

CUSTOMERS' KNOWLEDGE OF ISLAMIC BANKING PRODUCTS AND JAIZ BANK
PATRONAGE IN NORTHERN NIGERIA

BY

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DEPARTMENT OF BUSINESS ADMINISTRATION

AHMADU BELLO UNIVERSITY,

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Declaration

I declare that the work in this thesis entitled: “Customers’ Knowledge of Islamic Banking Products and Jaiz Bank Patronage in Northern Nigeria” has been carried out by me in the Department of Business Administration, Ahmadu Bello University, Zaria. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this thesis was previously presented for another degree or diploma at this or any other Institution.

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Date

Certification

This thesis entitled CUSTOMERS ' KNOWLEDGE OF ISLAMIC BANKING PRODUCTS AND JAIZ BANK PATRONAGE IN NORTHERN NIGERIA by Mustapha ABUBAKAR meets the regulations governing the award of the degree of Ph.D (Business Administration) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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Dedication

This work is dedicated to everyone who has in the past and present, and those who in the future would wholeheartedly struggle to create awareness on Islamic banking in Nigeria and promote its course.

Abstract

This work focused on finding the relationship between customers' knowledge of Jaiz bank Nigeria PLC and patronage of the first full pledged Islamic bank in Nigeria. There are various studies on Islamic banking that covered a wide range of issues including those on Islamic bank patronage factors. The studies, which are mostly foreign-based, have documented mixed findings. The mixed nature of the foreign-based studies provides a motivation for further research into the various factors that affect customer patronage of Islamic banks. The broad objective of the study is to examine customers' knowledge of various Jaiz Islamic banking products and their patronage of the bank. Along the broad objectives, specific objectives of the study include ascertaining the effect of customers' religion, customers' level of education, customers' experience, customers' product value, customers' expert insight and customers' contextual information on their patronage of Jaiz bank products in northern Nigeria. The study utilized survey research design. Data was collected using hand delivered questionnaires in a survey. The population of this study is 112,000 respondents. Using simple random sampling procedure, the sample was found to be 417 respondents made up of 400 Muslims and 17 Christians both male and female were selected to participate in this study. Factor analysis, Pearson's correlation, and multiple regression methods of data analysis were utilized for hypotheses testing. The results of the correlation analysis revealed values of the association between customers' religion, customers' levels of education, customers' product experience, customers' product value and customers' product expert insight were -.017, .219, .843, .567 and .579 respectively as they are related to customers' patronage of Jaiz bank products. The multiple regression results indicate that experience, expert insight and value jointly explained 78.0% of the variance of Islamic banking patronage. It also shows that four of the predictor variables; education, experience, expert insight and value were found to have statistically

significant association with Islamic banking products (IBP). Customers' experience of Islamic banking products was the strongest contribution predictor (.663) that explains the variance of Islamic banking IB products then followed by value (.193) variable. The study recommends that product experience should be more positively enhanced. In this respect, the principle of rukhsa (fair and lower returns) in business transactions needs to be more thoroughly applied in the bank's transactions with customers. Product expert insight should be vigorously enhanced through massive education of current and future customers by current and prospective IB operators. This is achievable through sponsorship of educational programmes in the mass media and social media networks. The study further recommends that IB providers and researches should analyze the size of different categories of products patronage. The aim is to target improvements on customers' value to sustain and attract more customer patronage of the bank's products and services. This can be achieved through exploring more customer friendly techniques and technologies.

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Glossary

Mudaraba:

It is a business arrangement where one participant gives capital to the partnership while the other party provides entrepreneurial skills. The financier bears any loss unless the loss was found to be as a result of carelessness on the part of the entrepreneur. The partners share any profit according to a pre-agreed ratio.

Musharakah:

It is another profit and loss sharing arrangement; Musharakah represents a partnership whereby the partners share the profits according to agreed ratio/proportion, while the loss is to be shared in proportion to the capital invested by the partners.

Murabaha:

It stands for the supply of goods by one party to another at a specified profit margin that is mutually agreed between them. Terms of payment could be either cash or deferred or even deferred and on an installment payment.

Salam:

It means the provision of finance on account of a forward purchase of clearly defined goods with prepayments. It can be a sale contract in which an Islamic bank accepts to supply agreed specified commodities to the buyer (its client) at a future date that is specified in consideration of an advanced full spot payment to the bank by the customer. That is, the customer makes payment for full amount while delivery of the agreed upon commodity is made in the specified future

time. An alternative reverse arrangement can however take the form of a bank being the giver of money while the customer delivers the commodities at an agreed specific future date.

Ijarah:

It means leasing an asset and receiving rental payments; so long as the asset is on the lease, the lessor remains the owner of the asset and the risk and reward of its ownership.

Istisna'a:

It means engaging a party who could also be a financing agent to manufacture or construct and supply the goods in a future agreed date in consideration of the periodic payment. The agency contracts with a manufacturer to produce goods while the customers make payments to cover the production price and the profit margin.

QardHasan loans:

This operates as a benevolent loan enjoyed by deserving customers by Islamic banks with the aim of alleviating poverty. The beneficiary customer is obliged to pay back only the principal amount. However, the borrower can pay an addition as a show of gratitude to the Islamic bank without disclosing the intention at the beginning of the transaction.

CHAPTER ONE INTRODUCTION

1.1 Background to the Study

Over the past four decades, Islamic banking has emerged as one of the fastest growing industries. It has spread to all corners of the globe and received wide acceptance by both Muslims and non-Muslims alike being one of the most important players in financial service industry, Islamic banking is now seen as a business entity striving not only to fulfil the religious obligations of the Muslim community, but also, as a business that is needed for winning over other customers whilst retaining the old ones. Islamic banking has become an integral part of global banking and finance industry. Since its debut in the 1960s as an alternative to the interest-based banking, Islamic banking has continued to grow and expand in both the number of institutions, assets size and countries in which its products and services are offered. As Hasan & Dridi (2010) states, its remarkable progress over the last four decades as well as its astounding resilience, especially during the global financial crisis of 2007 through to 2009, have further left admirers as well as acclaimed financial experts to consider it a veritable and competitive mode of financial intermediation that cannot be simply ignored by the global financial system.

As a system of financial intermediation that absolutely prohibits receipt or payment of interest and/or usury in all financial dealings, Islamic banking promotes risk-sharing, encourages entrepreneurship, insists on *Shari'ah* (Islamic law) compliance of contracts, and promotes moral and ethical values as well as sound corporate governance. The system has gained recognition and attracted a lot of support from international monetary organisations such as the World Bank and International Monetary Fund (IMF). Hassan and Dridi (2010) in a world bank commissioned

study, adjudged it to be the fastest growing segments of the international financial services industry in 2008. By the same period, most of the leading international banks that include Standard Chartered, Citibank, HSBC, Bank of America, Barclays, Deutsche Bank and Royal Bank of Canada had already opened Islamic banking windows or subsidiaries in different parts of the world (Greuning & Iqbal, 2008). By the end of 2012, the amount of assets held by Muslim investors worldwide was estimated at \$2.7 trillion with an annual growth rate of 12% to 15% over the past ten years. As at 2014, there are over 400 full-fledged and 190 windows of Islamic banking and non-bank financial institutions operating in about 75 countries (Islamic Finance News, 2014) that include Muslim countries such as Bahrain, Sudan, Egypt, United Arab Emirate, Saudi Arabia, Malaysia, Brunei and Pakistan, and non-Muslim countries such as United States of America, United Kingdom, Canada, Switzerland, South Africa and Australia (Hasan & Dridi, 2010).

In Nigeria, effort to formally introduce Islamic banking into the country's financial system dates back to the 1980s. Seminars, workshops and conferences were organised to sensitize Nigerian populace particularly Muslims on the ills of interest-based banking system and the need to have Islamic banking as an alternative. The release of the Bank and Other Financial Institutions Act 1991 as (amended 1997, 1998, 1999 and 2002) provided a legal impetus to the effort to institute Islamic banking in the country's financial system. Section 43(1a) of the Act recognised the words 'Islamic', 'Moslem' and 'Qur'anic' as some of the words that could be used as prefix to a bank's name at the point of registration or incorporation in Nigeria with the written consent of the Governor of Central Bank of Nigeria (CBN). Also, section 23(1) of the Act recognised profit-and-loss-sharing (PLS) banking arrangements.

In view of the afore-mentioned sections, the management of the former Habib Nigeria Bank (HNB) Limited applied and obtained provisional license in 1992 to operate PLS financing arrangement. In 1997, the CBN granted the Bank final approval to operate interest-free banking window in the country. HNB opened the first interest free banking window for the provision of Shari'ah-compliant financial products and services in Nigeria in October, 1998 and started full operation in 1999. The experiment, though was short-lived due to many reasons, has confirmed the readiness of many Muslims and non-Muslims in Nigeria to embrace Islamic banking. Subsequently, Standard Trust Bank was reported to have attempted to apply for license to operate a non-interest banking window between 2002 and 2003, but the effort did not succeed.

In April 2003, Jaiz International Plc was registered as a special purpose vehicle to establish Jaiz bank that will offer Islamic banking products and services as a full-fledged non-interest bank in Nigeria. Due to lack of adequate regulatory and operational framework that will support its licensing coupled with the July, 2004 CBN's directive for all Deposit Money Banks (DMBs) operating in Nigeria to increase their minimum capital base from ₦2 billion to ₦25 billion by December 31, 2005, the bank only got final approval in November 2011. Under the 2010 different bank licensing categories, the CBN granted license to Jaiz bank to operate as a regional full-fledged non-interest bank. The bank started operation on 6th January, 2012. Also, Stanbic IBTC and Sterling bank obtained license to provide non-interest banking window in 2011 and 2013 respectively. It is noteworthy that due to political reasons and sensitivity of religious issues in Nigeria, the CBN has decided to use non-interest banking nomenclature rather than the

popular Islamic banking nomenclature in the framework it released for regulation and supervision of Islamic banks in the country.

Islamic banks are into the business of financial intermediation like interest-bearing banks. The difference between them is that the latter operate in accordance with the rules of *Shari'ah* (Islamic law) while the former is based on man-made laws. In the course of carrying out their financial intermediation function, they develop market, launch and promote *Shari'ah* compliant products and services that will satisfy the need of customers and at the same time satisfy the interest of owners, investors and other stakeholders. Accordingly, Islamic banks build demand for their services, develop products that satisfy customers' needs, and create product distribution systems that offer access to their products to a large number of customers in order to achieve their profit making objective. Therefore, developing and packaging appropriate financial products and services that will satisfy the needs of customers and creating products and services distribution systems in order to reach both existing and prospective customers are essential to Islamic banking business.

Customers' knowledge of different products available in Islamic banking platform and their features is essential to the success of an Islamic bank. Customers' product knowledge is the extent of experiences and familiarity that a customer has with a product. It represents customers' understanding of a product in terms of its attributes or characteristics, the benefits of using it, and the values in the product usage. It has been recognised as a characteristic that influences the decision process of customers based on the different perceptions they have about a product, its attributes, uses and values (Laroche, Bergeron & Goutaland, 2003).

Customers' product knowledge has been studied from different angles (Raju, Lonial & Mangold, 1995; Rao & Monroe, 1988) with dimensions of customer experience, value, contextual information and expert insight dominating the discourse. Experience represents a connection between a customer's emotion and products or services of an organization. It is a take-away impression formed by customers' encounter with products, services, and businesses (Carbone & Haeckel, 1994). It does not only include the quality of customer care offerings, but also extends to customer interaction with the elements of the marketing mix. Value refers to the amount of utility that customers see as residing in a particular product, which they aim to maximize by using it (Rokeach, 1973). It is the utility a customer derives on account of acquiring a product. It represents customers' judgment or valuation of the benefits or utility derived from a product, service or relationship (Zeithaml, 1988). A Customer's contextual information refers to knowing how a product works, and understanding the information in a product's description as well as judging whether the information given fits well with a customer's current knowledge. Customer's expert insight relates to a customer's understanding of the relative importance of a product and its attributes. It is generally believed that as customers gain expertise, they become more efficient at distilling information about a particular product in the context of prior knowledge and experiences (Mason & Bequette, 1998).

Studies have documented evidence that product knowledge plays an important role in customer decision making regarding to patronage (Kolyesnikova, Laverie, Duhan, Wilcox & Dodd, 2010). Patronage is the collection of the impulses, desire and subsequent consideration within a customer, which induces the purchase and/or repurchase of a product or service (Ozor, 2002).

Patronage behavior is considered central and as an essential way to achieve success, sustainability and growth in business. It provides incentives for both customers and firms in favorability and comfort towards a product on one hand and on the other, makes a firm sells its different products and services to different customers thus making higher margins (Ailawadi, Pauwels & Steenkamp, 2008).

In view of the strong nexus that exists between knowledge of products and customers' ability to make an informed and rational decision on patronage, Islamic banks are not to consider product knowledge with neglect. This is due to the stiff competition they are witnessing from their interest-based counterparts and high enlightenment levels of some customers whose antics often put organizations on their toes. Right from the early stage of product development process, Islamic banks are expected to create value for the customer in form of embedded utility to be derived on account of acquiring the product based on their understanding of customers' need. Incorporating customers' value-creation in the process of developing products gives an Islamic bank the opportunity to create a deeper relationship that will enable the customer acquire knowledge of the product, have product value experience, feel satisfied with its usage, develop loyalty towards it and facilitate increased patronage (Bogue & Sorenson, 2006).

There are various products that Islamic banks offer across the globe. The products, which are conveniently grouped into participatory-based, sale-based and lease-based, seem to have enjoyed wide acceptability particularly in Middle East and Asia. Though currently, Islamic banks, world-wide, prefer to operate markup-based financing arrangements largely on the basis of *Murabahah* (cost plus mark-up), *Salam* (forward sale), *Istisna* (financing for construction or goods to be

manufactured) and *Ijarah* (lease) modes, effort is ongoing to come up with modalities of mitigating the serious moral hazards and default risks that are associated with participatory modes of *Musharakah* (joint partnership) and *Mudarabah* (a special type of partnership) financing.

In Nigeria, Islamic banking is still at its infancy stage. There exists a dearth of research in the area of knowledge of Islamic banking products in the country. Past studies on Islamic banking in Nigeria such as Hussain (2010), Mobolaji (2012) and Ringim (2012) are mostly at the exploratory stage. Issues covered to date largely relate to prospects of Islamic banking, potentials of Islamic banking products, and *Shari'ah* compliant product development process. Customers' knowledge about Islamic banking products has not been empirically explored in the literature.

With the introduction of Islamic banking in the country, which is considered as the most populous country in Africa (Central Intelligence Agency, 2011), and where Muslims represent not less than 55% of the country's over 180 million people (Ahmed, 2009), Islamic banking products have a significant market potentials. The northern part of the country where Jaiz bank currently operates, and which makes up 19 states and the federal capital territory, is made up of predominantly Muslim population. This large population is a ground for expectation of sizeable Islamic banking products' patronage not only among Muslims but also the non-Muslims. On their part, Islamic banks need to attract the patronage of potential customers (Yahaya, Yusoff, Idris & Othman, 2014).

Owing to the aforementioned, and in view of the fact that Jaiz bank, the first and only full-fledged Islamic bank in Nigeria, is into its fifth year of operation, it is imperative to empirically examine the relationship between its customers' product knowledge and their decision to patronize the bank.

1.2 Statement of the Research Problem

The literature has documented that customers' product knowledge has differing degrees of influence on product evaluation (Rao & Monroe, 1988), brand evaluation (Muthukrishnan & Weitz, 1991), attitude formation (Chang, 2004), and information search behavior (Gursoy & McCleary, 2004). It is guided and governed by far reaching value systems which encompass central dispositions applicable to a wide range of situations, context and behavior (Maiyaki & Ayuba, 2015). Generally, the knowledge which a person has about a product or service shapes his patronage behaviour of the firm that offers the product or provides the service.

There are various studies on Islamic banking that covered a wide range of issues including those on Islamic bank patronage factors. The studies, which are mostly foreign-based, have documented mixed findings. For instance, one of the earliest and most commonly cited works in the Islamic banking literature pertaining to customer patronage is that of Erol and El-Bdour (1989). The study established that the most important criteria considered by customers in patronizing Islamic banks are provision of fast and efficient service (service quality}, bank's reputation and image, and confidentiality. Metawa and Al-Mossawi (1998) on their part found in Bahrain that religion is the most important bank product patronage factor.

Contrary to the above studies, Haron, Ahmad, and Planisek (1994) cited in Amin, Abdul Rahman, Sondoh Jr, and Hwa (2011) found that pricing of the product is the most significant factor for customer patronage. In addition, Yuserrie, Noresma and Ramayah (2004) on one hand, identified attitude and social influence as valid considerations of individuals while accepting Islamic finance products. The study of Karim (2012) on the other hand could not establish the argument that customers' product knowledge affects patronage. Subhani, Hasan, Rafiq, Nayaz and Osman (2012) observed the criteria of Islamic bank selection for diversified consumers in Karachi, Pakistan. The study used convenience, quality of services by banks, religious motives of consumers, availability of Automated Teller Machine (ATM), privacy and confidentiality, bank reputation and image, variety in financing options, high profit and low service charges as its constructs to examine the extent to which these factors affect customers' decision to select a particular Islamic bank. The study revealed that high profit and low service charges are the most important factors that influence selection decision.

Moreover, Yamirudeng (2013) examined the factors that influence customers' decision to select with confidence Islamic banking in southern parts of Thailand. The study found religion, reputation, knowledge, attitude, convenience and service as the important determinants of customers' confidence in Thailand. The study, like most previous ones in this area, concentrated on factors that affect choice of bank. Amin, Hamid, Hamzah, Gazali, Sudin, Geoffrey and Raymond (2014) also investigated the factors that determine bank customers' behavioral intention to use Islamic credit card in Malaysia. Based on theory of reasoned action, the study revealed that attitude, subjective norm and perceived financial cost are the factors that have significant impact on customers' intention to use Islamic credit card.

The mixed nature of the above foreign-based studies provides a motivation for further research into the various factors that affect customer patronage of Islamic banks using local data. In addition, the studies used different constructs to represent the determinants of customers' decision to select a particular bank; further studies are required to streamline earlier findings. Studies are also required to augment the specific studies on patronage using carefully selected variables that have been theoretically and empirically confirmed to be strongly associated with customers' decision to patronize Islamic banking products.

In Nigeria, the bulk of studies conducted on Islamic banking products are exploratory in nature in view of the fact that Islamic banking operation is still new. However, few empirical studies exist mainly on factors that affect customers' decision to select a bank. Hussain (2010) examines the behaviour of Small and Medium Scale enterprises (SMEs) toward profit and loss sharing (PLS) financing in Kano metropolis. The study found that SMEs in Kano state consider interest rate as the main determinant of choosing where to seek finance. It is noteworthy that the study did not incorporate product knowledge in its various constructs.

The study by Ringim (2012) focuses on perception, awareness and understanding of Muslim account holders in interest-based bank toward Islamic banking products. The study revealed that awareness and understanding of Muslim account holders in conventional banks are significant in determining the intention to patronize Islamic banks in Nigeria. The study however was confined to a survey of intention of Muslim account holders of conventional banks to patronize Islamic bank prior to commencement of Islamic banking operations in Nigeria. It is necessary to mention

that patronage as used in current (this study) means being a customer of the bank. In addition, the work by Ringim (2012) did not consider the dimensions of knowledge, which according to both theoretical and empirical literature has a strong association with patronage.

A common gap in all the aforementioned studies is that they inadvertently ignored the aspect of customers' knowledge of Islamic banking products as measured by experience, value, contextual information and expert insight dimensions, and how these dimensions relate to patronage. This is despite the evidence in the literature, of the association that exists between these four dimensions of customers' product knowledge and customer patronage. In view of the fact that understanding the journey thus far, requires an empirical examination of how the constructs of product knowledge have influence on customers' bank products patronage. This study seeks to fill the above mentioned gap that exist in the literature.

1.3 Research Questions

Based on the above identified research problem, the following specific questions are relevant.

- i) To what extent does customers' religion affect their patronage of Jaiz bank products in northern Nigeria?
- ii) To what extent does customers' level of education affect their patronage of jaiz bank products in northern Nigeria?
- iii) To what extent does customers' product experience affect patronage of Jaiz banking products in northern Nigeria?
- iv) To what extent does customers' product value affect patronage of Jaiz bank products in northern Nigeria?

