

**NON- ECONOMIC FACTORS INFLUENCING THE ISLAMIC
INSURANCE (TAKAFUL) SERVICES CONSUMPTION IN
KANO METROPOLIS, NIGERIA**

BY

**HABIBU AYUBA
(SPS/09/MMN/00011)**

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Certification

This is to certify that the Dissertation and its subsequent preparation by Habibu Ayuba (SPS/09/MMN/00011) was conducted under my supervision.

Prof. Garba Bala Bello
(Supervisor)

Date

Dr. Abdul Jafaru Bambale
(Head of department)

Date

Declaration

I, Habibu Ayuba, hereby declare that this Dissertation is the product of my own independent research effort undertaken under the supervision of Prof. Garba Bala Bello. It has never been presented elsewhere. All sources consulted have been duly acknowledged.

Habibu Ayuba (SPS/09/MMN/00011)

Date

Dedication

This Dissertation is dedicated to my parent in persons of Malam Ayuba Umar and Hajiya Fatima Rufa'i and all the Muslim Ummah.

Approval Page

This is to certify that this Dissertation has been read and approved as having met the partial fulfillment of the requirements for the award of the Degree of Master of Science (M.Sc) in Management (Finance and Investment), Department of Business Administration and Entrepreneurships, Bayero University, Kano, Nigeria.

Prof. A. B. Akpan
(External Supervisor)

Date

Dr. B.A.Kofar Mata
(Internal Examiner)

Date

Prof.Garba Bala Bello
(Supervisor)

Date

Dr. Abdul Jaafaru Bambale
(Head of Department)

Date

Prof. A. S. Kantidu
(SPS Representatives)

Date

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ABSTRACT

Islamic insurance is a substitute of conventional insurance. It is an option for people whose religious belief has discouraged them to patronize risk management products that are characterized with elements of uncertainty, interest rate and other non-religious complied principles. The study, however, aims at exploring the factors influencing Islamic Insurance (Takaful) services consumption in Kano Metropolis, Nigeria. This is to examine a given research problem by answering these questions which are: To what extent does building public awareness of Takaful services have significant effect on Takaful services consumption? To what extent does the level of public attitude have significant effect on the Takaful services consumption? To what extent does the level of public perception have significant effect on the Takaful services consumption? To what extent does the level of public trust and confidence reposed on Takaful operators have significant effect on Takaful services consumption? And finally, how does the level of Takaful operators' capacity and competences have significant effect on Takaful services consumption? The five (5) Hypotheses formulated and the research objectives are in line with the research problem' questions raised. The study's design is survey research in which the exploratory method is employed using questionnaire and unstructured observation as the means for collecting primary data of the study. The research's sample size is 411 where 384 represent actual and potential customers and 27 are the staff/agents of Takaful operators in Kano Metropolis. The study has analyzed the data using chi-square statistical tool. The findings of the study indicate that all the five (5) Null Hypothesis formulated are rejected. The results have discovered that the independent variables: public awareness of Takaful services, public attitude, public perception, public trust and confidence upon Takaful operators, capacity and competences of Takaful operators; have significant effect on the dependent variable (Takaful services consumption) in Kano Metropolis. It is therefore recommended: that all the stakeholders in Islamic insurance (Takaful) businesses shall put hands together and harness the available resources to promote the business; that the stakeholders shall embark on the attitudinal change campaign aims at making public to understand the need for purchasing Takaful services as a means of employing risk management and that the existing operators shall have to do a lot in creating a unique identity which can make the Takaful so different from conventional insurance so as to establish favorable perception of the subject matter; that there shall be needs for creating business trust and confidence between the public and the operators; and the stakeholders in the industry shall provide the needed capital investments which can enable the Takaful business to be well established and be capable in winning more customers. This would make the Takaful operators capacity to be very strong and strong capital base can enhance the competences of the players and their competitiveness in the industry.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the context of Islamic financial system and economy, there is emergence of insurance practice called by name; Takaful. Takaful is an alternative to conventional insurance. It is an Islamic insurance product which acts as a social scheme based on the principle of brotherhood, solidarity and mutual assistance among society. It provides mutual financial assistance to those who are members of Takaful scheme; that voluntarily agree to contribute a certain amount of money for that purpose (Ali, 2011). The scheme operates as a legally binding agreement among all the participants who pay or indemnify any of their members that suffers a loss as specified in the policy document. Therefore; should any member suffers a catastrophe; he would receive a certain sum of money or financial benefit from the fund as defined in the pact so as to help him meet the loss for a defined loss from a defined fund (Stagg-Mecey; 2007 in Swarz & Coetzer, 2010; and Billah; undated (a)).

