

million and of which, 4.85 million are Muslims. Abuja has a population of 50% of Muslims out of 1,405 million. Most of the Muslims in the state are predominantly Sunni in the Maliki school and are also practicing Shariah. While the population of Muslim in Enugu is just about 5% of total population.

4. Summary of the Finding and Discussion

4.1 Demographic Profile of the Respondents

The data used for this study were collected from customers of takaful operators in Nigeria using the developed survey questionnaire. As mentioned, the respondents were drawn from five different states, which are Lagos, Abuja, Kaduna, Kano, and Enugu. The duly completed questionnaires used for this study were 209. As reported in Table 2, out of 209 respondents, 127 (60.8%) are males and 82 (39.2%) are females. The respondents who are within the age bracket of 20-30 are 32 (15.3%), those between the age bracket of 31-40 are 93 (44.5%), those between the age bracket of 41-50 are 58 (27.8%), those between in the age group 51-60 are 23 (11.0%), and those above the 60 are 3 (1.4%). The majority of the respondents are Muslims 193 (92.3%), while non-Muslims respondents are 15 (7.2%) out of the overall respondents.

Moving to the educational level, most of the respondents are degrees (above) holders with 81.1%. This is followed by secondary school certificate holders 7.7%; followed by primary school certificate holders with 0.5%; while the rest of the respondents did not indicate their educational level. As for the respondents' occupation, government employees are 38 (18.2%), students are 2.9 (2.9%), private companies' employee are 125 (59.8%), housewife are 7 (3.3%), self-employee are 22 (12.9), and other are 6 (2.9%). Regarding their marriage status, 170 (81.3%) are married, while 39 (18.7%) are single.

Table 1: Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	SE	Statistic	Std. Error
Pricing construct	209	3.8010	.70315	-.584	.168	.510	.335
Shariah View constructs	209	4.3809	.60892	-1.301	.168	2.936	.335
Social Factor constructs	209	3.3359	.96989	.022	.168	-.832	.335
Customer acceptance	209	4.1826	.78617	-1.346	.168	1.509	.335
Service Quality	209	4.2057	.65071	-1.297	.168	2.536	.335
Locality	209	3.7879	.69621	-.564	.168	.218	.335
Awareness of Islamic Insurance	209	4.4179	.59604	-1.173	.168	1.148	.335
Valid N (listwise)	209						

Table 2: Demographic

Demographic Profile	Percentage	Frequency
Gender	Male 127	127
	Female 82	82
	Total 209	209
Age	20-30	32
	30-40	93
	40-50	58
	50-60	23
	60 above	3
	Total	209
Marital status	Single	39
	Married	170
	Total	209
Religion	Muslims	193
	Non-Muslims	15
	No response	1
	Total	209
Average monthly income in naira	Below 100,000	154
	Above 100,000	55
	Total	209
Education	Primary	1

	Secondary	16	7.7	
	Degree\above	170	81.3	
	Other	22	10.5	
	Total	209	100.0	
Occupation	Students	6	2.9	
	Government	38	18.2	
	Private	125	59.8	
	Housewife	7	3.3	
	Self-employed	27	12.9	
	Other	6	2.9	
	Total	209	100.0	
	Period of using takaful	1-3 years	104	49.8
		4-5 years	65	31.1
6-9 years		26	12.4	
10years above		13	6.2	
No response		1	.5	
	Total	209	100.0	
State\branch	Lagos	83	39.7	
	Abuja	26	12.4	
	Kano	50	23.9	
	Kaduna	48	23.0	
	Enugu	2	1.0	
	Total	209	100.0	

5. Reliability Tests

Cronbach's Alpha, which is commonly used to measure reliability, has been used to evaluate the internal consistency of the questionnaires used in this study. The two independent variables contained in the questionnaire were tested and the outcome show that all the items in the questionnaire reliably measured the respective constructs as reported in Table 3.