- v) To what extent does customers' expert insight affect patronage of Jaiz bank products in northern Nigeria?
- vi) To what extent does customers' contextual information affect patronage of Jaiz bank products in northern Nigeria?

1.4 Research Objectives

The broad objective of this work is to determine the effect of customers' knowledge of various Jaiz Islamic banking products on their patronage of the bank. Along with the broad objectives, the following specific objectives of the study are to:

- i) Ascertain the effect of customers' religion on their patronage of Jaiz bank products in northern Nigeria
- ii) Find out the effect of customers' level of education on their patronage of Jaiz bank products in northern Nigeria.
- iii) Determine the effect of customers' experience on patronage of Jaiz bank products in northern Nigeria.
- iv) Examine the effect of customers' product value on patronage of Jaiz bank products in northern Nigeria
- v) Ascertain the influence of customers' expert insight on patronage of Jaiz bank products in northern Nigeria
- vi) Determine the influence of customer's contextual information on patronage of Jaiz bank products in northern Nigeria.

1.5 Statement of Hypotheses

The following hypotheses were formulated to guide the study:

- H0₁ Customers' religion does not significantly affect their patronage of Jaiz bank
- H0₂ Customers' level of education does not significantly affect
- H0₃ Customers' experience of Islamic banking products does not significantly affect their patronage of Jaiz bank.
- H0₄ Customers' product value of Islamic banking products does not significantly affect their patronage of Jaiz bank.
- H0₅ Customers' product contextual information of Islamic banking products does not significantly affect their patronage of Jaiz bank.
- H0₆ Customers' products expert insight does not significantly affect their patronage of Jaiz bank

1.6 Scope of the Study

The study covers the customers of Jaiz bank branches located in the three regions of North West, North East and North Central states where the bank started and maintains its operations at the time of questionnaire administration. The bank branches are located in Abuja, Kaduna, Kano, Gusau, Bauchi, Maiduguri, Gombe, Sokoto and Katsina at the time of questionnaire administration.

The choice of Jaiz bank for this study is due to the fact that it is the only bank in Nigeria granted the regional banking license to operate as a full-fledged Islamic bank, having complied with the guidelines for the regulation and supervision of institutions offering non- interest financial

services in Nigeria. The guidelines were issued by the Central Bank of Nigeria due to the increasing number of requests from persons, banks and other financial institutions who desire to offer non-interest banking products and services based on Islamic commercial jurisprudence in Nigeria. The CBN has developed guidelines for the regulation and supervision of institutions offering Islamic Financial Services (IIFS) referred to in the guideline to include full-fledged Islamic bank or full-fledged Islamic banking subsidiary of a conventional bank and Islamic branch or window of a conventional bank among others. Other banks that are Stanbic IBTC and Sterling bank are licensed to offer Islamic banking products as window only alongside conventional practice.

The variables of the study are customers' religion, customers' level of education, customer's experience, value, expert insight and contextual information as the independent variables while patronage of Jaiz Islamic bank is the dependent variable of the study. For this study, the focus will be on the following products of Jaiz bank which are Murabaha, Musharaka, Mudaraba, Ijarah, Salam and Istisna. Questionnaires for the study were administered in the period May 2015 to July 2015. The data generated was cross sectional in nature and therefore captured at a specific point in time from customers who were served with questionnaires

1.7 Significance of the Study

The study is expected to add to the existing body of knowledge in Islamic banking by determining the relationship between customers' knowledge of products and their patronage of the bank's products. The research work is also expected to make contribution to present body of knowledge in Islamic banking by examining the linkages between the level of experience,

values, contextual information and expert insight of customers to their decision to patronize Islamic banking products and services. Most of the previous studies investigated independently on the dimensions of customer knowledge. But this study would add to the existing studies on knowledge of Islamic banking products by studying in depth the combined effect of experience, values, contextual information and expert insight of Islamic banking products and services by Jaiz bank customers on their decision to patronize Islamic banking products.

The study would provide the much-desired information to prospective customers, investors and future promoters and regulators of Islamic banking services in Nigeria. In addition, policy makers, religious organizations, and academics can make use of the result of the study to create awareness and sensitize the general public on the benefits/opportunities of Islamic banking services in Nigeria.

CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

This chapter undertakes review of both conceptual and empirical literature on the constructs of knowledge of products and customers' patronage. The chapter begins with discussion on the construct and dimensions of knowledge of Islamic banking products and measurement of patronage. This was followed by a review of empirical studies on the relationship between knowledge of Islamic banking products and customer patronage. The chapter concludes with discussion on the theories that underpin the study.

2.2 The Concept of Customers' Knowledge

Knowledge is that which is gained and preserved by knowing; instruction; acquaintance; enlightenment; learning; scholarship; and erudition. Sveiby (1997:37) defines knowledge as "a capacity to act". In the definition, a clear distinction is drawn between knowledge which represents a behavioral potential that is not to be observed directly on one hand, and an observable performance or behaviour on the other. Hunt (2003) conceptualizes knowledge to represent a person's characteristic that exerts influence on a person's behavioral potential. On their part, Davenport and Prusak (2000:5) defines it as a fluid mix of framed experience, values, contextual information and expert insight that provide a framework for evaluation and incorporating new experiences and information.

Studies have documented evidence that product knowledge plays an important role in customer decision making (Kolyesnikova, Laverie, Duhan, Wilcox & Dodd, 2010). Customer product

knowledge is the extent of experiences and familiarity that one has with a product. It is information available for making decisions without external searching (Sujan, 1985; Rao & Monroe, 1988). It indicates how much a customer knows about a product (Keller, 2003). It connotes an understanding of product that might include information about its application, function, features, use, and support requirements.

A customer's product knowledge may be subjective or objective. Objective knowledge on one hand is described as the content and organization of knowledge that customers hold in their memory such as knowledge about terminology, product attributes, uses for the products, and more (Brucks, 1985). Generally, the greater the level of knowledge held in a person's memory, the greater the level of objective knowledge. Kolyesnikova, Laverie, Duhan, Wilcox and Dodd (2010) also referred to objective knowledge as a proxy for the ability to process product information.

Both theoretical and empirical literature have shown that customers can have three types of product knowledge: knowledge about the attributes or characteristics of products, the benefits of using the products, and the values the product will help them achieve. The product attributes may be concrete or abstract while the benefits may be functional or psychosocial. Keller (1993) extends product benefits to consist of functional benefits (basic necessities), experiential benefits (pleasure, stimulation), and symbolic benefits (social approval, self-esteem).

Customers' product knowledge has been studied in different ways (Raju, Lonial & Mangold, 1995; Rao & Monroe, 1988). It has been recognised in marketing as a characteristic that

influences the decision process of customers. Customers differ in their perceptions of product attributes based on the various levels of information they have about a product (Laroche, Bergeron & Goutaland, 2003) such that those with higher levels of product knowledge have better developed and more complex plans, with well-formulated decision criteria, and are more diagnostic and better informed than those who have lower levels of product knowledge (Kempf & Smith, 1998).

2.2.1 Constructs of Customers' Knowledge

The theoretical literature has documented four constructs of customers' product knowledge namely customer experience, value, contextual information and expert insight. The literature also explains the association of these constructs with the activities of firms. The constructs and their dimensions are discussed below:

a) Customers' Experience

Experience assumes conditions of cognitive, affective and cognition involves having mental image, responding emotionally and the intentions derived respectively. Experience can be a verb or a noun. If seen as a verb, experience is a process of learning that ends in learned response and as a noun it means a label given to acquired skills, emotions, sensations and attitude. Customers' experience represents a connection between the customer's emotion (which is internalized in the customer and dependent on periods of contact) and products or services of the organization.

Carbone and Haeckel (1994) define experience as a take-away impression formed by people's encounters with products, services, and businesses – a perception produced when humans

consolidate sensory information. Pine and Gilmore (1998) submit that experiences are a distinct economic offering as different from services as services are from goods. An experience happens when a company deliberately utilizes services at the stage, and products as props, to engage individual customers in a way that creates a memorable event. Bergmann (1999) views it as explicit knowledge that has been acquired by an agent during past problem solving. Experience is, therefore, always situated in an individual, very particular problem solving context. Therefore, experiences are stored knowledge. Lewis and Chambers (2000) define consumer experience as the total outcome to the customer from the combination of environment, goods and services purchased. Poulsson and Kale (2004) describe customer experience as an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and the subsequent memory of that encounter.

Customer experience does not only include the quality of customer care offerings, but also extends to customer interaction with the elements of the marketing mix. They are popularly known as four Ps and Cs in the marketing discipline (Meyer & Schwager, 2007). Direct experience (an ingredient of product knowledge) with a product was the focus of Hoch and Deighton (1989) works which took note of its merit. Human beings expectations from a product or service patronage were found to be influenced by their prior experience with the service provider by Lovelock and Wirtz (2004). Mittal and Gupta (2012) categorizes experience into product and market factors that have effect on customers' perceptions. On one hand, product-based factors are factors such as packaging, value, convenience and perceived utility that affect customers' decisions. Market factors on other hand include price, availability of close substitutes and types of product, which also affect decision of customers.

Positive customer experience offers an opportunity for long-term competitive advantage to the firms and on the other hand, it also results in the form of satisfied and loyal customers with positive word-of-mouth, improved retention and reduced complaints. As Zeithmal, Gremler and Pandit (2011) assert, positive and negative experiences shape the decision of customers in purchasing a product. A study by Kumar, Pozza and Ganesh (2013) establishes that customers' experience is important in determining their satisfaction, loyalty and also the profitability of a firm.

The aforementioned conceptualizations of customers' product experience by scholars point to convergence that experience represents a mixed fluid of customers' products encounters in emotional and environmental contexts that shape understandings and perceptions of the customers. These result in learned decision outcome about the product which in turn, exerts implications for a firm.

b) Customer's Value

Researchers have utilized various terms in defining the construct of perceived value, though most of them mean the same concept. Having looked at ninety marketing-related articles, Woodall (2003) came up with eighteen various names for the value that consumers obtain from purchasing and utilizing the goods. The utilized marketing terms include perceived value (Monroe, 1990), customer value, and value for money. Less frequently used terms are value for the customer, value for customers, customer perceived value and, perceived customer value. Others are consumer value, consumption, value, buyer value, service value, acquisition, and

transaction value, net customer value, perceived service value, consumer surplus and expected value.

Researchers from many scientific disciplines have been tackling value measurement and choice. Firstly, there are psychologists who have mainly been interested in the mental constructs determining evaluations and choice behavior. Secondly, micro economists whose interests have focused on the efficiency of market choice behavior. Thirdly, engineers who attempt to arrive at optimal designs for the use of cost analysis. Fourthly are Operations Researchers (OR) and Management Scientists (MS), who have been modeling customer value and choice within normative frameworks of rational decision making. Finally are marketers whose focus has been on models of value judgment that may be readily translated into actionable elements of the marketing mix. All of these subjects favor different valid approaches and mathematical frameworks to quantify effects of value judgment.

There are various ways to describe value. Theoretical literature has documented four general meanings of value for people. First, value is what is of real worth to people in the greater context of the well-being as well as how individuals survive. In this sense, value is reflected by what values consumers seek to achieve in life as in ‘human values’ mentioned by Rokeach (1973). Also, it means what a society collectively views as significant regardless of whether or not such highly valued objects of use actually contribute to his or her well-being . This is a more collective/objective interpretation of value. Thirdly, value entails that which the individual considers to be worthwhile to hold, or exchange for”. In comparison with the second definition, this is more personal and subjective. Fourth, value refers to “the amount of utility that customers

see as residing in a particular object, and they aim to maximize out of a particular act of buying or consuming. The definition makes reference to the value that is derived from the purchase, consumption and disposition of products and services.

Value that is a dimension of knowledge represents the derived utility obtained on account of acquiring a product. Monroe (1991) considers a value as the client observed ratio obtained by dividing perceived benefit by perceived sacrifice. Customers will only buy the equivalent of perceived value, and companies, in the long run, can only offer benefits that cost less to provide than customers are willing to pay. Customer value is inherent in the use of the product, which differentiates it from personal or organizational values. More so, it is seen by customers and cannot be determined objectively by the seller. Only the client can perceive whether or not a product or service offers value. At a general level, perceived value is defined as a judgment or a valuation by the customer of the comparison between the benefits or utility derived from a product, service or relationship, and the perceived sacrifices or costs (Zeithaml, 1988). According to the definition by Zeithaml (1988), value for the consumer results from the personal comparison of the benefits received and the sacrifices made. It is, therefore, seen to be a highly subjective and personal concept.

There are up to five dimensions of the notion of value identified in the literature (social, emotional, functional, dependent and epistemic). Practical value is seen as a perceived utility of the attributes of the products and services. Emotional value consists of the feelings or the affective states generated by the experience of consumption. Social value is the acceptability or utility at the level of the individual's relationships with his social environment. Epistemic value

on its part is the capacity of the product or service to surprise, arouse curiosity or satisfy the desire for knowledge. Finally, conditional value refers to the conjectural or situational factors such as illness or particular social situations. Esfahani, Jafarzadeh and Nafari (2012:1163) however, mention Kotler's argument that customer value simply consists of product value, service value, personal value, and image value.

The above conceptualizations of customers' product value by researchers point to value as a convergence of social, emotional and functional utilities within an individual's environmental context that defines customers' perceptions about a product or service and subsequent decision to purchase or re purchase.

c) Customers' Contextual Information

Another ingredient of customers' knowledge is contextual information classified by Mooy and Robben (2002) as knowing how the product works, understanding the information in the product description and whether the information given fits well with customer's current knowledge. When the goal is to judge the superiority or inferiority of a target object, the object is compared to some standards. Contextual information can activate associations that are used to interpret the meaning of a subsequently presented product. Models of impression formation share the view that contextual information influences target evaluation through interpretation (Stapel & Komen 2001). This is important when the goal is to discern what a product brand or the person is like and what features it possesses. This process is referred to as interpretation. If individuals use contextual information during interpretation, an assimilation effect will occur and the more confident the context, the more favorable the assessment of the target.

d) Customers' Expert Insight

Expert customers can make finer distinctions between, and understand the relative importance of product attributes. An ability to evaluate products more comprehensively enables customers to base their purchase decision on the product attributes that are most relevant to their situation (Brucks, 1985). Studies on buyers' behavior affirm that the degree of prior expertise a consumer has about the product is likely to influence information evaluation and choice (Alba & Hutchinson, 1987; Rao & Monroe, 1988). As customers gain expertise, they become more efficient at distilling information provided by their advisor; information can be assessed in the context of prior knowledge and experiences (Mason & Bequette, 1998).

The above therefore point to the fact that expert consumers can discern beyond the functional levels of the service offering and direct their evaluation on the core or technical attributes of the product or service based on their prior knowledge.

2.3 Concept and Dimensions of Customer Patronage

Human beings at regular or periodic intervals patronize organizations products/services. Here it can be stressed that there is a strong relationship between patronage and loyalty. Patronage is borne out of a desire to be committed to an organization either based on its service quality or perceived service qualities (Adiele, Grend and Chinedu; 2005).

Patronage is an act of providing support and approval. It simply means the consideration in trade transaction obtained by business outfit from its customers. It connotes the financial support enjoyed by businesses from their customers through purchase and repurchase of one or variety of

products. According to Ozor (2002), patronage represents the collection of the impulses, desires and subsequent considerations within the consumer or customer which induces the purchase of goods from certain outlets or company. Patronage is therefore borne out of a desire to be committed to an organization either based on its service quality or perceived service qualities (Adiele, Grend & Chinedu, 2005). It is a psychological tendency that makes customers evaluate their related entity with some degree of favour or disfavour. It predicts consumption behavior and practices of customers (Tara, Irshad, Khan & Yamin, 2014).

Patronage behavior has been the center of several prior studies as it is seen as an essential way to achieve success and sustainability in business. Patronage behavior is believed to provide incentives for both customers and firms. It allows the customer to develop favorability towards a product and place trust in it, which will consequently offer comfort to the customer that the product will meet expectations (Kim, Morris, & Swait, 2008). On the other hand, patronage provides a firm with several benefits. It makes a firm sell its different products and services to different customers thus making higher margins (Ailawadi, Pauwels & Steenkamp, 2008). It also indicates higher loyalty (Ailawadi, Pauwels, & Steenkamp, 2008), brings competitive advantage and facilitates increased efficiency (Kim, Morris, & Swait, 2008).

Patronage has several antecedents, including product characteristics, affective perceptions and knowledge of the product (Brink, Odekerken-Schroder, & Pauwels, 2006). Studies have shown that customer affective-perceptions toward a particular product and cognitive knowledge about it can influence patronage behavior. Brink, Odekerken-Schroder, and Pauwels (2006) posit that customers' affective perceptions and their level of knowledge about a product make up their

relative attitude toward that product. This suggests a strong association between knowledge and perception of a product on one hand and patronage on the other. Product perceptions are made up of attributes and benefits considered important by a customer. Keller (1993) explains that attributes represent the characteristics of a product and what is involved in its purchase; and benefits are the equivalent of the value that a customer feels a product will provide.

Experience indicates that measuring patronage is extremely difficult. Previous studies have generally measured patronage behaviours in terms of word of mouth and store re-patronage intentions (Reichheld & Teal, 1996; Carpenter, 2008). Word of mouth is defined as person-to-person communication between a perceived communicator and a receiver regarding a brand, a product, or a service (Harrison-Walker, 2001). Word of mouth is widely known as a significant factor which influences consumer decision-making; it can be either positive or negative (Keller & Fay, 2009). This powerful informal communication tool can persuade consumers to make purchasing decisions by offering others' experiences and recommendations related to a store or a product.

Patronage has also been expressed through customer loyalty. In this context, loyalty is defined in terms of willingness and personal initiative for the customer to select the preferred service or product based on their own perceptions. Both theoretically and empirically, loyalty has been found to be associated with patronage. According to the literature, loyalty begets patronage and patronage leads to customer retention.

There are many factors that affect bank customer patronage. Selamat and Abdul-Kadir (2012) indicate that the factors significantly differ between different market segments as shown by studies. The common factors for both conventional and Islamic banks are number of branches (Okumus, 2005; Amin & Isa, 2008), rapid and efficient service (Rashid & Hassan, 2009), bank's reputation and image (Erol *et al.*, 1990; Abduh & Omar, 2012), confidentiality with which a bank handles transactions (Erol *et al.*, 1990), general awareness about products and services (Hidayat & Al-Bawardi, 2012), and reception by bank staff (Holstius & Kaynak, 1995). Other reasons identified in the literature include understanding of products (Hidayat & Al-Bawardi, 2012) and product pricing (Haron *et al.*, 1992; Haron *et al.*, 1994; Gerrard & Cunningham, 1997; Awan & Bukhari, 2011; Hidayat & Al-Bawardi, 2012). In addition, Saini *et al.* (2011) finds efficiency, lower bank charges, availability of ATMs and extensive branch network to be the main drivers of customer patronage.

For Islamic banks, Metawa and Al-Mossawi (1998), Okumus (2005) and Khattak and Kashif-Ur-Rehman (2010) on one hand finds religious motivation to be the most important factor. On the other hand, Abduh and Omar (2012) find Shari'ah compliance of banks to be the main motivating factor. Nawi, Yazid and Mohammed (2013) identify six main reasons which account for patronage of Islamic banks namely: understanding of Islamic banking concept, Shari'ah compliance, religious contradiction, quality and attractiveness of offerings, willingness to deal with Islamic banks and prospects and potentials of Islamic banking.

2.4 Overview of Jaiz Bank Product Offerings

Various Islamic banking products have been developed over the years. Some of the products which are being offered in Jaiz bank and their features are briefly discussed hereunder.

a) Mudaraba

The Mudaraba transaction mode is a partnership transaction arrangement where one party known as owner of capital (Rabbul Mal or sahibul mal) who is a partner contributes capital while the other (Mudarib) undertakes to manage and run the business through his contribution of skill and expertise required for the running of the project. In this arrangement, the contributor of capital is not allowed to direct the routine operations of the business although an agreement can be reached on broad matters as they pertain to the business which the runner/manager is expected to comply with. The bottom line for the arrangement subsisting between the partners is based on mutual trust since the provider of capital is almost solely dependent on the honesty and dedication of the business manager. The contract is governed by terms and conditions which include right to share in profit by all the parties while liability for capital losses is borne by capital owner and loss of effort by the Mudarib. However, if it is established that losses were as a result of negligence of the mudarib, capital losses are borne by him/her.