On the other hand, modern conventional commercial insurance, in these days, has emerged to mitigate the seriousness of both personal and business risks which are inherently in- built in every human endeavor. Its products are specifically designed to provide a protection to individuals or businesses against contingencies; created out of human quest for security and stability (Redzuan, Rahman & Aidid; 2009). It acts as a risk transfer mechanism which is aimed at providing peace of mind and the protection against losses. It is either to handle risk assumption or risk transfer or loss prevention activities. The scheme utilizes method that combines people or institutions by persuading a large number of individuals or companies to pool their own risk into a large group to minimize overall risk (Ali, 2005).

Risk, in insurance business, represents a probability of particular event to occur or not. It is a chance of happening of something that will have an impact upon peoples' objectives. It is measured in terms of likelihood and consequences (Gowa, 2002). Traditionally, the concept of risk has been associated with uncertainty of events in the future. The higher the uncertainty of an event, the higher is the risk. It is argued that risk is the amount of loss associated with property or life. Risk to a property can be damages to a car, building or house. Risk; to a life, however, is simply described as a poor health, pre-mature death, or injuries as a result of an accident etc. Thus, risk is defined as a culture, processes and structures directed toward effective management of potential opportunities and adverse effect (Akhter, Akhtar & Jafri; undated).

It has for long been established that in every society, there exist risk management strategies. They are culturally embedded to suit the people's peculiarities and risk exposure. This has made many scholars to view the term differently. As argued by Okofor & Tela (2006), to manage risk, means to identify vulnerabilities and threats to assets or life in achieving one's objectives and deciding what counter measures if any, to take in reducing the pure risk to an acceptable level. In their submission; Falegan (1991) and Harrington & Niehaus (1999) maintain that pure risk is only managed through either risk control mechanism or risk financing; and among the risk financing schemes include: risk retention, hedging contract and insurance. This study has adopted an insurance practice and wants to examine it in the context of Islamic financial system.

Islamic insurance (Takaful) service has been at embryonic stage in Nigerian insurance industry. Its introduction has not lasted for more than 10years. In fact, it is in the year 2003 that the African Alliance Insurance Plc has entered Kano market. No Insurance company has

followed the suit till 2009; when Corner Stone Insurance plc; through its division; Halal Takaful Nigeria Limited which enters the market and offers general Takaful products. Niger insurance Plc also has been in the market (2008/2009) competing directly with these companies. Thus, Niger insurance Plc, instead of African Alliance insurance Plc which offers Family Takaful services as Window operation and Corner Stone Insurance Plc that offers General Takaful services by creating a Division to handle the products, sales its Takaful (Mutual Halal Plan Policy) as a mere extension of the conventional insurance products mix. The companies have offered two distinct and different types of Takaful services which signify absence of direct competition. Although, emergence of Niger Insurance Plc in the market creates competition in offering Family Takaful services, it is not very pronounced, as observed. Yet, with this partial monopoly status enjoyed by the companies and more than 7 years stay in the market, the services patronage have not gained presupposed wider use and acceptability among consumers in the market. It is against this background that this study is designed to explore the determinants or factors that can guarantee effective consumption of the services so that wider acceptability and patronage would be obtained.

1.2 Statement of the Problem

In spite of the significance of commercial insurance, in human life, there exists a low level of insurance culture among Nigerians (Yusuf, Gbadamosi & Hamadu, 2009). Historically, religion has provided a strong source of cultural opposition to life insurance. Because; many religious people believe that reliance on life insurance is resulted from distrust of God's protective care. This might have been among the reasons (because, many Nigerians have respect very much for their religion and it has become part of their culture) that modern insurance is not popular in African countries (Yusuf et al, 2009).

