

## **Factors Influencing Customer's Behavioral Intention to Adopt Islamic Banking in Northern Nigeria: a Proposed Framework**

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**Abstract:** *Several factors have been suggested to explain factors that influence customer's intention to adopt Islamic banking. To date, some of this factors that have been considered includes, credibility, confidentiality, quick service, religious, service quality, product, trust, among others. Despite these studies, however, few studies have attempted to consider the influence of behavioral intention and adoption of Islamic banking. Even if any, they have reported inconsistency findings. Therefore, a moderating variable is suggested. This paper proposes market maven as a potential moderator on the relationship between behavioral intentions and adoption of Islamic banking.*

**Keyword:** *Behavioral intention, Attitude, Subjective norm, Market maven, Perceived Behavioral Control*

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### **I. Introduction**

Islamic banking is a profit oriented banking growing global it is now embraced and practiced in nearly 70 countries all over the world including, United Kingdom, Canada, United States, United Arab Emirates, Malaysia, China, Singapore, South African, Kenya, Nigeria, and so on. . Global banks like HSBC Citibank, Barclays bank etc., are also offering the services of Islamic banking. Umar (2013) argues that Islamic banking is an alternative financial services practice to all irrespective of race or religion. It is important to know that Islamic banking which is also known as interest free banks provides services to humanity (Muslim and Nonmuslim) all over the world (Dogarawa, 2013). In the same view, Dusuki and Abdullah (2006), reveals that Islamic banking is to fulfil the religious obligations of the Muslim community, and satisfy the need of new customers.

#### **1.1 Behavioral intention:**

Intention is simply defined as how hard persons are willing to try and how much determinations they are planning to use towards performing a behaviour. Behavioral intention (BI) refers to "a person's subjective probability that he will perform some behavior" (Fishbein and Ajzen, 1975). In addition behavioral intention is a function of three independent antecedents namely; consumers attitude, subjective norm and perceived behavioural control. However, theory of reason action (TRA) suggests that behavioral intention is the most influential predictor of behavior Fishbein and Ajzen (1975) advocated that an individual's intention directs the execution of behavior in the same direction. Bagozzi (1992) claimed that as soon as the intention is activated, it will function as part of a self-fulfilling mechanism and drive individuals into a status of "must do" or "will do". According to Ajzen (2012), behavioral intentions are motivational factors that capture how much effort a person is willing to make in order to perform a behavior. However, Malhotra and McCort (2001) argued that prompting a better understanding of consumers' behavioural intention remains to be a primary concern for marketing researchers. Nevertheless, theory of reason action (TRA) proposes, a person's (BI) to rest on the individual's attitude and subjective norms ( $BI = A + SN$ ), while Theory planned behavior (TPB) describes why people applies certain actions. Furthermore, Chian-sonyu, (2012), investigates what influences people to adopt mobile banking. By using sampling of 441 respondents, the result empirically focused that individual intention to adopt mobile banking was considerably influenced by performance expectancy perceived financial cost, social influence, and perceived credibility, in their directive of impelling asset. The behavior was extensively overstated by individual intention and helping conditions. Nevertheless, Consumer's intention stays unique as a factors that performance an additional significant role in consumer behavior. A study into consumer's intention yields a vital foundation for forecasting consumer's actual behavior on the manner to a particular action (Gaur, 2006; Gomes, 2011). Hence, studying and examining the consumer behavior and choice in selecting products and services are a critical matter in marketing strategies.