Table 3: Reliability Tests

Construct	Cronbach Alpha	Standardize items	No of item
Pricing	0.624	0.632	5
Shariah View	0.751	0.761	5
Social Factors	0.806	0.805	5
Customer Acceptance	0.846	0.842	6
Service Quality	0.850	0.851	7
Locality	0.722	0.727	6
Awareness of Participants towards Islamic Insurance	0.851	0.853	6

Table 3 shows the reliability statistics for pricing, Shariah review, quality services, locality, social factors, customers' acceptance, and awareness. Based on the results in Table 3, Cronbach's Alpha coefficient for the above variables are: 0.624, 0.751, 0.805, 0.842, 0.851, 0.727 and 0.853, respectively. These results are all above the 0.7 minimum threshold, according to (Plummer and Tanis, 2015) except pricing which is 0.632. This indicates higher internal consistency and the indication that the questionnaire used is reliable in measuring many constructs. The Cronbach alpha for the locality in this study is higher than that of (Hair and Brunsveld, 2019) where 0.738 was reported.

Table 4: Customer Acceptance Level

Variables	SD	D	U	A	SA	Total	Mean	STD
	Frq %	Frq %	Frq %	Frq %	Frq %			
I am pleased with the existing Islamic insurance	20	10	16	88	75	209	3.90	1.219
I fully accept Islamic insurance as one of the most convenient methods of financing	9.6	4.8	7.7	42.1	35.9	100.0		
Islamic insurance offers right products and services to both Muslims and non-Muslims	10	13	19	68	99	209	4.11	1.112
I am proud to tell others that I am using or have used Islamic insurance services	4.8	6.2	9.1	32.5	47.4	100.0		
I am excited when using Islamic insurance services at the first time.	12	12	15	74	96	209	4.10	1.128
I am willing to patronize Islamic finance business in the future.	5.7	5.7	7.2	35.4	45.9	100.0		
	6	6	15	68	114	209	4.31	.916
	2.9	2.9	7.2	32.5	54.5	100.0		
	5	7	14	76	107	209	4.34	.923
	2.4	3.3	6.7	36.4	51.2	100.0		
	7	5	8	78	111	209	4.26	.951
	3.3	2.4	3.8	37.3	53.1	100.0		

Table 4 presents the results of the acceptance level of takaful. Based on the responses received from the participants, about 163 (78%) of them strongly agreed or agreed to the existence of takaful in Nigeria; 30 (14.4%) of the participants disagreed or strongly disagreed to the existence of takaful, while 16 (7.7%) of the participants are neutral to the existence of takaful's questions asked. Similarly, 167 (79.9%) of the participants agreed or strongly agreed to the acceptance of takaful as an alternative to the convenient methods of financing; 23 (11%) of the participants disagreed or strongly disagreed to the acceptance of takaful as an alternative to the convenient methods of financing; while 19 (9.1%) of the participants are undecided regarding the acceptance of takaful as an alternative to the convenient methods of financing.

Furthermore, 24 (11.4%) of the participants disagreed or strongly disagreed that the products and services provided by takaful are the right products and services for both Muslims and non-Muslims alike; 170 (90.3%) of the participants agreed or strongly agreed that the products and services provided by takaful are the right products and services for both Muslim and non-Muslims; while 15 (7.2%) of the participant are undecided regarding this question. Similarly, 12 (5.8%) of the participants disagreed or strongly disagreed to recommend takaful products and services to other people; 182 (87%) of the participants agreed or strongly agreed to recommend takaful products and services to other people; while 15 (7.2%) are undecided regarding this question. Similarly, 12 (5.7%) of the participants disagreed and strongly disagreed to patronize takaful in future; 189 (90.4%) of the participants agreed or strongly agreed to patronize takaful; while 8 (3.8%) of the participants are undecided regarding this question.