In modern Islamic banking system, mudaraba deposits are captured in both general investment accounts and specific investment accounts. The two types of account differ in the sense that in the former, the investment project is not defined whereas it is identified in the latter. Anwar, Romansyah, Pramono and Watanabe (2010) maintain that return on mudaraba time deposit is uncertain and thus proposed a model for forecasting its return. There are some literature that

view mudaraba as a combination of sources of capital since under it, no guarantee of recovery of capital is given and therefore differs from conventional savings account that is interest based (Ibrahim, 2007; Shubber & Alzafiri, 2008). Maurer (2002) explains that mudaraba differs from interest-based savings account in conventional banking and does not carry any guarantee of return.

Obaidullah (2007) views Mudarabah as equity-based business venture managed by customer as mudarib and financed by bank as a provider of capital. Chong and Liu (2007) argue that the theory of mudaraba deposits are supposed to be equity-like. However, because of their profit and loss sharing nature, they show the opposite results as the deposits are more debt-like than equity-like. Albalawi (2006) is of the opinion that banks should obtain information pertaining to activities of the entrepreneur including financial transactions prior to Mudaraba contract.

In Jaiz bank, depositors enter into Mudaraba contract with the Bank, whereby they are jointly considered as Mudarib (lenders). The depositors authorise the bank to select suitable investments and projects. Profits are then shared according to agreed profit sharing ratios between the Bank and the investing depositors. Losses (if any) are borne by the investing depositors and the bank, each in proportion to the contribution made unless the bank is demonstrably negligent or in violation of agreed terms.

Two types of Mudarab arrangements exist in Jaiz bank. The first is called Mudaraba Savings Account, which is a profit sharing account. In view of the fact that the amount required to open this account is relatively small, and hence the total investible funds, the profit associated with it

is usually low. The second type of Mudaraba arrangement is known as Jaiz Profit Sharing Account (JAPSA), which is a high yield profit sharing account. The account starts with zero balance and a customer's deposit is placed in a pool. The bank invests the funds available in both accounts in viable, ethical investment outlets. Profit earned there from is shared between depositors and the bank on agreed ratios.

b) Murabaha

Murabaha suggests a sale contract based on mutually agreed profit; i.e., cost plus profit sale or sale at a specified profit markup. The prospective seller in murabaha is also required to provide all material information about the goods being sold such as its purchase price, features, uses, types, as well as defects or additional benefits. Credit sales where the sale is executed, the goods delivered but payment deferred, is also termed as Bai Muajjal although the term Murabaha is more commonly used for deferred payment.

In this arrangement, there is clear equivalence between the goods received by the buyer and the price paid to the seller, as is the case with voluntary exchanges between goods on one side and money on the other. Reciprocity in this situation arises in the vendor's advantage of earning a mark-up (attached to which are the risks of ownership and possession) being matched by the buyer's advantage of utilizing the period and opportunity of using the commodity ahead of making payment.

Hassan (1999) while examining Islamic banking in theory and in practice in Bangladesh, mentioned that "in Murabaha financing, the bank acquires an asset on behalf of a customer. The bank then resells the asset to the customer at a predetermined price which covers the original cost

and additional agreed-upon profit margin. Payment may be effected in the future in lump- sum or installments. Ownership rests with the bank until all payments are concluded. Murabaha financing is the classical instrument for trade financing, dating to 9th century Arabia.’’. Zaher and Hassan (2001) emphasize that the depositor is responsible for being at the spearhead of negotiating the significant terms of the transaction with the seller.

In modern Islamic banking, Murabaha is ideal for salary account holders with monthly repayment that does not normally exceed 33% of monthly salary of confirmed staff for at least a year. Murabaha financing covers purchase of vehicles, houses, home appliances and other assets that a customer will request an Islamic bank to buy and sell to him on a cost-plus arrangement. In Jaiz bank, Murabaha is the most popular and mostly patronised financing mode

c) Musharaka

Musharaka refers to a joint partnership formed for conducting business in which all parties partake in sharing the profit in accordance to the specified ratio, while the loss is divided according to the ratio of the contribution. Siddiqi (1987) views *Sharikah* (the root of the word Musharaka) as participation of two or more persons in a certain business with defined amounts of capital according to a contract for jointly carrying out a business and for sharing of profit and loss in specified proportions.

The following Qur’anic verses have given indications of the validity of Musharaka

“...but if more than two, they share in a third ...” Surat Al-Nisa’, Quran ch.4 v.12.

The verse specifically refers to a rule of inheritance in Islam. But generally, Muslim jurists have regarded the text as containing general permissibility of any form of partnership. In addition, scholars often use the following verse to justify the basis of joint partnership:

“Verily many are the partners (in business) who wrong each other except those who believe and work deeds of righteousness and how few are they...” Suratul Al-Sad, Quran ch.38 v.24.

Based on both Surat al-Nisa and Surat al-Sad, in the verses above, Allah (SWT) describes partnership of property. In the first verse, if a person dies without leaving behind any ascendants or descendants; but he has brothers and sisters from two and above; then they will divide a third of the belongings of the dead. In the second verse, there is an indication of prescription of the manner in which the believers conduct business of the partnership.

In Musharaka mode, capital in the business is not confined to cash only but can also be capital in kind. Thus, one party may provide cash while the other provides tangible assets as a contribution to capital in the business. Furthermore, decision on the choice of the extent of involvement in the partnership rests with parties to the partnership where one could prefer to be an active partner or prefer to remain as a sleeping partner. Bendjilali and Khan (1995) posit some problems in the application of the musharakah contract which includes its limitations in terms of restructuring at no cost and perpetuity of profit and loss sharing arrangement. Moral hazard and risk of betrayal of trust are often cited among the reasons why Islamic banks develop phobia for Musharaka

Zaher and Hassan (2001) emphasise that Musharaka is suitable for long-term project financing and adheres to the principle of profit and loss sharing. They regard it as the purest form of Islamic finance at the present time and encourage its implementation and use. Similarly, Hassoune and Volland (2006) argue that this practice has been instituted by the Islamic financial institutions in order to bring profit sharing investment accounts in line with the products offered by conventional banks, which are competing for investments.

Musharakah Mutanaqisah (diminishing partnership) is a special form of *Musharakah* which ultimately culminates in the ownership of the joint asset or property by one partner. The term *Musharakah Mutanaqisah* is not found in the classical Islamic jurisprudence (*fiqh*). It has been developed by modern jurists in order to meet the needs of contemporary Islamic finance (Ayub, 2007). Bendjilali and Khan (1995) summarizes the salient features of diminishing Musharaka as follows:

- i) A client entrepreneur along with a financier develops a project on the basis of Musharaka
- ii) Profits are shared in agreed ratio irrespective of capital contribution while losses on the basis of capital contributions
- iii) The provider of capital makes a binding commitment to relinquish his shares in the enterprise on an installment basis
- iv) The client makes voluntary purchase of the shares at prevailing prices at the time of the acquisition and later becomes the owner of the project

In Jaiz bank, Musharaka operates under the Jaiz Home Acquisition Plan (JHAP), where the Bank partners with customers in owning the home of their choice (*Shirkatul-Milk*). The Bank

will transfer ownership over an agreed period through a hire purchase arrangement where the customer agrees to a monthly payment of which a percentage/portion is for the use of the home (rent), and another for customer's equity share (i.e. reducing the Bank's share). In fact, the total monthly payment is reduced as customer's share in the property increases. After making full payment as agreed from the onset, the customer becomes the sole owner of the property with full title.

d) Ijarah

In this form of financing, an Islamic bank/financier buys an asset and gives possession to a customer who agrees to utilize the asset not as personally owned but on rent. This means the customer pays on agreed basis, rent for the asset. A typical form of rental based financing is Ijarah (Leasing) which remains a unique rental mode of Islamic financing. This form of transaction entails an asset owner usually the lessor to give possession of the asset to another party (lessee) in need in consideration of receiving an agreed periodic payment as rent. There are two types of lease in Islamic finance which are financial and operating leases.

The first known as financial lease involves the lessee making an undertaking to acquire the asset in lease at the end of the existing lease contract. The undertaking is usually obtained at the beginning of the existing transaction. On the other hand, an operating lease does not include obtaining such an undertaking and is not a condition for the lease transaction. Due to certain characteristics necessary for leasing to be valid, not all assets qualify for leasing transaction. For assets to qualify for leasing, the assets must be physical in nature, durable, identifiable and can be quantified.

In Jaiz bank, there is a home finance product that enables customers acquire, build or complete a home under the principle of *Ijarah wa iqtina* (a lease to own). The asset/property is purchased/constructed and owned by both the bank and the customer jointly. The Bank then leases its part to the customer against an agreed rental plus bank's share over an agreed period with the flexibility of a monthly, quarterly, biannual or annual repayment plan. There is also Jaiz Auto Ijara which is ideal for individuals or corporate customers looking for car financing. It enables customers to acquire a car on the principle of Ijara (lease) for rental payments. Jaiz bank also offers ijarah service financing for salary, Hajj and education.

e) Salam

Salam is a sale contract based on forward sale used for generic goods (i.e., commodities). Salam represents an exemption to the general rule of sale since the subject matter may or may not exist as at the day of sale but the vendor can sell it on forwards basis. It was reported that buyers during the time of the Prophet (peace be upon him) pay the full price on day one and wait for farmers to cultivate agricultural products to be delivered at an agreed time and in agreed quantity and this arrangement was approved by the Prophet. This practice allows farmers to utilize the money received as working capital to start cultivation activities. The farmer will on maturity deliver the agreed quantity of the produce to the buyer. According to Rosly (2005), Salam is a prepayment sale that is both interest-free and collateral-free and such arrangement has the potential of giving benefits to both parties.

In the current banking scene, Islamic banks can use this instrument to fund small farmers. A maize farmer can sell one ton (1000 kg) of maize to an Islamic bank or Islamic financier, to be delivered in six months. The bank/Islamic financier pays the total purchase price (say, N 10,000). After six months, the farmer delivers the maize to the bank/Islamic financier, which can in turn sell this in the market or to any interested third party and gain profit. Salam, however, is not popular with Islamic banks. It is widely used in Sudan but not elsewhere. According to Rosly (2005), there are risks involved in Salam where both parties are exposed to price risks among others.

Salam mode of financing has started gaining ground in Jaiz bank. Farmers are now approaching the Bank for financing under Salam arrangement especially with the recent agricultural intervention funds launched by the CBN. Although the process of accessing the funds involved interest, as an Islamic bank licensed by the CBN, Jaiz bank is working on how to access the funds based on the principles of non-interest banking arrangement.

f) Istisnaa

An extension of the Salam concept is the Istisna concept. Whereas in case of Salam only generic goods are involved and requires full payment up front, Istisna, on the other hand, involves the construction or manufacturing of unique goods (which require certain specifications). Istisna is somewhat similar to Salam since it is used to finance goods not yet available; but, does not require full payment up front. In Salam, goods may or may not be available but the arrangement requires full upfront payment and future delivery. For example, a farmer is in need of money to start a farming business and wishes to purchase farm machinery. The farmer could approach an

Islamic bank/Islamic financier for help to acquire it. In effect, the farmer buys the machinery to be manufactured from the Islamic bank/Islamic financier financing (an Istisna transaction). Ultimately, the farmer would pay the Islamic bank/Islamic financier the purchase price (the cost to the bank to buy the farm machinery and the profit margin it is charging). The bank/financier, of course, lacks the capacity to manufacture the farm machinery and would have to place an order with the manufacturer. This is another Istisna contract, under which the Islamic bank buys the farm machinery to be manufactured from the manufacturer.

The other segment of the transaction is the cost of the farm machinery that the bank/financier is paying to the manufacturer. In other words, in this parallel Istisna, the bank/financier buys the farm machinery under manufacture from a manufacturer (cost to the bank/financier) and sells it to the farmer (selling price, i.e., cost plus profit). The farmer then makes a deferred payment to settle what he/she owes the bank/financier.

2.5 Review of Empirical Studies

Customers' knowledge of Islamic banking products was viewed and studied from different angles. The studies include those on user perceptions of Islamic banking practices as seen in the work of Akbar, Ali Shah and Kalmadi (2012). Their study seeks to explore the kind of understanding and perceptions UK customers have about Islamic banking practices. The study finds that customers hold the belief that Islamic bank practices are welfare oriented as encapsulated in profit and loss sharing principle. Chikezie and Nwukamaka (2014) carried out a study on Islamic banking customers' segment with a view to determining whether significant differences exist in their mean perception of the relative advantage of Islamic banking. The study

used religious groups in Awka, Anambra state, Nigeria, where it assessed the relationship between the demographic factors that made up the participants of the study while ANOVA was utilized to ascertain whether there is mean significant difference between the groups. The result showed significant difference among their perceptions of relative advantage of Islamic banking.

One of the earliest and most commonly referred to works in the literature pertaining to Islamic banking based customer patronage is the work of Erol and El-Bdour (1989). Subsequent work by Erol *et al.* (1990) utilizes the same survey data but with a different technical methodology to examine the patronage behaviour of Jordanian bank customers. It compared those who patronised four various types of bank (Jordanian-Arab banks, Islamic banks, American banks and European banks); those with different user frequencies (infrequent, regular and frequent users) and those who used different types of account (cheque, savings, and foreign currency accounts). There was substantial agreement between the two studies with respect to awareness of Islamic banking in Jordan. Furthermore, rapid and efficient service, bank's reputation and image as well as the confidentiality with which a bank handles transactions were the important factors that customers considered in the patronage of a bank. It was also established that those who patronize Islamic banks differed significantly from those who patronize conventional banks in their understanding of bank pricing policies. However, religious motivation was found to have no significant effect on the overall use of Islamic banks' services.

Abdullahi and Abdul Rahman (2007) examine the factors that influence knowledge of Islamic banking services among Malaysian bank managers. The study discovered that bank managers have good knowledge of the general principles of Islamic banking and finance as well as some

concepts such as murabahah/bay bi-thaman ajil, qard hasan and ijarah. However, their knowledge regarding other concepts, like musharakah and mudarabah is only at a moderate level. Furthermore, advanced concepts of Islamic banking and finance such as ghurmi (risk) and gharar (uncertainty) are relatively poorly understood. The study used Pearson Correlation test which established attendance at training programmes as the most significant factor in improving the managers' level of knowledge of Islamic banking and finance.

Rustam, Bibi, Zaman, Rustam and Zahid-ul-Haq (2011) examine the perceptions of corporate customers towards Islamic banking products and services in Pakistan. The study discussed the three main parameters which are, use of conventional and Islamic banking facilities, respondents' understanding of Islamic banking system, and their personal opinion on various aspects of Islamic banking products. The results indicated that Islamic banking products and services had good potential within Pakistani corporate sector. Hidayat and Al-Bawardi (2012) examine non-Muslims' perceptions toward Islamic banking services in Saudi Arabia. The results obtained from the study confirmed that there is general awareness among all the respondents about Islamic banking products and services. Furthermore, the study showed those Islamic banks' cheaper costs of transactions as well as better service delivery is the determinant of Islamic banking products and services patronage.

In another dimension of customers' knowledge, Hamid and Othman (2009) cited in (Muhamat, Jaafar, & Azizan, 2011) conduct a work which measures the level of knowledge and understanding among Muslims towards the concepts, Arabic and Shari'ah terms in Takaful (Islamic insurance) industry. The study finds that a majority of the respondents do not know the

concepts and Shari'ah terms used in the Takaful's contract. A customer's knowledge is also a function of his/her value and as Muhamat *et al.* (2011) reports while studying banks' clients' sensitivity towards the adoption of Arabic terminology amongst Islamic banks. The clients agree that the use of Arabic language provides a competitive edge to the Islamic banks.

Another study that was undertaken by Tan and Chua (1996) using random sampling technique with small size established influence from family and friends as critical determinants of bank patronage. While the convenience associated with the location of the bank was found to be a moderate ranking factor, the speed with which service is delivered was found to be the least patronage determinant. Contrary to this, however, is the finding of a study by Sudin-Haron *et al.* (1994) in Malaysia. In the work, influence from family and friends was established to be of less importance, while availability of rapid and efficient service was the topmost criterion.

For online Islamic banking patronage, Dalhatu, Abdullah, Ibrahim, and Abideen (2014) present the result of a pilot study on the adoption of online banking by Nigerian retail customers of an Islamic bank. The study used an extended technology acceptance model which was modified with awareness, trust and technology quality. The study showed a reliability estimates for internal consistency (Cronbach's alpha) for all the thirty seven items based on seven constructs ranges from 0.88 (convenience) to 0.96 (attitudes). This implies statistically acceptable internal consistency reliability. The study however suffers the limitation of being focused on only retail customers of Jaiz Islamic bank excluding other types of banking customers like businesses and institutions.

From the perspective of conventional banking, a study conducted in Ghana by Narteh and Frimpong (2011) finds that student customers view image, attitude and behavior of staff, fundamental delivery of service and technology-related factors as the main issues that influence consumers' decision to patronize a bank. A drawback of the study can be seen in the student population used for the study, which limits the generalization of the findings. Also, service as seen in different perspectives may be indefinable, inseparable, heterogeneous, diverse and perishable (Zeithaml & Bitner, 1996). Quality of service is primarily linked, although not equivalent to satisfaction level. In another study in Ghana by Narteh (2012), satisfaction with bank services, bank image, availability of electronic bank services and perceived service quality were found to be the patronage factors. . In the works of Javalgi et al. (1989) in the United States, the research establishes that depositors' funds safety was an important factor for patronage.

The various studies on patronage have their limitations. For example, the works of Ahmad and Haron (2002), utilized 45 respondents as a sample size. While in the works of Kader (1993, 1995) and Haron et al., 1994), restrictive samples that are obtained from one single location or district were used.

Customers' Level of Education

Rashid and Hassan (2009) cited in Naser, Al Salem, and Nuseibeh (2013) investigate how demographic groupings including gender, age, marital status and educational qualification have impact on bank patronage. The study found varying factors as determinants. Kaynak *et al.* (1991) observe that the provision of a fast and efficient service was an important factor for a bank

patronage in Turkey. Holstius and Kaynak (1995) view the reception accorded to the customer while in the bank premises as the primary critical factor in Finland. Laroche *et al.* (1986), in their Canadian study, made comparisons relating to gender, age, educational level, income and language spoken (i.e. French or English) and establish that there are some significant differences in choice criteria for retail banks in Canada. In Bangladesh, Rashid and Hassan (2009) also find that customers with different demographic backgrounds reported different levels of importance towards choice criteria for Islamic banks.

Customers' Religion

Abduh and Omar (2012) examine Islamic banking patronage criteria. The research applied Analytic Hierarchy Processes (AHP) to respondents from Malaysia. The result indicated that the most important attribute for individuals in Malaysia to patronize an Islamic bank is Sharia-compliance. Nawawi, Yazid, and Mohammed (2013) in their work in Malaysia found six main reasons for customers' preference for Islamic banking products. The reasons are based on understanding of Islamic banking concept, Shari'ah compliance, religious conviction, quality and attractiveness of offerings, willingness to deal with Islamic banks and prospects and potentials of Islamic banks. Khattak and Kashif-Ur-Rehman (2010) also confirms that in Pakistan customers patronize Islamic Banks because of religious motivations.

Contrary to the above however, an interesting finding of the early studies is that religion, which Haque, Rahman and Yasmin (2012) state is measured by five indicators (adherence to religious teachings, commitment, motivation, affiliation, knowledge about religion and awareness of the social consequences of following a religion) is not a necessary motivation to attract people to

Islamic banks. Saini *et al.* (2011) found that in South Africa Muslims are not unaware of Islamic banks but the patronage level is low when compared to the awareness. To the Muslim customers, the important factors are efficiency, lower bank charges, the availability of ATMs and extensive branch network. The study of Sayani and Miniaoui (2013) seeks to identify what determines bank patronage for both Islamic and conventional banks in the United Arab Emirate. The work arrived at a finding that what determines bank patronages are more clearly seen among Islamic bank customers than conventional bank customers. The study however is limited by its use of convenience sampling.