### **1.2 Attitude and Behavioral Intention**

There are many definitions of attitude as there are several academic researchers trying to understand human behavior. Attitude is defined as "individuals' behaviour towards negative or positive feelings about carrying out a target behaviour". In addition, attitude is related to behavioral intention of individuals in view of the fact that they form their intentions to do an exact behavior in the direction of which they have positive result (Tan & Teo, 2000). Similarly, the current definition of attitude refers to "the degree of favourableness or unfavourableness of people's feelings regarding a psychological object" (Ajzen & Fishbein, 2000). The more favourable an individual's attitude toward shopping, the more likely he or she will intend to shop. In various studies in several contexts, significant influence of attitude toward usage and adoption of new innovation, product or services has been pointed out (Taylor & Todd, 1995; Davis et al., 19; Teo & Pok, 2003; Lu et al., 2003; Ramayah et al., 2005; 2006; Hung et al., 2003; Kim et al., 2009). Besides, Akurtan and Tezacan (2012) revealed that attitude is the most notable predictor of adoption intention of mobile banking among its potential users. However, in context of Islamic banking researches, attitude has been modified (Amin et al., 2009, 2011, Taib et al., 2008). In more detail on, Amin et al., (2011) proved that attitude is a key factor that influences Islamic personal financing usage. Furthermore, Taib et al. (2008) indicated a significant positive relation between attitude of customers and Islamic partnership home financing among different groups of Malaysian postgraduate students. Yet, it seems that there is lack of empirical confirmation in the Islamic credit card studies as to whether attitude is able to influence adoption of Islamic credit card among Malaysian bank customers. These explain why the following proposition would be tested:

*P1: attitude significant influence behavioral intention*

### **1.3 Subjective Norm and Behavioral Intention**

Subjective norm or normative pressure can be defined as individual's action suggested by their close friends that will affect their particular behavior. In addition, "it can be a person's approve or disapprove of carrying out a behavior" (Fishbein & Ajzen, 1975, Ajzen, 1991). However, subjective norm can be traced back to theory of reasoned action (TRA) as original construct that deal with the influence of social pressure or social environment on the persons and on behavioral intention. Subjective norm is direct factor of behavioral intention by (TRA) Fishbein & Ajzen 1975, Ajzen 1991). According to previous studies, Amin et al (2011) in their study found that the consumer intention towards use of Islamic financing is founded from the subjective norm from their relatives and friends. This is also consistent by Md-Nor and Pearson (2008) in their study of online banking which defined the subjective norm as influence from a family, friends and Colleagues or peers. Nevertheless, Hsu and Chui (2004) considered subjective norm as individual influence and external influence created positive subjective norm, as the stronger behavioral intention. Generally, people will seek an advice or recommendation from their family members, spouse, close friends, and relatives concerning of certain products. Furthermore, research conducted in Taiwan, by Wen (2008), using samples of banking and travel agents' customers, the result stated that there is significant impact on behavioral intention.

*P2: Subjective norm significant influence Behavioral intention*

### **1.4 Market Mavens, Attitude, Subjective norm and Behavioral Intention**

In more recent time, Islamic banks have achieved remarkable success in that regard, however, some Islamic products received little success. (Mohammad & Md Taib, 2008; Al-Salem, 2009). To reduce risks of failure of new products, Islamic banks must appreciate and incorporate the concept of market mavens in their marketing strategies. According to Feick and Price (1987) market mavens refer to "individuals who obtaining information about various kind of products, place to shop, marketplace and engage in initiate conversation with consumers to share their knowledge and also respond to request from consumer particularly on marketing information. However, market maven are more valuable throughout a products lifecycle, because their interest is not limited to fresh product (Tellis et al 2009). Furthermore, market mavens are anticipated to play a fundamental role in the setting of investment products as these product have important financial costs for consumers (He et al, 2008). Additionally, Hoffmann and Broekhuizen (2009) conducted study on understanding investor's decision to purchase innovative products: Motorist of adoption timing and range used two diverse questionnaire to administer individual investors with sample of about 596 respondents. Their study reveals that consumer psychographic (market mavens & products Category involvement) describe dispositional innovativeness strongly impact time of adoption and possession of new investment product. In addition the collective result of studies 1 & 2 show that individual investors give details on their innovative adoption behaviour and indicate the stand to finance prediction they integrate more than just risk-return trade-off in their investment choice. However, Yang et al (2011) investigated young Chinese consumer's mobile, viral attitudes intents and behaviour, several samples of 835 college students from Beijing, Shanghai. The results confirmed the chain of young Chinese consumer's viral attitude as intents to actual behaviour. In addition, the result reveal that SN, PC and pleasure were significant predictors of attitudes. The intents to advancing valuable messages

was determined by their attitudes perceived utility & Market mavens. Therefore viral attitudes intents market mavens predicted the mobile viral behaviour.