In addition; the opposition to conventional commercial insurance enjoys much more widespread support in the Muslim countries. Conventional insurance as argued by Swartz & Coetze (2010) is an agreement whereby an insurer undertakes (in return for the agreed premium) to pay a policyholder an amount of money (or its equivalent) on the occurrence of a specified event. The specified event must have some elements of uncertainty about it. The uncertainty may either lie in the fact that although the event is bound to happen in the ordinary course of nature; the timing of its occurrence is uncertain; or the fact that the occurrence of the event depends upon accidental causes, and/or the event, therefore, may never happen at all. These features are what have disqualified the service to comply with the shariah injunction.

Scholars have discussed the prospect of Takaful (Bilal, undated; Alamas, 2010; Rahman, Yusif & Bakar, 2008 and Redzuan, Rahman & Aidid, 2009). Yusuf (2006) sees an interest-free insurance scheme in the developing nations to have gained the support and patronage of the Muslim population. Also Osoko (1992) cited in Yusuf, Gbadamosi & Hamodu (2009) argues that there exists for long time before the advent of commercial insurance, an institution of social insurance. Social insurance institution evolves through the existence of extended family system and social associations such as age groups, naming ceremonies, marriages etc. It operates by means of providing cash donations etc, to help members of extended family or communal associations who suffer a mishap. This social insurance which is very common among Nigerians has resembled Takaful insurance.

However, the long existence of social insurance institution has been determined to have no significant effect on building a strong insurance culture among Nigerians (Yusuf, Gbadamosi & Hamadu, 2009). Until now, there is no, to the knowledge of the researcher, study

conducted to assess the institution of Islamic insurance (Takaful) to determine its position with regard to the public attitude/Islamic insurance culture and service patronage by Nigerians. Therefore, this study is aimed to explore non-factors determining Takaful services consumption in Kano Metropolis, Nigeria.

The emergence of Islamic insurance which has considerable features that suit the religious culture of the majority of people in Kano Metropolis; it would expectedly gain high support and patronage from the populace. But, the preliminary survey by the researcher has shown otherwise. Conceptual study by Yusuf (2006) predicts high support and patronage of Islamic insurance products among Muslim population. The empirical findings of Redzuan et al (2009), also, state that income level of a household is a strong predictor of family Takaful consumption in Malaysia. In Kano Metropolis, however; despite being a commercial center; many people whose income level can be said to be substantive; are not keen on Takaful service patronage.

The major problems which might have marred the performance of Takaful operators in Kano Metropolis are their inability to identify the right and relevant factors to be considered when marketing the services in the state. The relevant marketing and consumer variables theoretically presented by the study are: building strong public awareness of the Takaful services; public attitude towards the Takaful services; public perception on the Takaful services; public trust and confidence on the Takaful operators; and capacity and competences of Takaful operator to sell the products in the market. These go in line with the assertion which has stated that Islamic Insurance products (Takaful) are unsuitable to be sold under the branch, division or window of conventional insurance companies. Because, it is observed that the conventional insurance has already enjoyed negative connotation, especially among

Muslim community. Therefore, the existing operators might not have had the necessary capacity and competences to build the trust that the products are Islamic and are different from the conventional insurance which is declared unlawful by the religion of Islam. These factors; however; are already conceptually identified by many studies (Ali; undated; Billah, undated; Zelizer 1979 cited in Yusuf, Gbadamosi & Hamadu, 2009 and Akhter, Akhtar & Jafri; undated). This study, therefore, aims to determine these factors empirically.

1.3 Research Questions

The research questions that are answered by the study are as follows:

- I. To what extent does building public awareness of Takaful services have significant effect on Takaful services consumption?
- II. To what extent does the level of public attitude have significant effect on the Takaful services consumption?
- III. To what extent does the level of public perception have significant effect on the Takaful services consumption?
- IV. To what extent does the level of public trust and confidence reposed on Takaful operators have significant effect on Takaful services consumption?
- V. How does the level of Takaful operators' capacity and competences have significant effect on Takaful services consumption?

1.4 Objectives of the Study

The aim of the research is to explore Non-economic factors influencing Takaful services consumption in Kano Metropolis, Nigeria. The specific objectives, therefore, are as follows:

- i. To determine the extent to which building public awareness of Takaful services has significant effect on Takaful services consumption.