In Nigeria, Hussain (2010) conducts an empirical analysis of the behavior of Small Scale Businesses (SSB) toward profit and loss financing in Kano metropolis. The study found that Small scale businesses in Nigeria, consider interest rate in choosing where to sought finance. This may be explained by influence of religion and the cost implication of interest. It also found that there is a significant relationship between religion and the sources of funds. This may imply that SSBs patronise conventional interest based banks because of lack of alternative interest free source that can meet their financing needs.

Although, many of the researches were carried out in countries where there is a majority Muslim population, others have been conducted for Muslim minority nations. One of the earliest of such examples is the Singapore-based work by Gerrard and Cunningham (1997). Their work is helpful in observing the differences and similarities in attitude between Muslims and those who are non-Muslims towards Islamic banking. The study found that pricing is the most important factor that determines patronage of Islamic banks.

Customers' Experience

Lin and Bennett (2014) examine customer experience and how it may be linked to customer satisfaction and loyalty. The work further tested if loyalty programmes moderate the links. The study revealed that customer experience influences customer satisfaction and loyalty. It also revealed that loyalty programmes do not show a significant moderating role in improving the linkages in the customer experience model. The study however did not indicate if each loyalty programme did not show a significant moderating role as it is when they are considered collectively. In another contribution, Garg, Rahman and Qureshi (2014) measures customer experience in Indian banks. The study examined 14 factors of customer experience and identified their impact on customer satisfaction. The work used a one-way ANOVA test in identifying the relationship between 14 experience factors and demographics of respondents. It found a 41-item, 14 factor reliable and valid customer experience scale among which “convenience” appears as the most significant among all the factors. However, the study is limited in the sense that it concentrates on a sector-specific scale.

Customers' Value

Esfahani, Jafarzadeh and Nafari (2012) examines the factors which are related to customer relationship management based on Kotler's argument that customer value consists of product value, service value, personals value, and images value. The study utilized questionnaire administered in the field with a population of 121 customers. The finding from the work showed that there is relationship between functional value, social value, emotional value and customer relationship management functions. Sajtos, Kreis and Brodie (2015) in their contribution to the

study of customer value, explored the moderating role of advertising spending- and labour-intensity in customer loyalty. The study focused on four sectors including banking and found company image and employee trust to have a significant impact on customer value and loyalty perceptions, with considerable differences in patterns across the chosen contexts. The limitation of the study can be expressed in terms of its wide and combined contexts outside the banking sector.

Customers' Expert Insight

As customer expert insight increases due to increasing education, customers are likely to be more confident in evaluating the quality of service they obtain and how this compares with competitive offerings (Alba and Hutchinson, 1987). Expert customers are able to make more clear distinctions between, and appreciate the relative importance of, products attributes. Customers' ability to evaluate products more comprehensively places them comfortably to base their patronage of the products that are most relevant to their situation (Brucks, 1985). Consequently, expert customers may not rely on one financial service provider for all investment needs, and thus may unbundle service offerings. Furthermore, increasing customer expert insight may reduce perceived switching costs, especially procedural costs associated with switching. Procedural costs are costs associated with competitor evaluation, learning, and set-up, and are likely to be lower for customers with a high level of expert insight.

Bell and Eisingerich, (2007) conduct a study to consider the dynamics of customer education by exploring the relationship between education and customer expert insight and their combined effects on customer loyalty in a high involvement investment services context. The study finds

customer loyalty to be positively and significantly related to technical service quality, functional service quality, and customer education. Customer expert insight was not negatively related to customer loyalty. Customer education was found to be positively associated with customer expert insight.

Customers' Contextual Information

Evidences show that consumer preferences for and evaluations of price offers are based to a large extent on the decision context and situational issues available. Thus, perceptions of value are multidimensional (Zeithaml 1988). Adaval and Monroe (2002) in their study find that two experiments showed that a product was judged as less expensive in a high-priced context than in a low priced context even though the product's actual price was recalled as higher in the first condition than in the second. This effect of the initial context carried over to a new product encountered 48 hours later and also influenced price estimates of products from other categories. Baker, Parasuraman, Grewal and Voss (2002) examine how store environment cues influence consumers' store choice decision criteria. They examine the extent to which contextual information influence consumers' assessments of a store on various store choice criteria and how those assessments, in turn, influence patronage intentions.

2.6 Theoretical Framework

The study utilized the Theory of Reasoned Action (TRA), Behavioral Decision Theory (BDT) and Innovation Diffusion Theory (IDT) as the underlying theories that underpin the research. Discussion on the theories and how they are linked to the variables of the study is given hereunder.

Theory of Reasoned Action (TRA)

The TRA theory has been variously employed in studies related to determination of factors responsible for customers' patronage of bank products. Customers' patronage of Islamic bank products has been a matter of study with different factors established as determinants, and which studies utilized the TRA. The theory introduced by Fishbein and Azjen (1975) establishes the nature of the relationship between attitudes, beliefs, intentions and behavior. The theory is essentially about gaining a deep understanding of the influence of a person's belief and attitude on his behavior. In the theory, attitude is defined to mean an index of the extent to which a person likes or dislikes something. Attitude has also been viewed as the favorableness and unfavorableness an individual feels for something. Attitude, believe, intentions and behavior are thus indices of human knowledge.

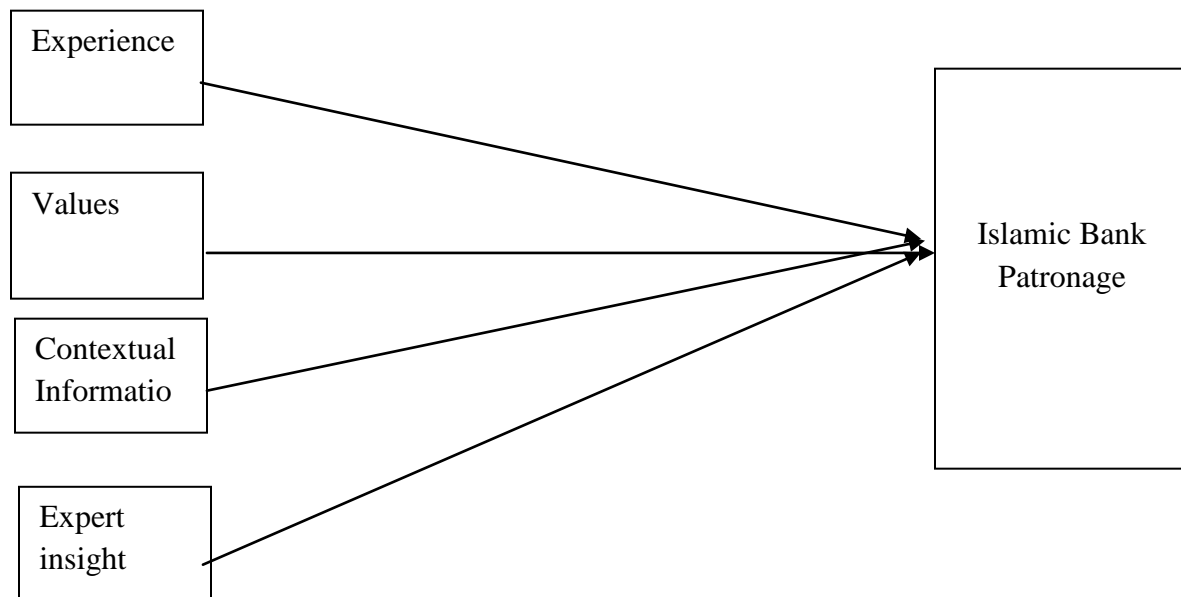
Studies that utilized the theory include Md-Taib, Ramayah and Abdul Razaq (2008), Abdul-Razak and Abduh, (2012) and Amin, Abdulrahman, and Abdulrazak (2013). The study by Md-Taib et al. (2008) tested the application of the TRA model in predicting *musharakah mutanaqisah* home financing acceptance and found that an individual's behavioural intention is determined by his/her attitude and social influence. Similarly, Abdul-Razak and Abduh (2012) examines whether the TRA model could predict *musharakah mutanaqisah* home financing acceptance. The choice of TRA was due to the fact that its predictive power makes it easy to apply in different contexts of study and had received rich empirical supports. The theory is relevant in explaining the relationship between customers' product knowledge dimensions of this study and the dependent variable of customers' product patronage.

Behavioral Decision Theory (BDT)

Behavioral Decision Theory (BDT) by Herbert Simon (1959) is used in this study as it is a theory that describes human decision making. This theory seeks to understand the actual decision-making patterns of humans, such as underweighting or overweighting of probabilities, decision or choice framing. The main constructs/factors in the theory includes choice framing, decision processes and decision strategies. The theory was used by Swait and Adamowicz (2001) in their work on choice environment, market complexity, and consumer behavior. The elements in the theory are relevant to the dependent variable of customer's bank patronage in this study since patronage is an outcome of customers' decision and reflects consumer behavior.

Figure 2.1 Conceptual Model of the Study

In this work, the conceptual model adopted is depicted in the following diagram



Source: Davenport and Prusak knowledge conceptualization (2000)

The framework was adapted from a previous study on perception, awareness and understanding of Muslim account holders in conventional banks towards Islamic bank patronizing Islamic bank products in Nigeria by Ringim (2012). However, some modifications on the previous research framework were made by introducing experience, value, contextual information and expert insight.

CHAPTER THREE METHODOLOGY

3.1 Introduction

This chapter gives an insight of the methodology employed in conducting the study. The chapter shows the kind of information and data used in the work, along with specification of the sources of data and how it was organized, analyzed and presented. It also presents an explanation of how the hypotheses of the study were put to test.

3.2 Research Design

This research is essentially a survey design, which is also known as non-experimental and is descriptive and causal. It utilized cross-sectional data of account holders who have patronized the products of Jaiz bank. Cross-sectional surveys involve the collection of data at a single point in time from a sample drawn from a specified population. This design is most often used to document the prevalence of particular characteristics in a population. The study adopted survey design because it focused on gauging customers' knowledge about the bank's products and how it influences their patronage of the products. Surveys allow respondents to answer questions with candid and valid answers and are less expensive. Survey design is generally considered as the most appropriate design for this type of study.

3.3 Population and Sampling Technique and Size

This study has a finite population of individuals as a research unit. The population consists of the customers of Jaiz bank who opened and maintained different accounts in the branches of the bank in Nigeria irrespective of their faiths. The population size is put at 112,000 as at July, 2015 based on information obtained from Jaiz bank management.

A probability sampling technique instead of non-probability sampling was used in this study. Probability sampling entails granting equal chance of consideration as a sample to all subjects in the population. The study units of analysis are the customers of Jaiz bank that opened and maintained accounts with the bank as at the time of collecting data for the research. To obtain a true representative sample of the target population, the Yaro Yamane formula for sample size determination was used. This technique ensures that the sample is a true representative and that systematic bias has not been introduced.

The formula is given as:

$$n = \frac{N}{1 + N (e)^2}$$

Where n = Sample size

N = Population of the study

e = Tolerable error (5%)

Accordingly, the sample size was

$$n = \frac{112,000}{1 + 112,000 (0.05)^2}$$

$$n = 399 \text{ customers}$$

An iteration of 20% was added to the sample size in order to allow for more respondents in view of possible inaccurate responses as well as unreturned questionnaires that are normally associated with survey studies. (Liu & Liang, 1997). The new sample size after iteration stood at 479 but was rounded up to 490 in order to increase the power of the sample.

3.4 Sources of Data

The primary source of data for this study was the questionnaire served through self-administration, mail delivery as well as use of research assistants. The questionnaire was structured into two (2) main sections. In section A, questions were asked about the personal background of the respondents to obtain demographic data. In section B, the respondents were asked questions on the independent variables (customer's knowledge) and dependent variable (patronage).

3.5 Administration of the Research Instrument

This research work utilized primary data collected via a designed questionnaire. In the study, a simple random sampling technique was used to serve the questionnaire. Generally, a survey questionnaire can be administered through two approaches; by direct self-administration or by mail (Ticehurst & Veal, 2000). The self-administered (drop and- collect) technique was selected with a view to obtaining information from the respondents who were handy in the branches of the bank and were readily available to ask questions for clarification (Sekaran 2003; Zikmund 2003). The researcher was available to probe any incomplete answers and to clarify any unclear questions. Furthermore, research assistants were appointed to complement self-administration of questionnaires to customers not visited by the researcher personally.

3.5.1 Description of Instrument

For both the independent variables and the dependent variable, Likert scales were used to measure responses from 1= Strongly Disagree to 6= Strongly Agree. The six-point type rating scale was used in measuring responses to the questions. Six-point rating scale assists the

researcher to compute means and standard deviations of responses on variables as well as the midpoint on the scale. There are literature works which found that scales between 5 to 7 points present more reliable and valid measures than shorter or longer scales (Krosnick, 1991).

3.5.2 Validity of Instrument

Validity refers to the degree to which a research instrument measures what it attempts to measure that is, the ability of scale or instrument to measure what it is required to measure (Zikmund, 2003). Validity can be further evaluated through three methods; content or face validity (that is, how well dimensions and elements of concept delineated and subjective agreement among professionals on a scale logically appears to accurately reflect what it intends to measure); construct validity (that is, degree of confirmation by network measurements and scale representations of related hypotheses developed from theory on the basis of concepts), and criterion validity (that is ability of items/measures to correlate with other items/ measures of the same construct and degree of scalability to predict variables designating a criterion) assessment (Sekaran, 2003; Cooper & Schindler, 2003; Zikmund 2003). For this study, content validity of the research instrument was established through validations made by academics as well as industry operators as evidenced in the appendices provided in Appendix B.

3.5.3 Reliability of Instrument

Reliability refers to the ability of a research instrument to produce consistent results . It also means that a measurement procedure yields consistent or equivalent scores when the phenomenon being measured is not changing (Yahya, 2014). It is a necessary but not sufficient contributor to validity (Cooper & Schindler, 1998).

Reliability should minimize errors and biases (Zikmund, 2003) and demonstrate operations that data collection procedures under identical or similar conditions can be repeated by achieving the same results (Neuman, 2006). Shehu and Mahmood (2014) opined that the most popular test of inter-item consistency and reliability in any research study is the Cronbach's (1951) coefficient alpha. Cooper and Schindler (1998) describes it as the most common method of ensuring reliability for a multi-item scale measurement. Based on the above submission, Cronbach's alpha coefficient was used in this study to measure the internal consistency as a verification of the reliability of the composite items comprising each scale for each construct.

To achieve reliability and also ensure that the instrument adapted in this study is reliable, efforts were made to ensure that none of the items has less than the required cut off value. According to Sekaran and Bougie's (2010) standard, an instrument with a coefficient of 0.60 is regarded to have an average reliability; whereas a coefficient of 0.70 and above shows that the instrument has a high level of reliability. This implies statistically acceptable internal consistency reliability. The reliability test for each dimension emerged after factor analysis was conducted. The results of the test are shown in Table

Table 3.1: Summary of reliability Analysis of major variables

Variable	No. of Items	No. of items deleted	Cronbach 's Alpha
Independent Variables:			
Experience	15	12	.930
Expert Insight	6	2	.798
Value	5	3	.884
Dependent Variable:			
Islamic Banking Patronage	11	-	.956

Source: Author's extraction from SPSS Output

Table 3.1 shows that out of 15 measurement items for experience in the questionnaire, 12 were deleted and 3 were retained, 2 were deleted for expert insight and 4 were retained, while 3 were deleted for value, with 2 items retained. The Cronbach's alpha of the dependent and independent variables of the study ranges from .798 to .956. The reliability coefficients are all above 0.7 and are deemed acceptable as indicators of reliability. This means that the overall reliability measurement of the instrument is acceptable in terms of reliability thus depicting its internal consistency. That is, the instrument can give consistent results on the effect of customers' product experience, expert insight and value on customer patronage of Islamic banking products in Jaiz bank Plc.

3.5.4 Pilot Test

A pilot test is usually conducted to serve as a trial containing fewer elements before a full blown study is undertaken. A pilot study facilitates the establishment of relevant questions for the main study and utilizes small sample size in the range of 15 to 30 respondents. For this study, 30 useful responses formed the basis for the pilot study. Accordingly, questionnaires were self-administered to randomly pick customers of Jaiz bank both in the bank's banking hall and outside the banking hall.

The results obtained from analysis made using SPSS version 16 were presented in table 3.1:

Table 3.2: Summary of Reliability Analysis

Independent Variables	No of measures	Cronbach's alpha
Product experience	15	.934
Product value	5	.863

Product contextual information	4	.814
Product expert insight	6	.937
Dependent Variable		
Islamic Banking Patronage	11	.944

Source: SPSS computation of Reliability

From table 3.1, it can be seen that 15 measures were used for the first independent variable which resulted in a very high reliability of .934 of Cronbach's alpha well above the stipulated cut off of .70. For the second independent variable, 5 measures were used which also resulted in high reliability of .863. The third independent variable was measured by 4 items resulting in .814 and finally, the fourth independent variable was measured by 6 items which resulted in .937 Cronbach's alpha coefficient. Overall, product expert insight has recorded the highest reliability among the independent variables in the pilot study. For the dependent variable, the reliability result showed a reliability coefficient of .944. This indicates a high level of consistency in the measurement items as shown in the questionnaire.

3.6 Data Analysis Method and Model Specification

Initial analyses of data were undertaken to check for normality and outliers prior to conducting reliability analysis. The data was analyzed using Statistical Package for the Social Science (SPSS), version 16.0 software platform. Six methods of data analysis were used for the main study using the SPSS software. These analyses include:

- i) Cleaning and screening of data
- ii) Descriptive statistics
- iii) Factor and Reliability analysis
- iv) Pearson Correlation analysis

v) Multiple regression analysis

i) Cleaning and Screening the Data

Data screening was conducted through an examination of basic descriptive statistics and frequency distributions. Values that were found to be out of range or were improperly coded were detected, and a frequency test was run for every variable to identify any missing responses.

ii) Descriptive Analysis

Before a researcher carries out any statistical analyses such as correlation, it is important to ensure that any assumptions to be made for a test remains not violated. Such testing of assumptions, usually, involves obtaining descriptive statistics on the variables. These descriptive statistics include the mean, standard deviation, range of scores, skewness & kurtosis (Pallant, 2001). In this work, descriptive statistics on the variables were presented to facilitate further analyses as shown in chapter four.

iii) Factor and Reliability Analysis

The principal component analysis was performed for the determination of the set of common underlying dimensions of the independent variable known as the factors. Factor analysis is used in order to ascertain whether each construct cluster together, thereby reducing a large number of variables to meaningful, interpretable and manageable set of factors (Cavana, Dalahaye & Sekaran 2001). The sample size required to perform factor analysis should be 100 or larger, or to have at least five times as many observations as possible for the variables. Factor analysis was based on the principal component method with varimax rotation for all components.

In this study, with four variables that require factor analysis and a sample size of 417 is greater than the minimum required for factor analysis. According to Hair et al. a sample size above 250 requires a factor loading of 0.35 for assessing statistical significance. Hence, the minimum requirement for factor analysis was fulfilled. Other criteria for factor analysis suggested by Hair et al., (2010) and which were met as far as the study is concerned are:

- 1) Sample size of the population should be above 150 respondents with at least five respondents (5-cases) to each variable on the questionnaire.
- 2) Bartlett's test of Sphericity (test of presence of correlation among variables) need to be significant at $p < 0.05$ or smaller.
- 3) Kaiser-Meyer-Olkin (KMO) /Overall Measure of Sampling Adequacy (MSA) should be at least 0.50 or above. These values are presented as part of the output from factor analysis.
- 4) Communalities schedule indicates the information on how much of the variance in each item is explained. Low communality values (e.g. less than 0.50) could be deleted as it will be indicative of unfitness of the item with other items in the component. Removing items with low communalities values tend to increase the total variance explained.
- 5) The criteria proposed by Igbaria, Livari and Maragahh (1995) for cross-loading were used. The guideline was that each item should load .50 or greater on one factor and .35 or lower on the other factor.
- 6) To determine how many components (factors) to extract, there is the need to consider information provided by the output: Firstly, using Kaiser's criterion, that is based on components that have an eigen value of more than (1) one. Eigen value represents the

total variance explained by each factor. The total variance explained is looked at to determine how many components meet this criterion.

