure 1). This model is constructed upon Husserl's phenomenological structure that combines the dimensions of noesis (intentional consciousness) and noema (meaning of objects in consciousness), while integrating theoretical contributions from Islamic banking literature, housing sociology, and economic psychology.

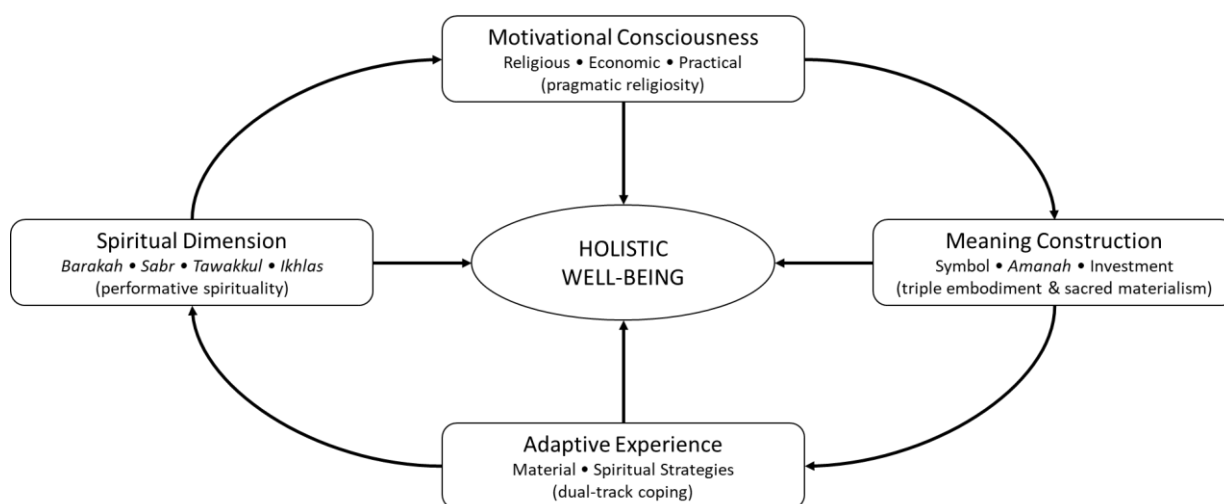
The model demonstrates that customer experience in Islamic home financing constitutes a dynamic process involving four interconnected main dimensions: (1) Motivational Consciousness, encompassing the simultaneous integration of religious, economic, and practical motivations; (2) Meaning Construction, where home is perceived as triple embodiment: social symbol, spiritual trust (*amanah*), and material investment; (3) Adaptive Experience, involving dual-track coping strategy combining instrumental-material and expressive-spiritual strategies; and (4) Spiritual Embeddedness, where

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<sup>53</sup> Mohsen Hamidi, Rahmatina A. Kasri, and Sofyan S. Harahap, "Integrating Spirituality into Consumer Behavior: Insights from Islamic Marketing Perspectives," *Journal of Islamic Marketing* 15, no. 1 (2024): 112–130. <https://doi.org/10.1108/JIMA-06-2023-0189>.

<sup>54</sup> Dwi Gumindari, Nurul Huda, and Rini Setiawati, "Islamic Resilience: The Role of Spiritual Coping in Financial and Life Challenges," *Journal of Islamic Psychology and Behavioral Studies* 5, no. 2 (2022): 112–127, <https://doi.org/10.35673/jipbs.v5i2.2022>.

spirituality functions as a living framework that performatively shapes interpretations at every experiential stage.



**Figure 1. Conceptual Model Of Islamic Home Financing Customer Experience**

These four dimensions do not operate linearly but form a circular-interactive structure where each dimension mutually influences and reinforces others. Initial motivations shape the meaning construction of home, which subsequently influences adaptive strategies in confronting economic challenges, while spirituality remains embedded throughout the entire process as a meaning-making framework. The model also demonstrates that Islamic home financing experience transcends mere economic transaction, becoming instead a "lived spiritual-material experience" that creates holistic well-being among customers.

The primary theoretical contribution of this model lies in the integration of material and spiritual dimensions that have hitherto been treated separately in literature. The model demonstrates that in the Islamic home financing context, the material-spiritual dichotomy is irrelevant because customers experience both as an integrated unity within one lived experience. This model also extends Husserl's phenomenological theory by applying it to Islamic finance contexts, showing that Sharia-compliant financial transactions possess consciousness and meaning structures that are phenomenologically distinct from conventional transactions.

Practical implications of this model suggest that Islamic financial institutions need to develop service approaches that focus not only on transactional-procedural aspects but also facilitate customers' spiritual and meaning-making dimensions. Islamic financial literacy programs should not merely emphasize technical contract and product aspects but also assist



customers in constructing spiritual meaning from their financing experiences. Furthermore, financing policies need to consider customers' adaptive capacity involving both economic and spiritual dimensions, for instance through payment flexibility aligned with *maqasid* syariah principles.

This model also opens opportunities for future research, particularly in exploring experiential variations based on financing contract types (*murābahah*, *musyārakah mutanāqishah*, *istisnā'*), levels of Islamic financial literacy, and different socio-economic contexts. Comparative research between Islamic and conventional financing customer experiences would also enrich understanding of the unique dimensions of Islamic home financing in shaping customers' holistic well-being.

## CONCLUSION

This study concludes that Islamic home financing in Malang City represents more than a contractual or financial mechanism—it embodies an integrated experience combining economic responsibility, ethical consciousness, and spiritual fulfillment. Customers engage in Islamic financing driven not only by material aspirations but also by a deep sense of religious motivation and social trust in Islamic banks. The phenomenological analysis reveals that while participants perceive *murābahah* and *mushārakah mutanāqishah* schemes as spiritually meaningful and ethically superior to conventional loans, challenges persist regarding transparency, contract comprehension, and administrative efficiency. Strengthening customer education, ensuring value alignment with *maqāsid al-sharī'ah*, and enhancing ethical service delivery are essential to reinforce trust and sustainability. These findings contribute both theoretically — by enriching the discourse on lived financial spirituality in Islamic economics — and practically, by guiding policymakers and Islamic financial institutions to design inclusive, value-driven financing models responsive to the lived realities of Muslim consumers.

### Author's Contribution

Anas Tania Januari: Contribute to formulating research ideas, collecting data, processing data, and interpreting data

Muhtadi Ridwan: Contributing to writing systematics and research methods, analyzing interpretation results

hmad Djalaluddin: Contributing to collecting data, compiling a literature review, and to the language proofread.

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The author declares that there is no conflict of interest.

### Ethical Approval

Ethical approval No patient-identifying parts in this paper were used or known to the authors. Therefore, no ethical approval was requested.

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