- ii. To examine the effect of attitude of the public on the Takaful services consumption.
- iii. To explore the effect of public perception on the Takaful services consumption.
- iv. To assess the effect of public trust and confidence reposed upon the Takaful operators on the Takaful services consumption.
- v. To evaluate the effect of Takaful operators' capacity and competences on the Takaful services consumption.

1.5 Research Hypotheses

The following hypotheses are formulated for the study.

- HO₁ Building public awareness is not significant factor in influencing the Takaful services consumption.
- HO₂ Public attitude on Takaful services is not significant factor in influencing the Takaful services consumption.
- HO₃ Public perception on Takaful service is not significant factor in influencing the Takaful service consumption.
- HO₄ Public trust and confidence reposed on Takaful operators is not significant factor in influencing Takaful services consumption.
- HO₅ Operators' capacity and competences is not significant factor in influencing the Takaful services consumption.

1.6 Significance of the Study

The literatures available on the Takaful insurance are mostly written in either Malaysia or Arab countries. These countries share some socio-religious values but different socio-cultural and economic background with Nigeria. Thus, the research findings on these countries would

have to be applied in Nigeria with caution and necessary modification which also served as a gap that would be filled.

In his conceptual study, Yusuf (2006) had noted that the introduction of interest-free insurance encourages Muslim-community to get attracted on the products and gains support and patronage of Muslim population. This is in contrast to the findings of Yusuf, Gbadamosi & Hamadu (2009) which state that there is negative attitude among Nigerians on the conventional insurance services. This contention brings the need to study Takaful position in order to address the gap.

The empirical studies on Takaful and its products demand or consumption are mostly done in a foreign country like Malaysia (Redzuan, Rahman, & Aidid, 2009; Hamid & Othman, 2009; Salleh & Kainaruddin, 2011; Hamid, Osman & Nordin, 2009 and Farooq, Chandhry, Alam & Ahmad 2010). The findings of these studies might not explain the different environment like Nigeria, hence, brought the need for Nigerian research that can suit its peculiarities to fill the gap.

Besides, many studies on Takaful insurance are conceptual in nature (Billah (a) (b) (c) (d) (e) (f) (g) undated; Siddiqui & Athmey, undated; Swartz & Coetzer, 2010 and Alamasi; 2010). This shows that there is need for scientific research that can explain the true position of Takaful products consumption. Because, the emergence of Takaful in Nigerian insurance industry has been in existence since 2003 and yet no much concerted efforts are made academically to study the subject matter.

This study, however, is designed to enable the Takaful operators to understand the relevant factors to be considered when marketing the services and even in determining the level of the consumptions of their services. The research would equally add more value to the existing academic literature on the Islamic finance on the Islamic insurance. In conclusion, therefore, the findings of this research will contribute to the development of the nation's economic sector especially with the emergence of the first fully Islamic bank in Nigeria (Ja'iz Bank) and the interest shown by more conventional banks to open Islamic banks windows in 2011.

1.7 Scope and Limitations of the Study

This study attempts to examine the Islamic insurance (Takaful) services consumption in Kano Metropolis, Nigeria. This is to explore the determinants of Takaful services consumption in the market. Although, some studies had examined economic factors predicting the products consumption, the focus, here, will be the evaluation of non-economic factors.

The researcher's scope is the area of metropolis/cities, Kano, Kano state, Nigeria. It is a big metropolitan city where most of the ethnic groups in Nigeria are largely represented. Equally, the existing Takaful operators (as observed) concentrate their marketing activities in the metropolis. This might have been due to most of potential and actual customers who are seriously exposed to all dangers and life uncertainty and usually reside in the metropolis.

Due to the embryonic position of the industry, which makes the relevant statistically documented records to be unavailable; the population of this study is infinite and has made application of probability sample to be impossible. Although, the researcher cannot get the precise total number of actual and potential customers; he is able to obtain the total number of

members of staff of Takaful operators in Kano Metropolis, Nigeria. Therefore, the operators' staff and agents are included in the study.

However, the study has included the insurance companies that are marketing the Takaful services in the state to be among the population. They are African Alliance insurance Plc (introduces the Family Takaful products in 2003), Niger Insurance Plc (introduces the service in 2008/2009) and Corner Stone Insurance Plc (introduces the General Takaful services in 2009).