- 7) The naming of a factor is influenced by items with higher loading to a greater extent

iv) **Correlation Analysis**

The analysis was conducted to find the link between variables under study. Correlation analysis usually identifies the power and direction of the linear relationship between two variables. The analysis results show which of the variables correlate with the dependent variable as well as whether multi-co linearity exist among the variables before using multiple regression analysis

The formula for simple Correlation coefficient is given as:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2] [n\sum y^2 - (\sum y)^2]}}$$

Where r= linear correlation coefficient

n= No of pairs

x= scores in respect of independent variable

$\sum x$ =Sum of x scores in respect of independent variables

y=scores in respect of dependent variable

$\sum y$ =Sum of y scores in respect of dependent variables

$\sum xy$ =Sum of the products of paired scores

$\sum x^2$ = Sum of squared x scores

$\sum y^2$ = Sum of squared y scores

Cohen (1988) suggested that the following guidelines be employed to aid interpretation of results:

$r=0.10$ to $.29$ or $r = -.10$ to $-.29$ indicating small relationship

$r= .3$ to $.49$ or $r = -.30$ to $-.49$ indicating medium relationship

$r =.50$ to 1.0 or $r = -.50$ to -1.0 indicating large relationship

v) **Multiple Regression Analysis**

This method analyses the link between the dimensions of independent (predictor) variables with a single dependent (criterion) variable. Multiple regression analysis was carried out in this study to ascertain the relationship between independent variables (religion, level of education, experience, value, contextual information, and expert insight) and dependent variable (customers' patronage of Islamic banking products and services). It simultaneously identifies which factors are contributory.

The multiple regression models is a highly general and therefore flexible data analytic system used when the dependent variable is to be studied as a function of, or in relationship to factors of interest, the independent variables. Narteh (2012) utilized a multiple regression analysis in a similar work in Ghana. Statistically, it is represented by the following regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + U$$

where Y is the dependent variable represented by patronage of Islamic bank; X_1 , X_2 , X_3 , X_4 , X_5 and X_6 represent the independent variables (X_1 - Customer's Religion, X_2 - Customer's level of education, X_3 – customer's product experience, X_4 – customer's product value, X_5 – customer's

product expert insight, X_6 — customer's product contextual information) and U denotes the error term. β_0 is the intercept of the equation while $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$, and β_6 are the coefficients of the independent variables.

3.7 Operationalisation of Variables

There are two demographic variables that are categorical in this study which are customer's religion and customer's level of education. The concept of customer's knowledge in this study has four dimensions before factor analysis was done which are customer's experience, customer's product value, customer's product contextual information and customer's expert insight. Experience is operationally defined as a process of learning that ends in learned response and also means a label given for acquired skills, emotions, sensations and attitude. Value is seen to be the derived utility obtained on account of acquiring a product. Contextual information means knowing how the product works, understanding the information in the product description and whether the information given fits well with customer's current knowledge. Finally, expert insight refers to the ability to make clear distinctions between, and understand the relative importance of product attributes.

The questionnaire adapted measures on the effect of the research independent variables of experience, value, contextual information and expert insight. For customer's product experience, measurement items and scale were adapted from Yoon, Hostler, Guo and Guimaraes (2013), and Shilpa and Rajnish, (2013). For customer's value, measurement items and measurement scale were adapted from the work of Carlos, Roig, Sanchez, Miguel, Moliner, Jaume and Monzonis (2006). Contextual information items and measurement scale were adapted from the work of

Adaval and Monroe (2002), and Chandran and Morwitz (2006) while expert insight was measured by adapting measurements and scale from the work of Bell and Eisingerich (2007). The dependent variable, customers' patronage was measured by adapting measurements from the work of Kishada and Wahab (2013) with some contextual modification that fit the environment of this study.

3.8 Justification of Methods Used

For the purpose of analyzing the survey data, the research utilized the aforementioned tools.

Correlation Analysis

Correlation analysis was utilized because of the need to estimate the direction and extent of relationship between the independent and dependent variables. This was determined by using actual scores for each respondent on the dependent and the independent variables.

Factor Analysis

Factor analysis was employed because the study is non experimental and is characterized by study of multi variables which often make understanding of the data difficult. The technique of factor analysis helps in reducing the variables without losing the information which the original variables provide. The essence is to find the common factors among the variables.

Multiple Regression Analysis

The use of multiple regression is considered appropriate because the independent variables are more than one and the study aims to understand their effect on a single dependent variable. In

other words, the general objective in the study is to account for the variance in the dependent variable (Islamic bank patronage) by understanding its relationship with the independent variables separately and in combination.

For H0₃, H0₄, H0₅ and H0₆, factor analysis was carried out in respect of experience, value, contextual information and expert insight as the third, fourth, fifth and sixth independent variables from which items have emerged. After the factor analysis, a re-statement of the hypotheses was given upon which multiple regression that provided an estimate of the size of variance in the customers' patronage (dependent variable) accounted by the independent variables was employed.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the results obtained from analyses of the data generated through the questionnaire administered. It further discusses the findings of the study and highlights the policy implications of the findings. The chapter is organized into the following sections: reports of the response rate; analysis of descriptive results; goodness of measures through validity and reliability analysis; correlation analyses and multiple regressions.

4.2 Analysis of Response Rate

Table 4.1 presents the statistics of number of questionnaires administered, number of filled and returned questionnaires, and percentage of response.

Table 4.1 Statistics for Questionnaire Administration and Response Rate

Branch	No of Questionnaires administered	No of filled and Returned Questionnaires	Percentage of response	Valid Questionnaires
Abuja	70	65	92	64
Bauchi	50	45	90	41

Gusau	50	45	90	41
Kaduna	60	55	91	51
Kano A	40	35	90	33
Kano B	40	40	100	36
Kano C	30	30	100	27
Katsina	50	50	100	45
Maiduguri	50	40	80	38
Sokoto	50	45	95	41
TOTAL	490	450	.92	417

Source: Field survey (2015)

From table 4.1, a total of 490 questionnaires were distributed of which 450 were retrieved, and 417 found valid for analysis. The distribution of questionnaires to the bank branches was based on perceived customer population density in each of the branches of the bank. Specific customer population sizes for each branch cannot be obtained as branches are obliged to seek head office approval to disclose classified information like this and efforts to obtain so were unsuccessful. The response rate indicates a valid response of about 92% which is sufficient for reliable and generalized statistic (Stevens, 2002; Tabachnick & Fidell, 2007). The response rate attained can be as a result of the data collection strategy adopted (self-administration of questionnaire). Many previous studies on survey of customers' perceptions and knowledge that utilized similar procedure have recorded reasonable response rates. For instance, Gerrard and Cunningham (1997) achieved 55 percent; Naser et al. (1999) obtained 69 percent and Owusu-Frimpong (1999) got 56 percent. According to Sekaran (2003), a response rate of 30% is acceptable for surveys. For this study, 417 responses were obtained. This represents 92% response rate, which is much higher than the minimum acceptable rate.

4.3 Analysis of Respondents' Biodata

Tables in this section present descriptive results in respect of the gender, age, marital status, occupation, level of education, and income level of the respondents.

Table 4.2: Respondents Responses on Religion

Religion	No.	Percentage
Islam	400	95.9
Christianity	17	4.1
Total	417	100

Source: Field survey (2015)

It can be seen from table 4.2 that 95.9% of the respondents are made up of Muslims while the balances of 4.1% are Christians. This means that majority of the respondents are Muslims and can be attributed to the fact that Christians have expressed objection to the introduction of Islamic banking in Nigeria and thus did not patronize the bank in large numbers. Furthermore, the authorized area of operation of the bank consists more of Muslims than Christians.

Table 4.3: Respondents Responses on Gender

Gender	No.	Percentage
Male	268	64.3
Female	149	35.7
Total	417	100

Source: Field survey (2015)

It can be seen from table 4.3 that 64.3% of the respondents are made up of male while the balance of 35.7% is female. This means that majority of the respondents are male customers of the bank. This can be attributed to either the fact that males are mostly the bread winners in

many families, or that some women detest appearing publicly in banking halls of an Islamic bank.

Table 4.4: Age of Respondents

Age Bracket	No.	Percentage
18-20	15	3.6
21-30	121	29.0
31-40	135	32.1
41-50	92	22.8
50 and above	54	12.5
Total	417	100

Source: Field survey (2015)

From table 4.4, 3.6% of the respondents are within the age bracket of 18-20 years, 29.0% are within the age bracket of 21-30 years, 32.1% fall within the age of 31-40 years, 22.8% are within 41-50 years of age and 12.5% of the respondents are above 50 years of age. The implication here is that the highest number of sampled respondents (within the age of 31-40

Years), coupled with size of customers in age bracket of 21-30 years means an expected more patronage of the bank by able bodied men and women.

Table 4.5: Respondents Responses on Marital Status

Marital Status	No.	Percentage
Single	245	58.8
Married	172	41.2
Total	417	100

Source: Field survey (2015)

Table 4.5 shows that 58.8% of the respondents are single and 41.2% are married. This suggests that either Jaiz bank's customers are mostly singles or they are the ones that go to the bank more frequently. It is also expected that more patronage will be recorded when the singles become married couples.

Table 4.6: Respondents Responses on Occupation

Occupation	No.	Percentage
Civil Servants	142	34.1
Students	109	26.1
Business/Private Sectors	166	39.8
Total	417	100

Source: Field survey (2015)

From table 4.6, 34.1%, 26.1% and 39.8% of the respondents fall in the category of civil servants, students, businessmen/private sector respectively. This implies that even students patronize the services of the bank in addition to civil servants who constitute majority of the sampled customers, and business sector customers. The result further implies greater patronage when students graduate and become either self employed or government/private sector employed.

Table 4.7: Respondents Responses on Level of Education

Level of Education	No.	Percentage
Diploma/OND/NCE or equivalent	97	23.3
HND/BSC/BA/B.ED or equivalent	214	51.3
M.Sc./M.A/MBA or equivalent	98	23.5
DBA /PhD or equivalent	8	1.9
Total	417	100

Source: Field survey (2015)

Table 4.7 indicates that 23.3% of the respondents have educational qualification of Diploma/OND/NCE or equivalent, 51.3% hold HND/B.Sc./BA/B.ED or equivalent, 23.5% have M.Sc./MA/MBA or equivalent while 1.9% holds DBA/PhD or equivalent. This implies that the respondents are sufficiently educated to guarantee clear comprehension of the research questionnaire and responses thereto.

Table 4.8 Respondents Responses on Monthly Income Bracket

Monthly Income Bracket	No.	Percentage
N1,000-N15,000	90	21.6
N15,001-N100,000	217	52.0
N100,001-N1,000,000	89	21.3
N1,000,001 and above	21	5.0
Total	417	100

Source: Field survey (2015)

Table 4.8 reveals that 21.6%, 52.0%, 21.3% and 5.0% earn income of 1,000-15,000, 15,001-100,000, 100,001-1,000,000 and 1,000,001 and above respectively. This means that most of the sampled customers who responded earn a little above the range of the lowest income category of customers. This can be partly attributed to the existence of other platforms of transaction which do not require the presence of customers in the banking hall to whom questionnaires were given.

4.4 Goodness of Measures

Factor analysis of the research instruments for independent and dependent variables is presented in this section

4.4.1 Factor Analysis for Independent Variables

The independent variables for factor analysis are experience, value, contextual information and expert insight of Islamic banking products and services by customers. The variables were measured by a total of 30 measurement items which were subjected to analysis to check for their validity. Having met most of the criteria of conducting factor analysis identified earlier, the result extracted three dimensions. In the process of obtaining the three dimensions, 21 items were deleted on account of varying reasons which include low communality value, loading of less than .50, and cross loading. Where items having low communalities values are removed, the value of total variance explained increases. The Kaiser-Meyer-Okin value was .732 which is above the recommended value of .6 (Kaiser, 1970, 1974) and the Bartlett's test of Sphericity (Bartlett, 1954) attained statistical significance, thus supporting the factorability of the correlation matrix. A summated scale was used for the variables.

The number of items used to measure the particular variable is shown below. Note that almost all the original names were retained.

- i) Experience of the customer with the banking product (EXP) – 3 items that loaded with values ranging from .869 to .901 as shown in column 1 of table 4.9
- ii) Expert insight of customer on Islamic banking product (EI) – 4 items that loaded with values ranging from .725 to .776 as shown in column 2 of table 4.9
- iii) Customer's value of Islamic banking product (PV) – 2 items that loaded with values of .832 and .925 as shown in column 3 of table 4.9

Table 4.9: Results of Factor Analysis for Independent Variables

Items	Components	1	2	3
EXPERIENCE				
Exp7	Using the bank's products is engaging	.901		

Exp13	The bank's products are unique	.877		
Exp6	I derive pleasure in using the bank's products	.869		
EXPERT INSIGHT				
Exp insi6	I can differentiate exactly the different products of the bank		.776	
Cont inf1	I like the bank products because they are less expensive compared to conventional bank		.756	
Cont inf3	The bank's products are more suitable to meeting my needs compared with conventional banks products		.752	
Expt insi3	I can understand almost all the aspects of the bank products		.725	
VALUE				
Exp2	I feel happy while using the bank's products		.925	
Exp1	I feel good while using the bank's products		.832	
Eigen Value		4.438	1.351	1.254
% of variance		30.237	27.292	20.725
KMO				.732
Berletes test				2.617
Significance				.000

Source: Author's extraction from SPSS output in appendix C

From table 4.9, which shows results from the rotated component matrix output as per appendix D, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of .732 means the sample size is adequately meritorious for factor analysis to be conducted. Bartlett's test of Sphericity, which tests the presence of correlation among variables is 2.617 and is significant at $p < 0.05$.

Eigen values which represent the total variance explained by each factor are all above 1.

Table 4.10 presents the results of the factor analysis conducted on the independent variables using principal component analysis.

Table 4.10: Total Variance Explained-Independent Variables

Component	Initial Eigen values	Extraction Sums of Squared Loadings	Rotation Sums of Squared Loadings
-----------	----------------------	-------------------------------------	-----------------------------------

	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.438	49.313	49.313	4.438	49.313	49.313	2.721	30.237	30.237
2	1.351	15.012	64.325	1.351	15.012	64.325	2.456	27.292	57.528
3	1.254	13.929	78.254	1.254	13.929	78.254	1.865	20.725	78.254
4	.960	10.668	88.922						
5	.275	3.053	91.976						
6	.235	2.616	94.591						
7	.216	2.395	96.986						
8	.167	1.860	98.846						
9	.104	1.154	100.000						

Source: SPSS Output

Table 4.10 presents the result of factor analysis for the independent variables of the study, while Appendix C shows the full SPSS output for the analysis. As shown on the table, Principal Components analysis revealed the presence of three components with eigenvalue exceeding 1, explaining 49.31%; 15.01%; and 13.92% of the variance respectively. The rotated solution revealed the presence of simple structure (Thurstone, 1947), with both components showing a number of strong loadings and all variables loading substantially on components. The three factor solution explained a total of 78.25% of the variance, with component 1 contributing 49.31%; component 2 contributing 15.01%; and component 3 contributing 13.92%.

The first factor was defined by three items and reflected customers' experience with Islamic banking products. Hence, this factor was named experience of customers. The second factor consists of four items related to the expert insight of the customer of the Islamic banking

product. As such, the factor was named customer expert insight of Islamic banking product. The third factor contains two items that are related to customer value of Islamic banking products. Therefore, the factor was named customer product value of Islamic banking products.

4.4.2 Factor Analysis for Dependent Variable

Factor analysis was also conducted for the dependent variable of the study, customer patronage of Islamic banking products. The test was conducted in order to examine the adequacy of the sample size and level of correlation among the items used. Table 4.11 contains summary of the factor analysis test for customer patronage of Islamic banking products.

Table 4.11: Results of Factor Analysis for Customer Patronage

	Items	Component
IBP1	The Islamic bank performs the service right at the first time	.827
IBP2	Customer service staff gave me prompt services	.825
IBP3	Customer service staffs are always courteous with customers.	.905
IBP4	Customer service staff are always ready to respond to customer requests promptly	.918
IBP5	I can trust the Islamic Bank customer service staff	.871
IBP6	I feel safe in the transaction with the Islamic bank	.768
IBP7	Customer service staffs are polite	.766
IBP8	Customer service staffs have adequate support from the bank to do their job well	.863
IBP9	I value the ease of using this Islamic bank products	.849
IBP10	Using this Islamic bank products is an efficient way to manage my time	.850
IBP11	I value the convenience of using this Islamic bank services	.715
	Eigenvalue	7.660
	Percentage of variance	69.638
	KMO	.902
	Bartlett's Test of Sphericity	4.9463
	Significance	.000

Source: Author's extraction from SPSS output in appendix C

From table 4.11, the factor loadings ranged from .715 to .918 and are all above .5 signifying adequacy as indicated by the respondents while the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of .902 means that the sample size is and suitable for factor analysis to be

carried out. Bartlett's test of Sphericity which tests the presence of correlation among variables is 4.946 and is significant at $p < 0.05$. Eigen value which represents the total variance explained by each factor is above 1 and accounts for 69.638 of the variance.

Table 4.12 presents the summary of the total variance explained by the combination of the items used to extract data for the dependent variable, customer patronage of Islamic banking products. Principal Components Analysis (PCA) was used as method of extraction.

Table 4.12: Total Variance Explained-Dependent Variable

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.660	69.638	69.638	7.660	69.638	69.638
2	.972	8.836	78.474			
3	.592	5.380	83.854			
4	.452	4.112	87.965			
5	.323	2.933	90.899			
6	.299	2.721	93.619			
7	.212	1.930	95.550			
8	.191	1.735	97.285			
9	.155	1.409	98.694			
10	.085	.772	99.466			
11	.059	.534	100.000			

Source: SPSS output

Table 4.12 shows the result of factor analysis for customer patronage of Islamic banking products. From the onset, the dependent variable, measured by 11 items in one dimension was subjected PCA. Before conducting the PCA, the suitability of the data for factor analysis was evaluated. None of the items was deleted from the earlier construct. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.902 thus exceeding the bench mark value of 0.60. This implies that the sample size is adequate for factor analysis to be conducted. That is, the ratio of the sample size to the number of items is sufficient for factorability. Furthermore, the

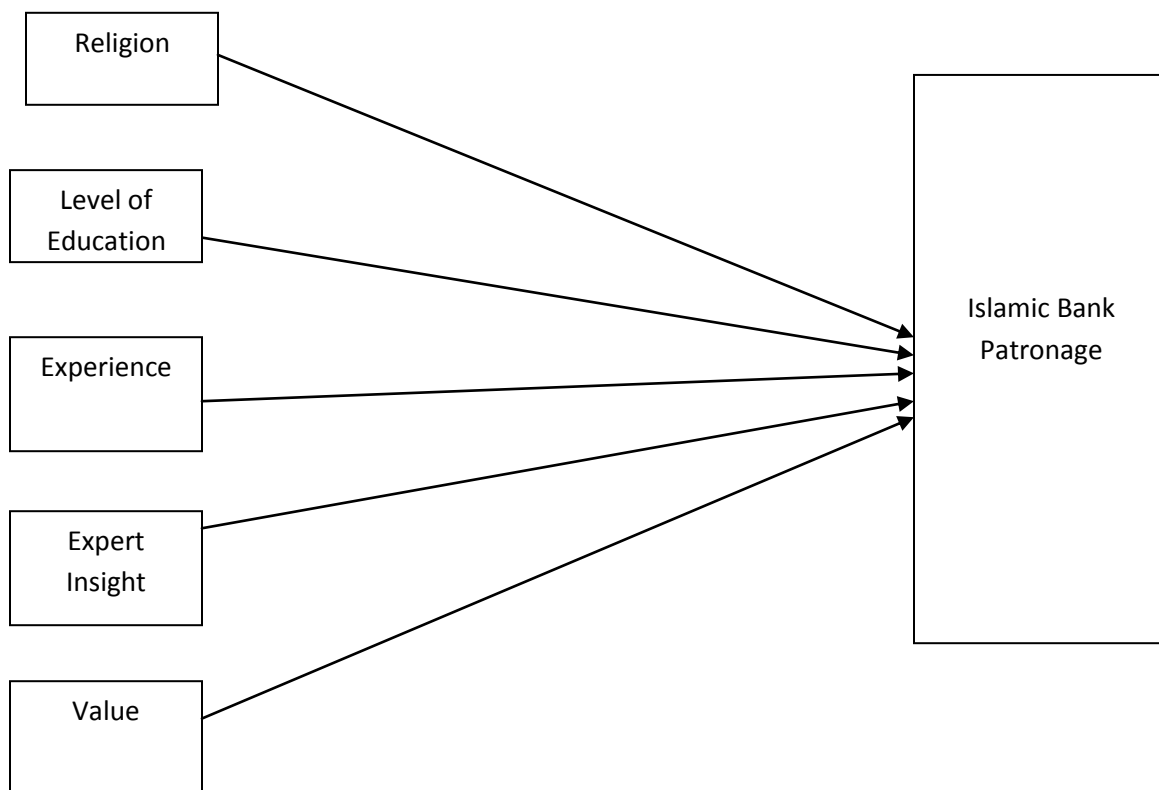
Bartlett's test of Sphericity is statistically significant, supporting the factorability of the correlation matrix, as the p-value is 0.000. This implies the adequacy of applying the factor analysis.