5.1 Philosophical Stance and Hypotheses

This study adopts a positivist approach that depends on reality and quantitative data in an objective manner. It stresses on applying scientific methods to derive the fact and quantifiable result. So, the role of the researchers in this study will be limited to data collection and interpretation based on data analysis used. This suggests the independence of the researchers from this research as they will be focused on reality obtained from the sample with minimal interaction with the respondents to obtain objective findings (Hothersall, 2019). This study will rely on a deductive process to explore the validity of the hypotheses contained in the Theory of Reasoned Action (TRA) in the circumstance of the factors that determine the level of awareness and acceptance among the Nigerian citizens. Base on this, hypotheses extracted from the TRA, hypotheses 1 to 4 will be tested through statistical analysis to know the outcome result that will be confirmed or reject the hypotheses.

Table 5: Statement of Hypothesis

Statement of hypothesis	Remark
H1: Service quality has a significant influence on the behavior of consumers towards takaful services.	supported
H2: Customer acceptance has a significant influence on the behavior of consumers towards takaful services.	supported
H3: Shariah view has a significant influence on the behavior of consumers towards takaful services.	supported
H4: Subjective Norms have significant influence on the behavior of consumers towards takaful services.	supported
H5: Perceived Behavioural Control (PRICE) has no significant effect on consumer behavior towards takaful services.	rejected

Hypothesis (1) states that there is a significant relationship between service quality of takaful and behavioral intention to accept takaful products in Nigeria. This hypothesis is not rejected because of its significant contribution in explaining service quality with $\beta = 0.285$, $t = 4.753$, $p = 0.000$. Also, the Pearson correlation between service quality and consumer behavior towards the acceptance of takaful is 0.515. This shows that higher service quality will guarantee the acceptance of takaful. If people are not aware of the service quality of the operations and products of takaful, they may not support them.

Hypothesis (2) states that there is a significant relationship between customer acceptance and customer perceived behavioral control towards acceptance of takaful in Nigeria. This hypothesis is not rejected because it significantly contributed to customer acceptance of takaful with $B = 0.306$, $t = 4.753$, $p = 0.000$. The Pearson correlation of 0.535 suggests that people will use takaful services based on positive perception towards them.

Hypothesis (3) states that price has a significant influence on customers' acceptance level of takaful. This hypothesis is rejected because of its insignificant contribution in explaining the acceptance of takaful with $B = 0.006$, $t = 0.114$, $p = 0.910$. This finding suggests that demand is not necessarily enough to make a justification that a person will accept or reject takaful service. The outcome shows that price is not the factor that can contribute to the acceptance of takaful in Nigeria, but other factors are more significant in consumers' decisions to accept takaful. Such factors could be cost of borrowing, risk, and expected return. [Yu and Tseng \(2016\)](#) discover that economic factors, like cost and service quality, are more significant than the price in the consumers' choice to accept takaful. Though price can also influence customers' choice to accept takaful together with the other factors as discussed earlier.

Hypothesis (4) states that subject norms have insignificant influence on the locality towards acceptance of takaful. This hypothesis is not rejected because it has insignificant contribution to locality of takaful with $B = 0.95$, $t = 1.655$. This shows that locality is very important in deciding the product to be chosen. As indicated in [Shehu et al. \(2011\)](#) study, moving closer to other people does not mean that customers can disseminate their financial position, talk-less of affecting their decision. Also, the findings of ([Karjaluto et al., 2012](#); [Khan, 2020](#)), show insignificant influence of evidence opinion and group leaders in consumer behavior on financial issues.

Hypothesis (5) states that there is a significant relationship between the Shariah view and customers' behavior towards acceptance of takaful. This hypothesis is not rejected because of its significant contribution to behavior with $B = 267$, $t = 4.131$, $p = 0.000$. This suggests that being associated with a particular religion is not enough to determine whether someone will accept takaful or not. This result shows that not religion alone, but other factors also contribute to the decisions to accept takaful or not in Nigeria.

Among the five research hypotheses formulated for this study, only one was rejected; the remaining four were not rejected. Therefore, consumers' behavior towards acceptance of takaful is significantly influenced only by awareness and attitudes.