An attempt was made to collect secondary data from the Takaful operators, but it failed due to the issues of confidentiality and fear of misuse of information. There are some challenges when gathering primary data especially due to the novelty value of the concept of Takaful in the state. That is why the questionnaire for the study is administered with the assistance of research assistant that is believed to; might have had good relationship with targeted subjects. The researcher also makes additional effort to make sure that the respondents have understood the purpose of the study and have really perceived the questions in line with the researcher's intent.

The big limitation of the study is inability of researcher to retrieve as many as possible the copies of questionnaire administered to those sampled, especially females. Similarly, the nature of the study's population makes it impossible to employ powerful statistical tools of analysis that can make generalization of the findings very scientific. The sampling Technique used in the study is purposive judgmental. It is a non-probability sampling method that has suffered problem of being capable to be free from bias. This has also affected the quality of the findings to be capable of being generalized. But, the researcher has used many non-

parametric statistical tools to minimize the effect. In conclusion, however, the researcher has found it difficult to get a required attention from one of the Takaful operator. The operator-company's attitude toward the researcher shows as if it is hiding something and does not want the public to know much about its Takaful business.

1.8 DEFINITION OF TAKAFUL TERM

The following relevant terms are defined for clarity.

- i. **Assurance:** It is a conventional insurance policy which shares risk that come with mutual solidarity and guarantee as opposed to the transfer of risk.
- ii. **Average Clause:** It stipulates that a Takaful fund is only liable for such proportion of the loss as the sum covered bears to total value at risk.
- iii. **Capacity:** It refers to the Takaful operators' existing assets and structures that can enable them to market the services.
- iv. **Competences:** It refers to the skill and knowledge of Takaful which is required to enable the operators to convince customers to buy the Takaful services.
- v. **Claims:** It is a notification to a Takaful operator that payment of an amount is due under the term of the certificate.
- vi. **Claims Ratio:** It is the ratio of Net Claims incurred to earned contribution.
- vii. **Contribution:** It is the payment of an amount (premium) by a participant to the Takaful protection pool, whether direct or through intermediaries for the purpose of mutual protection and assistance.
- viii. **Designated Charities:** In the event that there is a surplus in the Takaful protection pool after all expenses have been deducted, then that Net surplus will be donated to a designated charity or charities.
- ix. **Al – Dharurat:** This concept is used to provide permission for an action that would be considered Haram under normal circumstances, borne out of the necessity of the situation.
- x. **Event of Loss:** This is an event that gives rise to a loss as defined in the Takaful policy.
- xi. **Fatwa:** Juristic opinion, juridical decision in line with the Muslim faith.

- xii. **General Takaful:** This is a protection to participant against losses arising out of perils such as accident, fire, flood, liability and burglary.
- xiii. **Gharar:** This means uncertainty, it is a transaction under Islamic law which is held invalid, preventable and avoidable due to the involvement of the element of uncertainty.
- xiv. **Group Family Takaful:** Islamic insurance on a group of people under a master certificate typically issued to an employer for the benefit of employees or to members of an association.
- xv. **Hadith:** This is a word of the Holy Prophet (SAW), his traditions, the narrative of the sayings and actions or the acts of his companions which have gotten his blessing or approval.
- xvi. **Hibah:** It means a gift
- xvii. **Halal:** Lawful, valid in Islam; one of the five major Shariah categorizations of human acts.
- xviii. **Haram:** Unlawful, forbidden in Islam; one of the five major Shariah categorization of human acts.
- xix. **Indemnity:** It refers to as a restoration to the claimant of a loss by payment, repair or replacement.
- xx. **Islamic Finance:** Financial services that meet the requirement of the Shari'ah or Islamic law.
- xxi. **Kafalah:** This is an agreement to pay the debt of another party who defaults, or to guarantee.
- xxii. **Maisir:** This means Gambling; is one of the fundamental prohibitions in Islamic law and finance.