### 1.5 Perceived Behavior Control

Perceived behavior control is concern with individuals own judgment about their capabilities to involved in particular behavior Ajzen, (1991). In the same vein, it referred to available resources such as buying power. The perceived behavior control idea was first presented in ajzen (1991) study. Similarly, perceived behavior control has two measurements: an inner factor and an exterior factor. The internal factor states to level of assurance that a person has in his /her capability to carry out a persuaded behavior, which is stranded in one's self-efficacy (bandura, 1997). The outside factor discusses to resounded constraint. The constraint are smoothing condition accessible to an individual's- such as money, time, technology, that are prerequisite to perform a behavior (taylor and todd, 1995).The significance of the behavior control is well evidenced in previous studies of Lim and Dubinsky 2005; Kang et al 2006).since perceived behavior control is correlated to individuals situation, such as capacity, time, money, resources, it is projected to differ little by culture and countries. However, Abdelghani et al (2012) in their study showed that facilitating condition and perceived behavior control play a significant impact on intention to adopt IBs.However, Bonne et al., (2007) investigated their cross sectional study of Halal meat feeding between Muslim in France, using 576 Muslim migrants. Perceived behavioral control was surveyed in relation to Muslim self-identity and acculturation in relation to intention to consume Halal meat. Result revealed from the independent t-tests, correlation and multiple regression analysis shows that Muslim consumers were influenced by control factors and that perceived behavioral control positively predicted Muslim purchase intention of Halal meat. Alam and Sayuti (2011) investigated perceived behavioural control to inspect buying behaviour in Malaysia. Data were obtained by self-administered questionnaires and various regression analysis engaged to ascertain the factors influencing procuring behaviour among Malaysian customers. Results from the multiple regression investigation indicated that perceived behavioural control have optimistic and significant impact on Halal food buying intention. This shows that consumer's income is one of the elements of demand that played a significant role in this respect.

## II. Proposed Research Framework:

Based on the above empirical evidences, figure 1 shows the proposed theoretical framework, illustrating the moderating rate of market maven, attitudes, subjective norm, and intention to adopt Islamic banking in northern Nigeria.

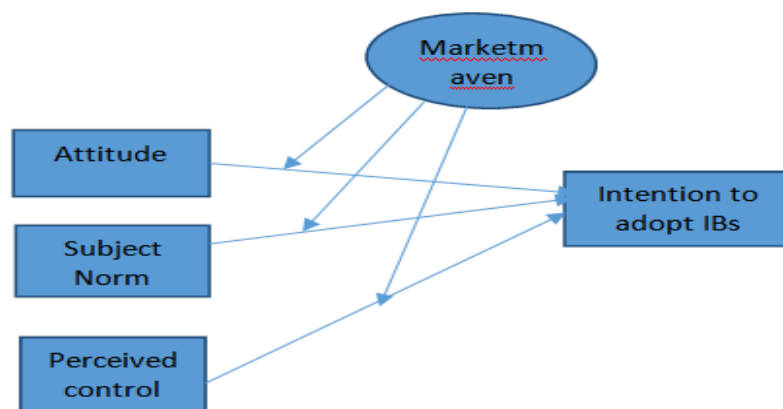


Figure 1: Attitude, subjective norm, market maven and intention to adopt Islamic banking in northern Nigeria.

## 111. Conclusion

This conceptual paper provides a theoretical discussion of factors that influence customer's intention to adopt Islamic banking. If the framework is authenticated, findings can be of importance to academic researchers and marketers for implementing effective market strategies to promote Islamic banking adoption.

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