6. Limitation of the Research

This study has attempted to investigate the awareness and factors affecting the level of acceptance of takaful in Nigeria by using the Theory of Reasoned Action (TRA). It is necessary to note the importance of this research in the context of takaful in the country. A significant limitation of this research is that the sample was only

drawn from four different takaful operators: Jaiz Insurance plc, Cornerstone, African Alliance, and Sterling Bank. The collection of data from the customers of the above takaful operators may not be enough to accurately represent the entire customers of takaful in the country. Moreover, other factors that are not covered in this research in the TRA may be important in selecting takaful services. Hence, future research may consider covering a wider sample to investigate the acceptance of the customers of the four takaful operators and to also incorporate more variables that may be important in the choice of takaful services among the customers in the country. This research has many limitations and needs further examination by future researchers. This study focuses on the level of awareness and acceptance of takaful in Nigeria. Further research is required to compare the entire operating system of the takaful industry in the country. Secondly, since the study focuses on awareness and acceptance, the analytical result can be generalized on both private and public enterprises as well as the individual that offer takaful business within their organization or community in Nigeria. Finally, since the data for this research were mainly collected from populous states (Lagos, Kano, Kaduna, Abuja and Enugu) in Nigeria, generalizing the findings of this study to other states must be done with caution, owing to the difference in culture and other tribal factors in addressing and maintaining customers' relationship along with management issues concerning customers' loyalty and satisfaction.

7. Conclusion and Suggestions

Based on the findings, about 90% of respondents are informed about takaful; though only 13%-17% of respondents are used to the contracts in takaful and investment in the halal industry. This research was conducted using a survey questionnaire to collect data from the Federal Republic of Nigeria. The respondents for this study were selected from different states and cities across the country: Lagos, Abuja, Kaduna, Kano, and Enugu. The total number of questionnaires duly completed and used for the current research are 209 questionnaires.

The implication of this is that the majority of the respondents do not possess sufficient information to differentiate between conventional and takaful. Thus, this does assure that people will demand for takaful services rather than that of conventional insurance should they have sufficient information about takaful. Therefore, improving awareness about takaful in this regard will enhance the implementation of takaful and its development in Nigeria, particularly the Shariah board within the operating system of the takaful industry in Nigeria. It is therefore recommended that policymakers and other stakeholders should work vigorously in providing enough information about the takaful services and products to the general public.

Although the attitude towards the takaful industry is a significant determinant, which indicates a significant effect on the intention to patronize takaful services and products in the country, there is a need to increase awareness about takaful among the general public in Nigeria. There is a positive relationship between acceptance and subjective norms, suggesting that subjective norms are the main factor for the intention to patronize takaful service and products in the country. Takaful industry still needs more advertisements to increase awareness about takaful among the Nigerian citizens.

Regardless of the ethnics group, race and location, tribe, and recommendation by the family and friends, Nigerian takaful operators need to work hard to get proper recognition by improving their quality services and providing good services to the customers. The operators must know what customers want and their needs to satisfy them in giving good services to them. Moreover, based on the finding of the survey, improving awareness will increase the level of acceptance as well as the Shariah board in the operational strategies of takaful in the country. It has also been noted that perceive values do play crucial role in behavioral intention in supporting takaful services and products, and services in Nigerian' perceived values' is prescribed as to how services and products offered by insurance industry, especially takaful, are more on the product's ability to satisfy people needs or requirements. Hence, it can be finalized that such expectations or extra requirements do not play a role for the people to accept takaful services and products. Similarly, the results show that perceptions and awareness of takaful as well as quality services play significant roles in poverty eradication for the low-income earners in Nigeria, or it will satisfy the financial needs of both Muslims and non-Muslims in Nigeria. With behavioral intention to use takaful services and products in Nigeria, it is recommended for the takaful industry in the country to concentrate on the provision of experts in the field of Shariah-compliant review services, which will be emulated by conventional counterparts.

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