- xxiii. **Mudaraba:** It is an investment co-partnership whereby the investor (the Rab'ul Mal) provides capital to another party/entrepreneur (the Mudarib) in order to undertake a business/investment activity for profit and loss sharing purpose.
- xxiv. **Qard Hassan:** It is an interest-free loan, identified as a means of charity or helping other in need.
- xxv. **Participant:** The insured (muwakkil) is the contributing party to the Takaful policy who is covered through the mutual protection and solidarity of the Takaful policy.
- xxvi. **Participants Account:** This is where the portion of contributions from the participant for the purpose of investment/saving is credited.
- xxvii. **Participants' Special Account:** This is where the portion of contribution from the participant for the purpose of charity (Tabarru) is credited.
- xxviii. **Rabbul Mal:** This means capital provider/ Takaful operators or companies.
- xxix. **Rasul mal:** This means Takaful contributor/customers who buy the service.
- xxx. **Riba:** This means usury or interest; is a return of money on money whether is fixed, floating, simple or compounded.
- xxxi. **Shariah:** Islamic common law derived mainly from the noble Qur'an and the Hadith.
- xxxii. **Sunnah:** The saying, the action, the teaching and the approval of the Holy Prophet Muhammad (SAW).
- xxxiii. **Ta'awun:** This means cooperation, that is, cooperation among people.
- xxxiv. **Tabarru:** This means donation, charity, the purpose of which is not commercial.
- xxxv. **Takaful:** This means mutual responsibility, another name for Islamic insurance.
- xxxvi. **Wakala:** This means Agency i.e. a contract between an agent and principal that enables the agent to render services and be paid a fee.
- xxxvii. **Waqf:** This means a charitable donation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

An attempt is made to review the existing literature in the field of the study which enables us to explore the origin of the Islamic insurance, theoretical and conceptual framework that have enable the development of Takaful so as to allow us to have a comprehensive understanding of the subject matter. The chapter has equally discussed the Shari'ah justification on the concept of Islamic insurance (Takaful), various misconception about insurance especially among Muslims and analysis on the empirical evidences drawn from the studies conducted in the Malaysian Takaful industry.

2.2 Origin of the Islamic Insurance (Takaful)

The known historical facts on the human development indicate that there exists a social insurance which has been very common among different communities, tribes, region or countries of this world. It has been postulated that every society has its own unique risk management strategy which does evolve over a period of time. That is why; Isa & Dandago (2010) are reported to have said that the concept of protecting people or wealth against loss by natural perils is traceable back, according to some historians, to at least 215 BC. This was more precisely, the time when the Roman governments were required by its suppliers of military stores to accept all risk of loss arising from the attacks of enemies or from the storms which resulted in the suppliers to be insured by the government. In the same vein, some have acknowledged that the act of Pharaoh of Egypt who accepts advices from Prophet Yusuf (See Qur'an 12:55 where the Pharaoh requested the Prophet to interpret his dream) has been tantamount to the modern day Takaful. For almost ten centuries before the advent of conventional insurance companies, the Muslim societies in Arabia had adopted the concept of

risk mitigation to assist victims of natural disasters or hazards of trade on a journey, (Jafer, Ismail, Noor & Unwin, 2010). In the same argument, Billah (Undated (d)) said that the practice of insurance had been in existence in Arab's culture since before the time of Holy Prophet (SAW) of Islam. The Prophet only approved the transaction which was later developed further by his successors.

Al-Aqilah, a doctrine which was founded in the ancient Arab tribes as a tribal custom became the genesis of the modern day's Islamic insurance. The doctrine, as justified by many encyclopedias, refers to as a mandate that if any member of a tribe kills another member of a different tribe, the heirs of the victim will be paid with an amount of blood money as compensation by the close relatives of the killer. The relatives of the killer are addressed as Aqila. As noted, the word is an Arabic terminology which means Asaba that denotes paternal relatives of the killer (Billah, undated (d); Swartz & Coetzer, 2010; Isa & Dandago, 2010; and Maiturare, 2009).

Al-Aqilah practice at the time of the Holy Prophet (SAW) marked the second phase of Islamic insurance development. The concept enjoyed the Holy Prophet's (SAW) affirmation which had resulted in the emergence of the verdict from the Sunnah (tradition of the Holy Prophet (SAW)). The Sunnah had stated as narrated by Abu Hurairah (R.A) that once there were two women from Huzail tribe who clashed with each other that had led to a death of a pregnant one. Holy Prophet's (SAW) verdict was sought who said "the compensation of the foetus is this and for a woman is that" as it was fully explained in Sahih Al-Bakhari, Vol. 9, and No 45:34. It was this verdict that had become part of the first constitution of Medina in 622 BC (Farooq – Chaundry, Alam & Ahmad, 2010 and Billah, undated (d)).