The PCA revealed the presence of one component with eigenvalue exceeding 1, explaining 69.63% of the variance. The one-component solution explained a total of 69.63% of the variance. To aid the interpretation of the component, varimax rotation was carried out. The component was defined by all the eleven items and was thus named patronage of Islamic banking products. See appendix D for the full SPSS output of the factor analysis.

4.5 Revised Framework and Revision of Hypotheses

The result of the foregoing analyses showed that the earlier stated hypotheses require restatement. This is because based on the results of factor analysis; the independent variables are now reduced to experience, expert insight and value.

Figure 4.1: Revised Conceptual Model of the Study



Source: Author's modification of the Conceptual Model of the Study

In view of the changes that occurred to the independent variables of the study subjected to factor analysis, the revised hypotheses are restated as follows:

H0₁ Customers' religion of Islamic banking products does not significantly affect their patronage of Jaiz bank

H0₂ Customers' level of education does not significantly affect their patronage of Jaiz bank

H0₃ Customers' experience of Islamic banking Products does not significantly affect their patronage of Jaiz bank.

H0₄ Customers' product expert insight does not significantly affect their patronage of Jaiz bank

H0₅ Customers' product value of Islamic banking Products does not significantly affect their patronage of Jaiz bank.

4.6 Preliminary Analysis

Preliminary analysis conducted includes descriptive statistics for all variables of the study and inter- correlations between and among them.

4.6.1 Descriptive Statistics of the variables

In this section, the descriptive statistics of the variables used in the study are presented and discussed. The statistical information presented relates to minimum, maximum, mean and standard deviation values for each of the variables. Table 4.13, 4.14, 4.15 and 4.16 show the descriptive statistics for experience, expert insight, value and patronage respectively.

Table 4.13: Descriptive Statistics for customers' experience of Islamic banking products

Variable	Minimum	Maximum	Mean	Standard Dev
1) Using the bank's products is engaging	1.00	6.00	3.9041	1.66277
2) The bank's products are unique	1.00	6.00	4.4341	1.56926
3) I derive pleasure in using the bank's products	1.00	6.00	4.3357	1.43530
Overall	1.00	6.00	4.2246	1.45954

Source: Author's extraction from SPSS output

The mean values for experience of Islamic banking products are between 3.9041 and 4.4341. This indicates that on the overall, customers who were the respondents that participated in this study had favorable experiences using Jaiz Islamic banking products. This is shown in the responses to the questionnaire item questions that measured experiences of customers. The overall mean value for experience is 4.2246 with a standard deviation of 1.45954.

Table 4.14: Descriptive Statistics for Customers' expert insight

Variable	Minimum	Maximum	Mean	Standard Dev
1) I can differentiate exactly the different products of the bank	1.00	6.00	3.5228	1.34453
2) I like the bank products because they are less expensive compared to				

conventional bank	1.00	6.00	4.1655	1.39847
3) The bank's products are more suitable to meeting my needs compared with conventional banks products	1.00	6.00	3.8657	1.50038
4) I can understand almost all the aspects of the bank products	1.00	6.00	3.5899	1.4668
Overall		1.00	3.7860	1.12789

Source: Author's extraction from SPSS Output

Table 4.14 shows the descriptive statistics for customer expert insight. The variable was measured by the four questionnaire items extracted after factor analysis was carried out. The overall mean for the variable is 3.78460 which signifies good expert insight of the bank's products. The responses ranged from a minimum score of 1.00 indicating strong disagreement with each statement and maximum score of 6.00 indicating strong agreement with each statement in the questionnaire and the overall standard deviation is 1.12789.

Table 4.15: Descriptive Statistics for customers' value of Islamic banking Products

Variable	Minimum	Maximum	Mean	Standard Dev
1) I feel happy while using the bank's products	1.00	6.00	4.4221	1.54244
2) I feel good while using the bank's products	1.00	6.00	4.1271	1.82152
Overall	1.00	6.00	4.2746	1.59763

Source: Author's extraction from SPSS Output

Table 4.15 shows the descriptive statistics for customer value of Islamic banking products and services measured by two items extracted after factor analysis was carried out. The overall mean

for the variable is 4.2746, which signifies good level of value that the customers attach to the bank's products. The scores range from a minimum score of 1.00 indicating strong disagreement with each statement and maximum score of 6.00 indicating strong agreement with each statement. The standard deviation is 1.59763.

Table 4.16: Descriptive Statistics for customers' patronage of Islamic banking

Variable	Minimum	Maximum	Mean	Standard Dev
IBP	1.00	6.00	4.5762	1.33546
Overall	1.00	6.00	4.5762	1.33546

Source: Author's extraction from SPSS Output

Table 4.16 presents the descriptive statistics for patronage of Islamic banking. The overall mean for the variable is 4.5762 measured by eleven items shows customers' positive attributes of patronage with a minimum score of 1.00 indicating strong disagreement and a maximum score of 6.00 indicating strong agreement with each statement. The standard deviation is 1.33546.

4.6.2 Bivariate and Multivariate Relationship between Variables

Correlation analysis was conducted to understand the strength and direction of the linear relationship between and among the variables. Specifically, the analysis provides basis for attaining the objectives this study seeks to attain by ascertaining the underlying relationship between the individual independent variables and the dependent variable as well as the relationship between the independent variables among themselves. In determining the strength of the relationship, Pallant (2001) maintains that a correlation of zero signifies no relationship, a correlation of 1.0 signifies perfect positive correlation and value of -1.0 signifies a perfect negative correlation.

Cohen (1988) proposed that the following guidelines should be employed to aid interpretation of correlation results:

$r=0.10$ to $.29$ or $r=-.10$ to $-.29$ small

$r=.3$ to $.49$ or $r=-.30$ to $-.49$ medium

$r=.50$ to 1.0 or $r=-.50$ to -1.0 large

Table 4.17 shows the result of correlation analysis between experience, expert insight, value and patronage. The strength and direction of the relationship was investigated using Pearson product-moment correlation coefficient. The procedure was subjected to a two-tailed test and one tail test of statistical significance at two different levels: significant ($p<.01$) and significant ($p<.05$).

Table 4.17: Inter-Correlations of Variables

		Correlations					
		IBP	RELIGION	EDUCATION	experience	expertinsight	value
Pearson Correlation	IBP	1.000	-.017	.219	.843	.579	.567
	RELIGION	-.017	1.000	.022	.018	-.020	-.039
	EDUCATION	.219	.022	1.000	.144	.112	.189
	Experience	.843	.018	.144	1.000	.492	.446
	Expert insight	.579	-.020	.112	.492	1.000	.380
	Value	.567	-.039	.189	.446	.380	1.000
Sig. (1-tailed)	IBP	.	.363	.000	.000	.000	.000
	RELIGION	.363	.	.331	.356	.342	.212
	EDUCATION	.000	.331	.	.002	.011	.000
	Experience	.000	.356	.002	.	.000	.000
	Expert insight	.000	.342	.011	.000	.	.000
	Value	.000	.212	.000	.000	.000	.
N	IBP	417	417	417	417	417	417
	RELIGION	417	417	417	417	417	417
	EDUCATION	417	417	417	417	417	417

Experience	417	417	417	417	417	417
Expert insight	417	417	417	417	417	417
Value	417	417	417	417	417	417

The multivariate relationship between religion, level of education, experience, expert insight, value and Islamic banking patronage were identified here with a view to providing answers to the research objectives of the study. The overall result of the correlation shows that all the correlations between independent and dependent variables were significant at $p < .05$. The strongest positive correlation was the relationship between experience and customers' patronage of Islamic banking products ($r = .843$, $p < .05$) indicating that pleasant engagement of the customer with the bank product stimulates and encourages their patronage, while the lowest correlation was seen in the relationship between level of education and IBP ($r = .219$, $p < .05$). Religion and patronage were however found to have negative relationship of $-.017$. The table also shows that customer's expert insight level towards Islamic banking products with value of $.579$ is good. Overall, the result indicates that the relationship between all but religion variables is statistically significant.

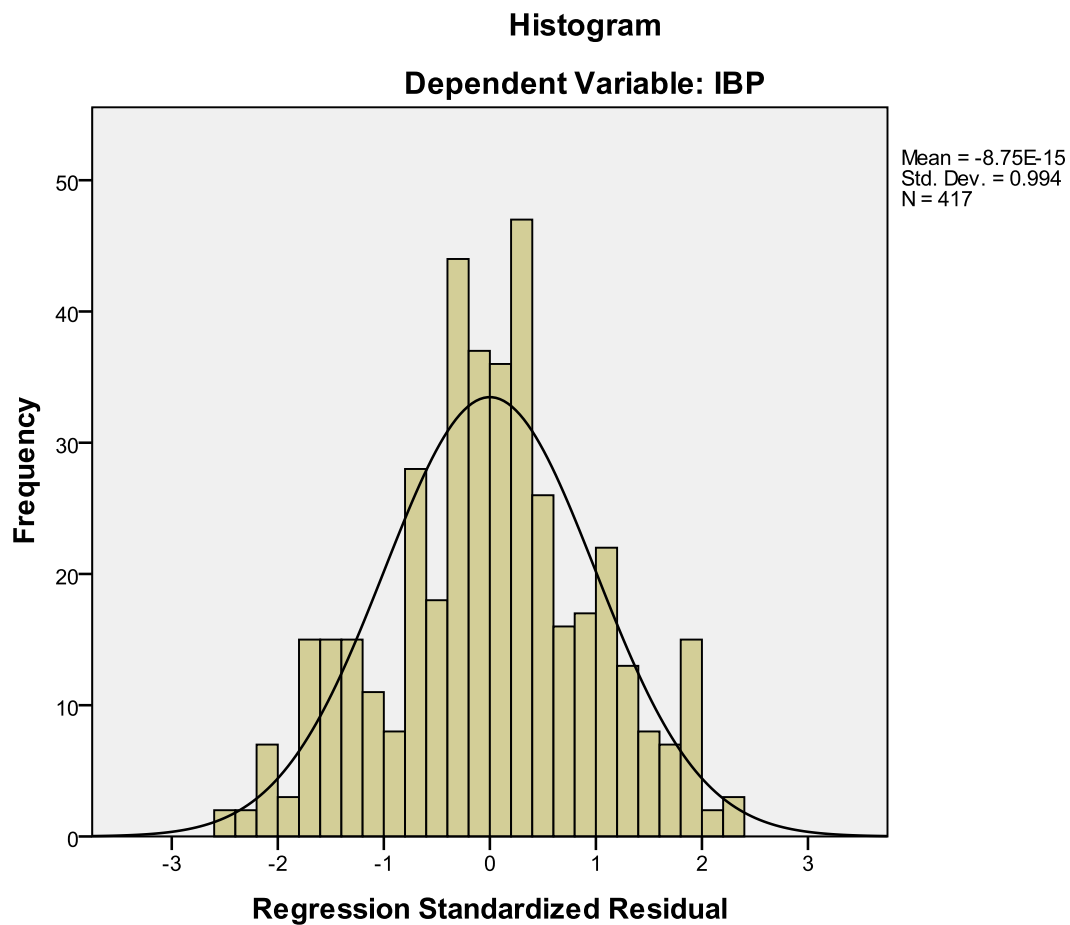
4.7 Tests for Violation of Assumptions for Multiple Regressions

To achieve the underlying assumption of the multiple regression analysis, the variables were examined with the aim of finding outliers and establishing normality, linearity, multicollinearity and homoscedasticity using the analysis suggested by Pallant (2001) and Hair *et al.* (2010). These tests were conducted as follows:

4.7.1 Normality

Among the statistical tests necessary to be conducted before significant and relational tests is to confirm the normality of the data to be utilized in the study. The normality test result revealed that the data have normal distribution as evidenced in the histogram and residual plots which means that the distribution of the plot appeared normal as shown in figure 4.2a, where all the bars of the histogram are close to a normal curve. Similarly, the normal probability plot also satisfied the homoscedasticity assumptions of the variance of the random error component since all the points lie along 45° diagonal line as in figure 4.2b. Furthermore, the assumption of Collinearity was also met. This assumption applies to the independent and dependent variable relationship which is linear.

Figure 4.2a: Histogram of Dependent Variable



Normal P-P Plot of Regression Standardized Residual

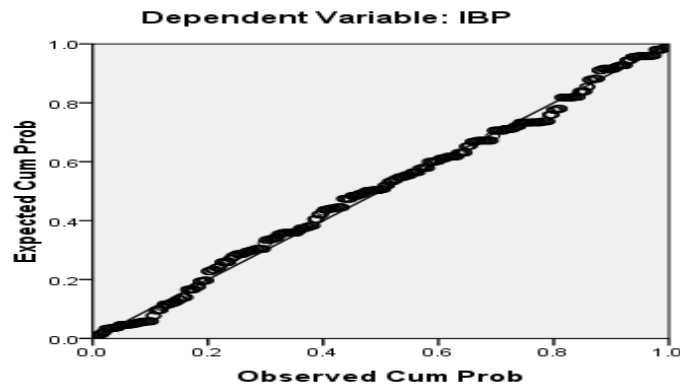


Figure 4.2b: Variance of Random Error

4.7.2 Homoscedasticity

Homoscedasticity means having equal variances of dependent variable at each observation of the independent variable. This can be evaluated from the histogram of the standardized residuals and the Q-Q plots (Hair et al., 2010). Where independence is assumed, it implies that the samples are not dependent on one another. This requirement is met due to the fact that the samples were randomly chosen as shown in figure 4.2a.

Homoscedasticity is assumed when there is no pattern in the data distribution, and residuals are scattered randomly around the horizontal line through 0 (Norusis, 1999). The assumption of homoscedasticity requires that the variance of the dependent variable is the same at all values of independent variables or constant variance of the error term (Hair et al., 2010). Norusis (1995) is of the opinion that Durbin- Watson can be used to test the independence of error terms. The general rule of thumb is, if the Durbin-Watson value is between 1.5 and 2.5, the assumption of independence of the error terms is not violated (Norusis, 1995). The Durbin-Watson value of 1.640 in this study (see table 4.19) has therefore met this requirement.

4.7.3 Linearity

To examine linearity, residual scatter plot was used and which should scatter around 0 and mean. Most of the scores are to concentrate in the centre along the 0 point (Flury & Riedwyl, 1998). Figure 4.3 displayed the scattered plot of Islamic banking patronage. The plot shows that the residual scores were concentrated at the centre along the zero (0) point, thus, suggesting that linearity assumption was met.

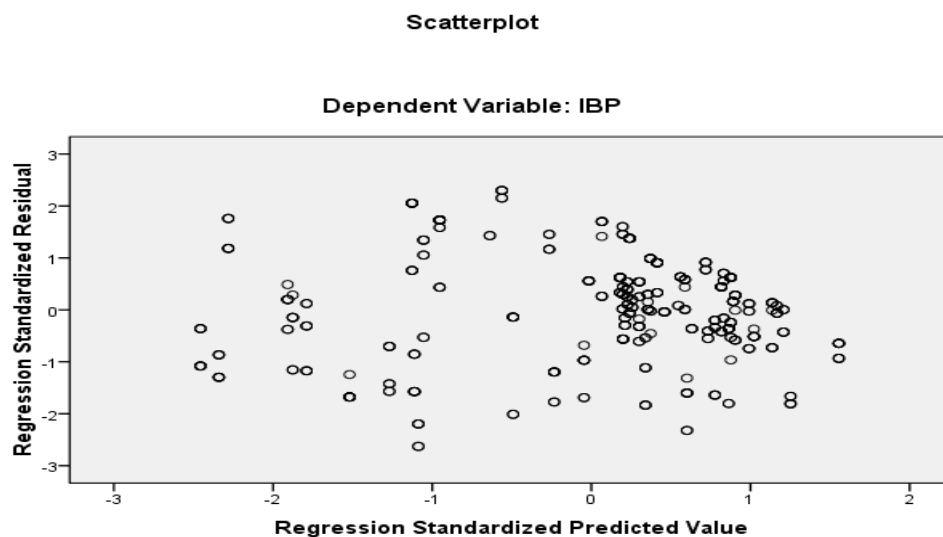


Figure 4.3: Scatter plot for Islamic Banking Patronage

4.7.4 Multicollinearity

Multicollinearity is defined as the degree of correlation among independent variables. Independent variables can be considered highly correlated if the correlation among them is above 0.90 (Hair *et al.*, 2010). To establish whether multicollinearity problem exists, the bivariate correlations of four of the independent variables were examined using Value Inflation Factor (VIF) and tolerance value as shown in table 4.18. In addition, it was found that no multicollinearity between independent variables exists because the Pearson correlation indicators

for all independent variables are less than 0.7. It is generally believed that any Variance Inflation Factor (VIF) exceeds 10 and tolerance value lower than 0.10 indicates a potential problem of multicollinearity (Hair et al., 2010).

Table 4.18 Tolerance and VIF Values for Independent Variables

Independent Variable	Tolerance	VIF
Religion	.996	1.004
Level of education	.959	1.043
Experience	.679	1.472
Expert Insight	.726	1.378
Value	.767	1.304

Source: Author's extraction from SPSS Output

Table 4.18 shows that there is no multicollinearity existing among all independent variables because the Tolerance values are more than .10 whereas VIF values are less than 10. The result confirms that the study does not have any multicollinearity problem. Arising from the above therefore, the evaluation on assumptions of linearity, homoscedasticity, normality, independence of the error terms, and multicollinearity confirmed no significant violation of assumption.

4.8 Presentation and Analysis of Multiple Regression Result

Multiple regression analysis was conducted to determine the relationship between experience, expert insight, value and Islamic banking patronage. Simultaneously, regression analysis serves to identify the most contributory predictor variable among the set of independent variables that best explain Islamic banking patronage.

Table 4.19 presents the results of multiple regression analysis between experience, expert insight, value and Islamic banking patronage.

Table 4.19: Summary of Multiple Regression Results

R	R²	Adjusted R²	Std. Error of the Estimate	F	Sig	Durbin- Watson
.885^a	.783	.780	.62610	296.328	000^a	1.640

Source: Author's extraction from SPSS Output

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.443	.213		2.080	.038		
RELIGION	-.133	.155	-.020	-.853	.394	.996	1.004
EDUCATION	.123	.043	.068	2.904	.004	.959	1.043
experience	.607	.026	.663	23.728	.000	.676	1.479
expertinsight	.203	.032	.171	6.337	.000	.725	1.379
Value	.161	.022	.193	7.267	.000	.751	1.331

a. Dependent Variable: IBP

The regression equation is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + U$$

where Y is the dependent variable represented by patronage of Islamic bank; X_1 , X_2 , X_3 , X_4 , X_5 and X_6 represents the independent variables (X_1 - Customer's Religion, X_2 - Customer's level of education, X_3 – customer's product experience, X_4 – customer's product expert insight, X_5 . Customer's product value, and U denotes the error term. β_0 is the intercept of the equation while β_1 , β_2 , β_3 , β_4 , and β_5 , are the coefficients of the independent variables.

Generally, the regression result shows that the model jointly explained 78.0% of the variance of Islamic banking patronage. The model was significant at 5% level ($F=296.328$, sig. $F = .000$). Four of the five predictor variables were found to have statistically significant association with IBP. The four variables were level of education (Beta=.068, $p=.000$) (experience (Beta=.663, $p=.000$), expert insight (Beta=0.171, $p=.000$) and value (Beta=.193, $p=.000$).

The R^2 value of 0.783 and adjusted R^2 value of 0.780 indicate how well the combination of independent variables predicts the dependent variable. The F value of (3, 413) = 296.328 which is statistically significant at 5%, $P < 0.005$ demonstrates the fitness of the model. The F-test (3, 413) = 296.328, $P < 0.005$, indicates an overall significant prediction in independent variables, but does not show the value of each independent variable. The Table also shows the respective contribution of each predictor within the regression equation. Among the three predictors, experience (Beta = .663, $t = 23.728$, $p = .000$) has the highest and most significant standardized beta coefficient, which indicates that level of experience is the most important variable in predicting IBP. Next to it is customers' product value that has standardized beta of .193 and t value of 7.267, expert insight with beta of 0.171 and t value of 6.337 and lastly level of education with beta of .068 and t value of 2.904

4.9 Tests of Hypotheses

Reproduced Table 4.19: Summary of Multiple Regression Results Multiple Regression for Test of HO₁, HO₂, HO₃, HO₄ and HO₅

R	R ²	Adjusted R ²	Std. Error of the Estimate	F	Sig	Durbin- Watson
.885 ^a	.783	.780	.62610	296.328	.000 ^a	1.640

Source: Author's extraction from SPSS Output

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.443	.213		2.080	.038		
RELIGION	-.133	.155	-.020	-.853	.394	.996	1.004
EDUCATION	.123	.043	.068	2.904	.004	.959	1.043
experience	.607	.026	.663	23.728	.000	.676	1.479
expertinsight	.203	.032	.171	6.337	.000	.725	1.379
Value	.161	.022	.193	7.267	.000	.751	1.331

a. Dependent Variable: IBP

Hypothesis 1 (H₀₁): Customers' religion does not significantly affect their patronage of Jaiz bank products in northern Nigeria.

This hypothesis is tested at $\alpha=5\%$ (.005) level of significance. If the observed probability $p<\alpha$, we reject the null hypothesis. From tables 4.19, it can be seen that the relationship between

religion and IBP is not significant, with. $P = .394$ at 5 percent. Therefore, since $p > \alpha$, we fail to reject the research hypothesis (H_{01}).

Hypothesis 2 (H_{02}): Customers' level of education does not significantly affect their patronage of Jaiz bank products in northern Nigeria..

This hypothesis is tested at $\alpha=5\%$ (.005) significance level. If the observed probability $p < \alpha$, we reject the null hypothesis. From tables 4.19, it can be seen that the relationship between customers' level of education and IBP is significant, with. $P = .004$ at 5 percent. Therefore, since $p < \alpha$, we reject the research hypothesis (H_{02}).

Hypothesis 3 (H_{03}): Customers' experience of Islamic banking products does not significantly affect their patronage of Jaiz bank products in northern Nigeria.

This hypothesis is tested at $\alpha=5\%$ (.005) significance level. The sample distribution is a normal distribution. If the observed probability $p < \alpha$, we reject the null hypothesis. From table 4.19, it can be seen that the relationship between experience and IBP is significant, with. $Beta=.663$, $P = .000$ at 5 percent. Therefore, since $p < \alpha$, the research hypothesis (H_{03}) is rejected

Hypothesis 4 (H_{04}): Customers' product expert insight does not significantly affect their patronage of Jaiz bank products in northern Nigeria..

This hypothesis is tested at $\alpha=5\%$ (.005) significance level. The sample distribution is a normal distribution. If the observed probability $p<\alpha$, we reject the null hypothesis. From table 4.19, it can be seen that the relationship between expert insight and IBP is significant, i.e. Beta=.171, $P = .000$ at 5 percent. Therefore, since $p<\alpha$, the research hypothesis ($H0_4$) is rejected.

Hypothesis 5 ($H0_5$): Customers' product value of Islamic banking Product does not significantly affect their patronage of Jaiz bank product in northern Nigeria..

This hypothesis is tested at $\alpha=5\%$ (.005) significance level. The sample distribution is a normal distribution. If the observed probability $p<\alpha$, we reject the null hypothesis. From table 4.19, it can be seen that the relationship between value and IBP is significant, i.e. Beta=.193, $P = .000$ at 5 percent. Therefore, since $p<\alpha$, the research hypothesis ($H0_5$) is rejected.

The results of the hypotheses testing between religion, level of education, experience, expert insight, value and IBP are summarized in table 4.20

Table 4.20: Summary of Hypotheses Test

Hypothesis	Hypothesis Statement	Remark
1	Customers' religion does not significantly affect their patronage of Jaiz bank products in Northern Nigeria.	Accepted
2	Customers' level of education does not significantly affect their Patronage of Jaiz bank products in Northern Nigeria	Rejected
3	Customers' experience of Islamic banking Product does not significantly affect their patronage of Jaiz bank products.	Rejected
4	Customers' product expert insight does not significantly affect their patronage of Jaiz bank products in Northern Nigeria	Rejected

4	Customers' product value of Islamic banking Product does not significantly affect their patronage of Jaiz bank products in Nnorthern Nigeria	Rejected
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Source: Author's extraction

4.10 Discussion of Findings

The first hypothesis tested led to the first finding that customers' religion does not significantly affect their patronage of Jaiz bank in northern Nigeria. This implies that the connection between customers' religion and IBP is that being a Muslim or Christian does not solely determine the patronage decision of the customer. The results indicate that value of Islamic banking practice and satisfaction by customers are appreciated by both Muslims and Christians in Nigeria even in the face of reservations by Christians prior to its commencement and this is consistent with the finding of Haque, Rahman and Yasmin (2012). This finding answers the first research question and achieved the corresponding first research objective.

The second hypothesis tested led to the second finding of the study that customer's level of education has effect on patronage of the bank products in northern Nigeria. The results showed that majority of respondents fall within the category of first degree or equivalent holders. Thus, customers' levels of education were found to be associated with Jaiz bank patronage. This means that there are varying levels of patronage linked to different levels of education. This is consistent with the finding of Rashid and Hassan (2009). This finding answers the second research question and achieved the corresponding second research objective.

The third hypothesis of this study was tested which led to the third finding that customers' product experience is related to patronage of the bank's products in northern Nigeria. It implies that favorable experience in engagement of the customer with the bank's products and services is taken more seriously as a determinant of his/her patronage by the customer with beta coefficient of .663 than expert insight and value. The implication of the finding is that customers are more stimulated to patronize the banks products by their favorable experiences than their depth of knowledge of features and workings of the products. This means that that there are gaps in customers' understanding of the attributes of the products that need to be filled. This finding answers the third research question and achieved the corresponding third research objective

The fourth hypothesis of this study was tested and which led to the fourth finding that customers' product expert insight is significantly related to patronage of the bank's products in northern Nigeria. Thus, the findings of this study on the significant relationship between a level of expert insight and IBP, shows that customers possess knowledge of the product attributes they patronise. This is in spite of lower beta coefficient of .171 compared to product experience and product value coefficients. The finding is consistent with the finding in the work of Abdullahi and Abdul Rahman (2007). This finding answers the fourth research question and achieved the corresponding fourth research objective

The fifth hypothesis of this study was tested which led to the fifth finding that customers' product value is significantly related to patronage of the bank's products in northern Nigeria. It means that customers' favorable disposition to a product i.e its value with beta coefficient of

.193 is even a more determinant of their patronage of the product than customers' product expert insight. This finding answers the fifth research question and achieved the corresponding fifth research objective.

Overall, the findings in this work are related to the two theories utilized in this study which are the Theory of Reasoned Action (TRA) and the Behavioral Decision Theory (BDT) as the underlying theories that underpin the research. The TRA theory has been variously employed in studies related to determination of factors responsible for customers' patronage of bank products. Customers' patronage of Islamic bank products has been a matter of study with different factors established as determinants, and which studies utilized the TRA. Even though the effect of customers' knowledge of the products has not been thoroughly investigated before as a determinant of the Islamic bank patronage, the theory of reasoned action is relevant here.

Behavioral Decision Theory (BDT) by Herbert Simon (1959) is used in this study as it is a theory that describes human decision making. This theory seeks to understand the actual decision-making patterns of humans, such as underweighting or overweighting of probabilities, decision or choice framing. The main dependent construct/factor in the theory is decision outcomes to patronize a product or service. The theory is relevant to dependent variable of bank patronage in this study since patronage is an outcome of customers' decision and reflects consumer behavior.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary of Findings

The focus of this study is to investigate the relationship between customers' religion, customers' level of education, customers' knowledge (experience, expert insight and value) and IBP. The units of analysis in this study are the customers of Jaiz bank patronizing the bank's products.

Firstly, the study finds that customers' religion does not significantly affect their patronage of Jaiz bank in northern Nigeria. The relationship between religion and IBP is not significant, with $P = .394$ at 5 percent. This implies that the connection between customers' religion and IBP is

that being a Muslim or Christian does not solely determine the patronage decision of the customer.

Secondly, this work finds that customer's level of education has significant effect on patronage of the bank products in northern Nigeria. The results showed that majority of respondents fall within the category of first degree or equivalent holders. The relationship between customers' level of education and IBP is significant, with $P = .000$ at 5 percent. Thus, customers' levels of education were found to be associated with Jaiz bank patronage.

Another finding from this work is that customers' product experience is significantly related to patronage of the bank's products in northern Nigeria. This means that favorable experience in engagement of the customers with the bank's products and services is taken more seriously as a determinant of his/her patronage. The relationship between experience and IBP is significant, with $\text{Beta} = .663$, $P = .000$ at 5 percent.

The study finding further reveals that customers' product expert insight is significantly related to patronage of the bank's products in northern Nigeria. The relationship between expert insight and IBP is significant, i.e. $\text{Beta} = .171$, $P = .000$ at 5 percent. Thus, the findings of this study on the significant relationship between a level of expert insight and IBP, shows that customers possess some knowledge of the product attributes they patronize.

Lastly, the study finds that customers' product value is also significantly related to patronage of the bank's products in northern Nigeria. The relationship between value and IBP is significant,

i.e. Beta=.193, P = .000 at 5 percent. It means that customers' favorable disposition to product i.e its value with beta coefficient of .193 is even a more determinant of their patronage of the product than customers' product expert insight.

5.2 Conclusions

Based on the results obtained and findings made from hypotheses tested as indicated, the study concludes that customers' product knowledge represents a major issue that requires Islamic banks' urgent attention. This arises due to the fact that Islamic banks have the potential to exploit and market their products and services to numerous and various strata of customers including those who care not only about the legitimacy of the facility from Islamic point of view but also seek for service quality, convenience and efficient transactions.

Furthermore, the study concludes that customers are more propelled by take away impressions from transacting businesses with the bank in the bank product patronage than their expertise knowledge of product attributes. For practitioners, enhancing greater expertise of customers about Islamic bank products is imperative on account of favorable experiences of customers that were established in the study. In addition, the study concludes that based on its finding, religion which was not a barrier to patronage serves as a stimulus to researchers who are currently engaged in Islamic banking research in Nigeria to further advance the course of its growth.

5.3 Recommendations

Based on the conclusions made, this study recommends the following measures for further pursuance by the bank:

- i) Customers' experiences about patronizing the bank's products needs further positive enhancement. In this respect, the principle of rukhsa (fair and moderate returns) in business transactions needs to be more thoroughly applied in the bank's transactions with customers. The needs of business persons should be more properly considered by the bank in designing products that are consistent with Islamic principles. This is achievable through periodic interactive consultative forums between the bank and customers as well as different communities; with the aim of finding how best to make their products to continually appeal to their customers.
- ii) A more realistic and aggressive improvement of customers' product expert insight needs to be mounted through massive education of current and future customers by the bank and prospective IB operators. This is achievable through sponsorship of educational programmes through the mass media and social media networks and offer of scholarship programmes for deserving students in tertiary institutions in Nigeria.
- iii) The study having found religion not to be a barrier to patronage recommends further sensitization of non Muslims to patronize the bank's products. This is more so since giving and taking of interest is also forbidden in Christianity.
- iv) The study further recommends that IB providers and researches should analyze the size of different categories of products patronage with the aim of improving on customers' value to sustain and attract more customer patronage of the bank products and services. This can be achieved through exploring more customer friendly techniques and technologies

- v) The study recommends the translation of information leaflets on Jaiz bank products into local languages to ease understanding by many potential customers and facilitate future researches in Islamic banking in Nigeria.

5.4 Theoretical and Managerial Implication of the Study

The findings in this study represent additional empirical contribution to academia and society. A tool for measuring the customers' product experience, product expert insight and product value is presented. The study has shown that religion is not a barrier to patronage of an Islamic bank even in the midst of doubts and skepticisms by non Muslims.

The study findings underscore the fact that business organizations must become providers of value, and must do it differently from each other, as this skill will permit them to differentiate themselves, improve their results and increase their future possibilities of survival. The advantages that the provider obtains from valued relationship are linked to the loyalty of the customer. This loyalty also leads the customer to increase his/her volume of business with the organisation. The latter becomes more closely acquainted with the evolution of the customer's needs and expectations, so that it will be in an advantageous position to adapt to them. Various costs can also be reduced where there is better knowledge of the customer which will facilitate the work of employees, who will be more productive, as they carry out their work with greater knowledge of what the customer wants and values. In view of this, this study will be useful to those who want to establish Islamic bank or to open Islamic widow. Furthermore, policy makers, religious organizations, and academics can make use of the result of this study to create awareness and educate the general public on the prospect/opportunities of Islamic banking services in Nigeria. Additionally, future promoters of Islamic bank are compelled to work

towards ensuring positive customer's level of experience, expert insight and value product offerings.

5.5 Limitations of the Study and Recommendations for Further Studies

Some limitations have been experienced in the course of conducting this study. The limitations includes the confinement of most of its sample to a certain specific user group (mostly customers in the banking hall) and difficulties in obtaining information from suspecting customers found in banking halls without prodding. This is in addition to secrecy that shrouded disclosure of information on exact number of customers at branch levels of the bank. As the survey research in the study was based on cross-sectional design, it is suggested that other works be carried out to establish the factors that can influence each of the stratum of respondents (classified by age, occupation, income levels, etc) on Islamic banking patronage. Furthermore, additional factors can be included and or introduced as mediator or moderator variables in the relationship between the independent variables and IBP. Such factors can be perceived risk, personal factors, and financial commitment that is to be tested in future researches.

Moreover, future research could limit the scope of the study to specific cultures and regions when the bank attains national spread status. A cross factors comparative analysis among different regions could also be undertaken to further deepen the understanding of Islamic banking industry products and services in Nigeria. This study utilized quantitative techniques only but the outcome of the study will be more valuable and appreciated where both quantitative and qualitative techniques are used in future research.

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APPENDIX A

QUESTIONNAIRE

RESEARCH QUESTIONNAIRE

Dear respondent,

This questionnaire is designed to generate data for **investigating the effect of customers' knowledge of Jaiz bank products on their patronage of the bank**. Responses obtained from the respondents are to be used strictly for academic purposes only. The researcher solicits for your kind cooperation in responding to the questions below, and which will be highly and sincerely appreciated. Kindly respond as accurately as possible by please placing a tick in the appropriate box of your choice where applicable.

Thank you while anticipating your cooperation in this regard.

SECTION 1: RESPONDENTS' DEMOGRAPHIC INFORMATION

Religion

1 Islam [] 2 Christianity []

Gender

1 Male [] 2 Female []

Age

1 18-20 []

2 21-30 []

3 31-40 []

4 41-50 []

5 51 and above []

Marital Status:

1 Single [] 2 Married []

Education Level Attained:

1 Diploma/OND/NCE or equivalent []

2 HND/BSC/BA/B.ED or equivalent []

3 M.Sc./M.A/MBA or equivalent []

4 DBA. /PhD or equivalent []

5 Others Professional (Please specify) ...

Occupation:

1 Civil Servant [] 2 Student []

3 Business/Private Sector [] 4 Others (Specify) []

Monthly Income Bracket:

1 N1000-N15,000 [] 2 N15, 001-N100, 000 []

3 N100, 001-N1, 000.000 [] 4 N1, 000,001 and above. []

SECTION 2: RESPONDENTS' FACTORS THAT DETERMINE BANK PATRONAGE

Below are statements that describe your knowledge of the bank products of Mudaraba, Musharaka, Murabaha, Salam, Ijara, etc. Use the provided scales to indicate your level of agreement or disagreement with each statement

GUIDE: 1=Strongly Disagree (SD); 2=Disagree (DA); 3=Slightly Disagree (SLD); 4= Slightly Agree (SLA); 5=Agree (A); 6=Strongly Agree (SA)

PEX=product experience PV=product value PCI=product contextual information

PEI=product expert insight IBP=Islamic banking patronage

S/N	SCALE ITEM	1	2	3	4	5	6
PEX1	I feel good while using the bank's products						
PEX2	I feel happy while using the bank's products						
PEX3	I feel excited while using the bank's products						
PEX4	I derive Joy while using the bank's products						
PEX5	I am satisfied in using the bank's products						
PEX6	I derive pleasure in using the bank's products						
PEX7	Using the bank's products is engaging						
PEX8	I derive leisure in using the bank's products						
PEX9	Using the bank's products is refreshing						
PEX10	It is delightful to use the bank's products						
PEX11	The bank's products are distinct						

PEX12	The bank's products are wonderful						
PEX13	The bank's products are unique						
PEX14	Using the bank's products is memorable						
PEX15	I frequently use the bank products						
PV1	I am happy with the products						
PV2	I feel relaxed						
PV3	The personnel give me positive feelings						
PV4	The personnel do not hassle me						
PV5	The results of the products received were as expected						
PCI1	I like the bank products because they are less expensive compared to conventional bank						
PCI2	The bank's products are similar to conventional banks products						
PCI3	The bank's products are more suitable to meeting my needs compared with conventional banks products						
PCI4	The bank's products were adequately described to customers by the bank						
PEI1	I have seen a wide variety of the bank products						
PEI2	I know many details about the products						
PEI3	I can understand almost all the aspects of the bank products						

PEI4	I possess good knowledge of the bank products						
PEI5	I can understand my bank's product techniques						
PEI6	I can differentiate exactly the different products of the bank						
IBP1	The Islamic bank performs the service right at the first time						
IBP2	Customer service staff gave me prompt services						
IBP3	Customer service staffs are always courteous with customers.						
IBP4	Customer service staffs are always ready to respond to customer requests promptly						
IBP5	I can trust the Islamic Bank customer service staff						
IBP6	I feel safe in the transaction with the Islamic bank						
IBP7	Customer service staffs are polite						
IBP8	Customer service staffs have adequate support from the bank to do their job well						
IBP9	I value the ease of using this Islamic bank products						
IBP10	Using this Islamic bank products is an efficient way to manage my time						
IBP11	I value the convenience of using this Islamic bank services						

APPENDIX B

VALIDATION OF QUESTIONNAIRE

APPENDIX C

DESCRIPTIVE STATISTICS

Religion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Islam	400	95.9	95.9	95.9
	christianity	17	4.1	4.1	100.0
	Total	417	100.0	100.0	

Statistics

		GENDER	MARITAL	EDUCATION	OCCUPATION
N	Valid	417	417	417	417
	Missing	0	0	0	0
Mean		1.3573	1.4125	2.0408	2.0576
Median		1.0000	1.0000	2.0000	2.0000

GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	268	64.3	64.3	64.3
	Female	149	35.7	35.7	100.0
	Total	417	100.0	100.0	

MARITAL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	245	58.8	58.8	58.8
	Single	172	41.2	41.2	100.0
	Total	417	100.0	100.0	

EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma/OND/NCE or equivalent	97	23.3	23.3	23.3
	HND/BSC/BA/B.ED or equivalent	214	51.3	51.3	74.6
	M.Sc/M>A/MBA or equivalent	98	23.5	23.5	98.1
	DBA/Ph.D or equivalent	8	1.9	1.9	100.0
	Total	417	100.0	100.0	

OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Civil servant	142	34.1	34.1	34.1
	Student	109	26.1	26.1	60.2
	Business/Private sector	166	39.8	39.8	100.0
	Total	417	100.0	100.0	

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-20	15	3.6	3.6	3.6

	21-30	121	29.0	29.0	32.6
	31-40	134	32.1	32.1	64.7
	41-50	95	22.8	22.8	87.5
	51 and above	52	12.5	12.5	100.0
	Total	417	100.0	100.0	

INCOME					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1000-15000	90	21.6	21.6	21.6
	15001-100000	217	52.0	52.0	73.6
	100001-1000000	89	21.3	21.3	95.0
	1000001 and above	21	5.0	5.0	100.0
	Total	417	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
AGE	417	1.00	5.00	3.1151	1.07246
INCOME	417	1.00	4.00	2.0983	.78900
Valid N (listwise)	417				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
exp1	417	1.00	6.00	4.1271	1.82152
exp2	417	1.00	6.00	4.4221	1.54244
exp3	417	1.00	6.00	4.3070	1.54322
exp4	417	1.00	6.00	4.4532	1.62266
exp5	417	1.00	6.00	4.2590	1.71253
exp6	417	1.00	6.00	4.3357	1.43530
exp7	417	1.00	6.00	3.9041	1.66277
exp8	417	1.00	6.00	3.9640	1.35205
exp9	417	1.00	6.00	3.7554	1.67062
exp10	417	1.00	6.00	4.3813	1.36260
exp11	417	1.00	6.00	4.5492	1.66355
exp12	417	1.00	6.00	4.4748	1.44114
exp13	417	1.00	6.00	4.4341	1.56926
exp14	417	1.00	6.00	4.0216	1.56801
exp15	417	1.00	6.00	3.9664	1.70937
value1	417	1.00	6.00	4.7290	1.47444
value2	417	1.00	6.00	4.3909	1.47355
value3	417	1.00	6.00	4.4173	1.50591
value4	417	1.00	6.00	4.4412	1.56495
value5	417	1.00	6.00	4.4532	1.51542
cont inf1	417	1.00	6.00	4.1655	1.39847
cont inf 2	417	1.00	6.00	3.4532	1.49626
cont inf3	417	1.00	6.00	3.8657	1.50038
contl inf4	417	1.00	6.00	3.8753	1.44075
exp insi1	417	1.00	6.00	3.6067	1.49478
expt insi2	417	1.00	6.00	3.4964	1.61591
expt insi3	417	1.00	6.00	3.5899	1.46668
exp insi4	417	1.00	6.00	3.7338	1.54068
exp insi5	417	1.00	6.00	3.6379	1.47603
exp insi6	417	1.00	6.00	3.5228	1.34453
IBP1	417	1.00	6.00	4.3237	1.79429

IBP2	417	1.00	6.00	4.5180	1.57208
IBP3	417	1.00	6.00	4.5420	1.75652
IBP4	417	1.00	6.00	4.7770	1.54286
IBP5	417	1.00	6.00	4.5252	1.61274
IBP6	417	1.00	6.00	4.7170	1.53219
IBP7	417	1.00	6.00	4.5683	1.56148
IBP8	417	1.00	6.00	4.4508	1.54051
IBP9	417	1.00	6.00	4.7026	1.57132
IBP10	417	1.00	6.00	4.4580	1.63313
IBP11	417	1.00	6.00	4.7554	1.50084
Valid N (listwise)	417				

APPENDIX D

FACTOR ANALYSIS

FACTOR ANALYSIS: (Experience, expert insight and value)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.732
Bartlett's Test of Sphericity	Approx. Chi-Square	2.617E3
	Df	36
	Sig.	.000

Communalities

	Initial	Extraction
exp1	1.000	.837

exp2	1.000	.897
exp6	1.000	.860
exp7	1.000	.884
exp13	1.000	.854
cont inf1	1.000	.677
cont inf3	1.000	.654
expt insi3	1.000	.703
exp insi6	1.000	.679

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.438	49.313	49.313	4.438	49.313	49.313	2.721	30.237	30.237
2	1.351	15.012	64.325	1.351	15.012	64.325	2.456	27.292	57.528
3	1.254	13.929	78.254	1.254	13.929	78.254	1.865	20.725	78.254
4	.960	10.668	88.922						
5	.275	3.053	91.976						

6	.235	2.616	94.591						
7	.216	2.395	96.986						
8	.167	1.860	98.846						
9	.104	1.154	100.000						

Extraction Method: Principal Component
Analysis.

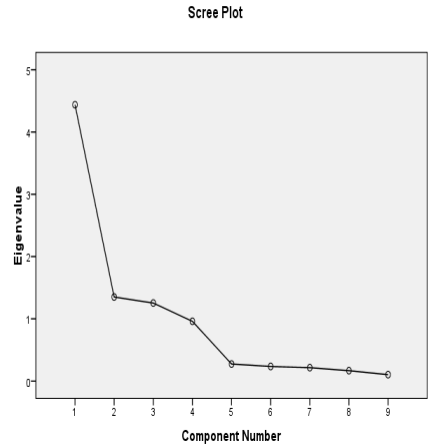
Component Matrix^a

	Component		
	1	2	3
exp6	.817	-.320	-.301
exp13	.804		-.394
exp7	.799	-.342	-.358
exp1	.697	-.345	.482
exp insi6	.676	.471	

cont inf3	.669	.419	
expt insi3	.640	.468	
cont inf1	.591	.460	.339
exp2	.581	-.364	.653

Extraction Method: Principal Component Analysis.

a. 3 components extracted.



Rotated Component Matrix^a

	Component		
	1	2	3
exp7	.901		
exp13	.877		
exp6	.869		

exp insi6		.776	
cont inf1		.756	.323
cont inf3		.752	
expt insi3	.397	.725	
exp2			.925
exp1	.327		.832

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Component Transformation Matrix

Component	1	2	3
1	.675	.599	.432
2	-.426	.793	-.435
3	-.603	.110	.790

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Factor Analysis: (Islamic Banking Patronage)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.902
Bartlett's Test of Sphericity	Approx. Chi-Square	4.946E3
	Df	55
	Sig.	.000

Anti-image Matrices

		IBP1	IBP2	IBP3	IBP4	IBP5	IBP6	IBP7	IBP8	IBP9	IBP10	IBP11
Anti-image Covariance	IBP1	.338	-.017	-.035	.001	-.012	-.030	.049	-.077	-.035	.021	-.060
	IBP2	-.017	.255	-.033	-.056	-.015	.029	.026	-.015	-.041	-.042	.082
	IBP3	-.035	-.033	.149	-.051	-.030	.049	-.031	-.014	.023	-.055	.000
	IBP4	.001	-.056	-.051	.125	-.024	-.006	.048	-.066	-.005	.000	-.022
	IBP5	-.012	-.015	-.030	-.024	.095	-.090	-.062	.041	-.012	.038	-.050
	IBP6	-.030	.029	.049	-.006	-.090	.163	-.018	-.025	.012	-.043	.049
	IBP7	.049	.026	-.031	.048	-.062	-.018	.276	-.088	-.053	-.013	.056
	IBP8	-.077	-.015	-.014	-.066	.041	-.025	-.088	.235	-.005	-.002	-.010
	IBP9	-.035	-.041	.023	-.005	-.012	.012	-.053	-.005	.271	-.107	-.044
	IBP10	.021	-.042	-.055	.000	.038	-.043	-.013	-.002	-.107	.221	-.102
	IBP11	-.060	.082	.000	-.022	-.050	.049	.056	-.010	-.044	-.102	.431
Anti-image Correlation	IBP1	.958 ^a	-.056	-.156	.004	-.069	-.126	.159	-.275	-.116	.078	-.157
	IBP2	-.056	.938 ^a	-.168	-.316	-.100	.142	.099	-.062	-.158	-.176	.247
	IBP3	-.156	-.168	.916 ^a	-.371	-.255	.313	-.151	-.077	.117	-.304	.001
	IBP4	.004	-.316	-.371	.915 ^a	-.219	-.045	.256	-.386	-.027	-.005	-.093
	IBP5	-.069	-.100	-.255	-.219	.831 ^a	-.727	-.386	.276	-.075	.263	-.245
	IBP6	-.126	.142	.313	-.045	-.727	.832 ^a	-.086	-.130	.056	-.228	.183
	IBP7	.159	.099	-.151	.256	-.386	-.086	.890 ^a	-.345	-.195	-.053	.163
	IBP8	-.275	-.062	-.077	-.386	.276	-.130	-.345	.914 ^a	-.019	-.009	-.032
	IBP9	-.116	-.158	.117	-.027	-.075	.056	-.195	-.019	.938 ^a	-.437	-.128

IBP10	.078	-.176	-.304	-.005	.263	-.228	-.053	-.009	-.437	.894 ^a	-.329
IBP11	-.157	.247	.001	-.093	-.245	.183	.163	-.032	-.128	-.329	.904 ^a

a. Measures of Sampling Adequacy(MSA)

Communalities

	Initial	Extraction
IBP1	1.000	.684
IBP2	1.000	.681
IBP3	1.000	.819
IBP4	1.000	.843
IBP5	1.000	.758
IBP6	1.000	.590
IBP7	1.000	.587
IBP8	1.000	.744
IBP9	1.000	.721
IBP10	1.000	.723
IBP11	1.000	.511

Extraction Method: Principal Component Analysis.

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.660	69.638	69.638	7.660	69.638	69.638
2	.972	8.836	78.474			
3	.592	5.380	83.854			
4	.452	4.112	87.965			
5	.323	2.933	90.899			
6	.299	2.721	93.619			
7	.212	1.930	95.550			
8	.191	1.735	97.285			
9	.155	1.409	98.694			
10	.085	.772	99.466			
11	.059	.534	100.000			

Extraction Method: Principal Component Analysis.

APPENDIX E

RELIABILITY TEST

Experience Reliability Statistics

Cronbach's Alpha	N of Items
.930	3

Item Statistics

	Mean	Std. Deviation	N
exp7	3.9041	1.66277	417
exp13	4.4341	1.56926	417
exp6	4.3357	1.43530	417

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
--	----------------------------	--------------------------------	----------------------------------	----------------------------------

exp7	8.7698	8.033	.888	.874
exp13	8.2398	8.817	.847	.906
exp6	8.3381	9.609	.843	.912

**Expert insight Reliability
Statistics**

Cronbach's Alpha	N of Items
.798	4

Item statistics

	Mean	Std. Deviation	N
exp insi6	3.5228	1.34453	417
cont inf1	4.1655	1.39847	417
cont inf3	3.8657	1.50038	417
expt insi3	3.5899	1.46668	417

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
exp insi6	11.6211	12.294	.663	.724
cont inf1	10.9784	12.613	.582	.761
cont inf3	11.2782	11.706	.623	.742
expt insi3	11.5540	12.262	.578	.764

Value Reliability Statistics

Cronbach's Alpha	N of Items
.884	2

Item Statistics

	Mean	Std. Deviation	N
exp2	4.4221	1.54244	417
exp1	4.1271	1.82152	417

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
exp2	4.1271	3.318	.803	a
exp1	4.4221	2.379	.803	a

a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. You may want to check item codings.

IBP Reliability Statistics

Cronbach's Alpha	N of Items
.956	11

Item Statistics

	Mean	Std. Deviation	N
IBP1	4.3237	1.79429	417
IBP2	4.5180	1.57208	417
IBP3	4.5420	1.75652	417
IBP4	4.7770	1.54286	417
IBP5	4.5252	1.61274	417
IBP6	4.7170	1.53219	417
IBP7	4.5683	1.56148	417
IBP8	4.4508	1.54051	417
IBP9	4.7026	1.57132	417
IBP10	4.4580	1.63313	417
IBP11	4.7554	1.50084	417

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
IBP1	46.0144	175.192	.787	.952

IBP2	45.8201	180.321	.782	.952
IBP3	45.7962	172.264	.877	.948
IBP4	45.5612	176.732	.894	.948
IBP5	45.8129	177.085	.841	.950
IBP6	45.6211	183.471	.722	.954
IBP7	45.7698	183.009	.718	.954
IBP8	45.8873	179.249	.828	.950
IBP9	45.6355	179.102	.814	.951
IBP10	45.8801	177.697	.814	.951
IBP11	45.5827	186.350	.664	.956

APPENDIX F

INTER-CORRELATION

Correlations

		IBP	RELIGION	EDUCATION	experience	expertinsight	value
Pearson Correlation	IBP	1.000	-.017	.219	.843	.579	.567
	RELIGION	-.017	1.000	.022	.018	-.020	-.039
	EDUCATION	.219	.022	1.000	.144	.112	.189
	experience	.843	.018	.144	1.000	.492	.446
	expertinsight	.579	-.020	.112	.492	1.000	.380
	value	.567	-.039	.189	.446	.380	1.000
Sig. (1-tailed)	IBP	.	.363	.000	.000	.000	.000
	RELIGION	.363	.	.331	.356	.342	.212
	EDUCATION	.000	.331	.	.002	.011	.000
	experience	.000	.356	.002	.	.000	.000
	expertinsight	.000	.342	.011	.000	.	.000
	value	.000	.212	.000	.000	.000	.
N	IBP	417	417	417	417	417	417
	RELIGION	417	417	417	417	417	417
	EDUCATION	417	417	417	417	417	417
	experience	417	417	417	417	417	417
	expertinsight	417	417	417	417	417	417
	value	417	417	417	417	417	417

APPENDIX G

MULTIPLE REGRESSION ANALYSIS

Descriptive Statistics

	Mean	Std. Deviation	N
IBP	4.5762	1.33546	417
RELIGION	1.0408	.19799	417
EDUCATION	2.0408	.73757	417
experience	4.2246	1.45954	417
expertinsight	3.7860	1.12789	417
Value	4.2746	1.59763	417

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	value, RELIGION, EDUCATION, expertinsight, experience ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: IBP

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.885 ^a	.783	.780	.62610	1.640

a. Predictors: (Constant), value, RELIGION, EDUCATION, expertinsight, experience

b. Dependent Variable: IBP

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	580.800	5	116.160	296.328	.000 ^a
	Residual	161.111	411	.392		
	Total	741.912	416			

a. Predictors: (Constant), value, RELIGION, EDUCATION, expertinsight, experience

b. Dependent Variable: IBP

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.443	.213		2.080	.038		
	RELIGION	-.133	.155	-.020	-.853	.394	.996	1.004
	EDUCATION	.123	.043	.068	2.904	.004	.959	1.043
	experience	.607	.026	.663	23.728	.000	.676	1.479

expertinsight	.203	.032	.171	6.337	.000	.725	1.379
value	.161	.022	.193	7.267	.000	.751	1.331

a. Dependent Variable: IBP

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6064	6.3806	4.5762	1.18159	417
Residual	-1.56835	1.45051	.00000	.62232	417
Std. Predicted Value	-2.513	1.527	.000	1.000	417
Std. Residual	-2.505	2.317	.000	.994	417

a. Dependent Variable: IBP

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	RELIGION	EDUCATION	experience	expertinsight	value
1	1	5.675	1.000	.00	.00	.00	.00	.00	.00
	2	.116	6.997	.01	.02	.43	.11	.03	.16
	3	.085	8.166	.02	.12	.41	.00	.02	.28
	4	.063	9.459	.01	.06	.11	.36	.09	.55
	5	.047	11.045	.00	.03	.00	.53	.78	.00
	6	.014	19.924	.96	.77	.04	.00	.07	.02

a. Dependent Variable: IBP

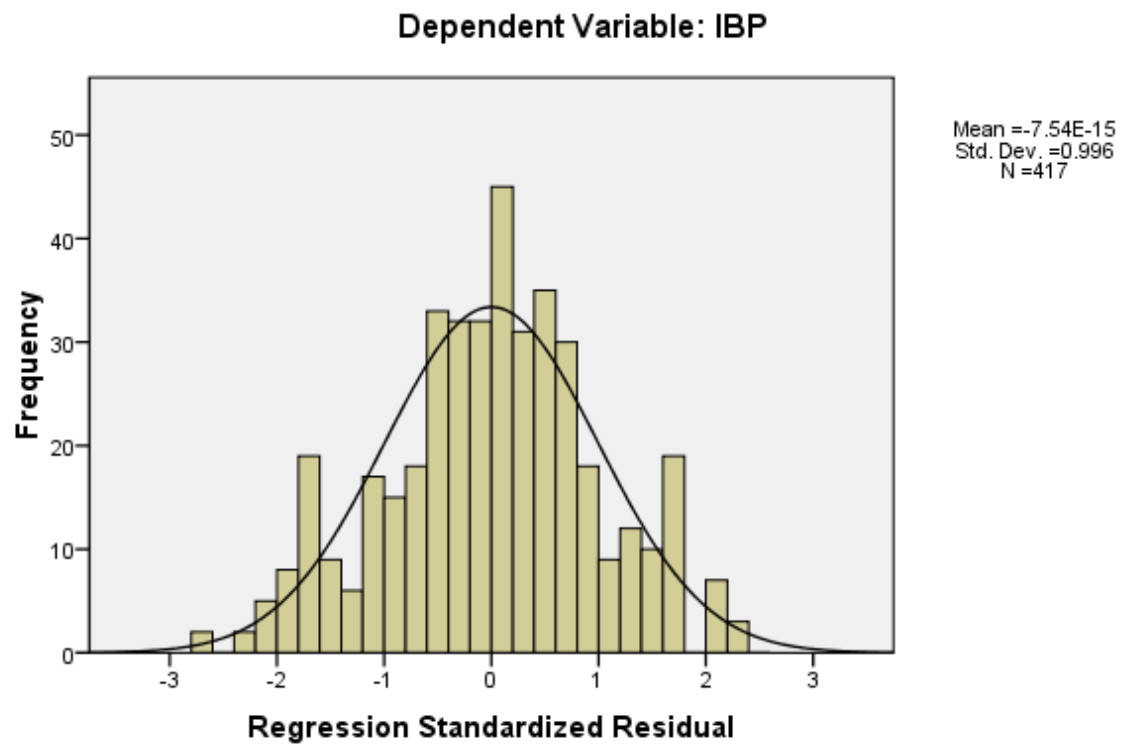
Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6064	6.3806	4.5762	1.18159	417
Residual	-1.56835	1.45051	.00000	.62232	417
Std. Predicted Value	-2.513	1.527	.000	1.000	417
Std. Residual	-2.505	2.317	.000	.994	417

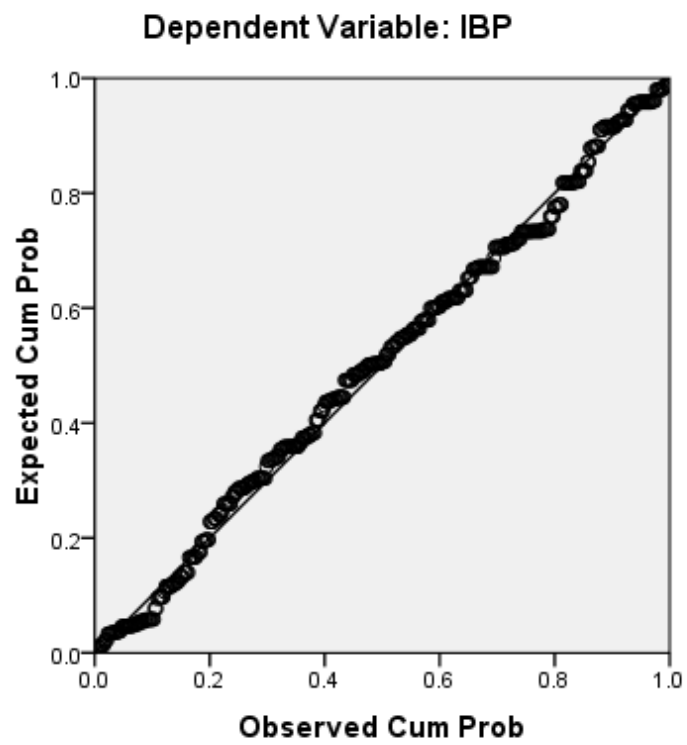
a. Dependent Variable: IBP

Charts

Histogram



Normal P-P Plot of Regression Standardized Residual



Scatterplot

Dependent Variable: IBP