In 14th to 17th century, there existed the Sufi order of Kazeeruniyya that had become very active especially in the port cities of Malabar and in China. This Sufi order served as a kind of Marine travel insurance company. It had been associated with the tomb of Abu Ishaq Ibahim Ibn Shahariyalib (963 – 1035:C.E) whose blessings (as people believed) were considered as protection against peril during the sea voyage which meant his blessing had acted as insurance for merchant who travel through sea. By the 19th century, some Muslim merchant had begun to doubt the validity of this insurance, especially with regard to Islamic injunction. Therefore, they sought for a fatwa (Islamic opinion) of the Hanafi lawyer, Sayed Ibn Abidin (1784-1836) about the validity of Marine insurance under Islamic law. According to him; “I see that it is not permitted to any merchant to get indemnity for his damaged property against the payment of a certain sum of money known as insurance premium. This is a commitment for what should never be committed to (Farooq, 2010 et al; Al-Ghadyan, 1999; Billah, undated (a); and Khan, 2011).

For many years, the practice of mutual assistance was not made to enjoy commercial connotation as neither profit nor gain or loss was incurred at the expense of others. Rather, it evolved as a useful social insurance practice to mitigate the burden of an individual by dividing it among fellow members. This resembles the practice of social insurance that is common among Nigerians where in Hausa community, it is called with different names such as Adashi, Zubin Biki, Ajo etc which are collectable by each member periodically or as contribution to assist members in need or to assist members in naming ceremonies, marriage or a member who has suffered a loss (Aliero, 2006; Yusuf, 2009: 36; and Isa & Dandago, 2010). By 20th century, the two Fatwas of a well-known Islamic jurist, Muhammad Abdul, on the insurance transaction made the practice to enjoy some commercial bearing. He says: the insurance is like a transaction of al-Mudharabah financing technique while life insurance

resembles an endowment, which according to him, are legal in Islam (Billah, undated (a)). A Halal-Haram argument (that is lawful or unlawful) continues among scholars concerning the position of conventional insurance in Islam. By 1976, when the first International Islamic conference on Islamic economics was held in Mecca, Saudi Arabia, the outcome of the meetings was as follows; that all kinds of conventional commercial insurance were declared invalid in Shariah (Hamid & Othman, 2009).

In the modern day context, the practice of Islamic insurance (Takaful) company was founded in Sudan by the Faisal Islamic Bank in January, 1979 and in the same year, Islamic Arab insurance company was established in Saudi Arabia and later in 1980 the same company opened another division in United Arab Emirate (U.A.E). From then, the growth of Takaful has begun to manifest across the world. It is asserted that currently there are more than 130 Takaful companies in operation worldwide. Nearly half are found in Gulf Cooperation Countries (G.C.C) of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE. Countries with majority Muslim populations such as Nigeria, Pakistan, Egypt and Bangladesh, the Takaful market take off are at embryonic stage and are almost totally untapped market in which insurance penetration hover somewhere below 2% of their GDP. Globally, it is estimated that the industry is growing at 20% to 25% per annum far outstripping the 2.5% to 5% annual growth for conventional insurance premium. Scholars argue that the Takaful market is now, currently concentrated in Malaysia (since its inception in 1984 to date) and Middle East. They said that the Takaful industry gained momentum in early 2000 when the Malaysian government promoted it and the significant growth was witnessed thereafter (Swartz and Coetzer, 2010; Jaffer,et al 2010; Ahmad, Masood & Khan, 2010; Khan, undated and, Isa & Dandago, 2010).

However, the concept of Takaful came to be known in Nigeria, somewhere around 2003. This was when African Alliance Insurance Plc introduced its family Takaful products. Then, Cornerstone insurance Plc followed suit by setting up a division called Halal Nigeria Limited which offers general Takaful products into Nigerian insurance market. Niger insurance Plc has later joined the trend.

2.3 Conceptual Framework

A study of this nature is necessary to have a framework which can enable one to have proper grasp and understanding of the concept. Islamic jurists' resolution on the system of insurance that serves as an alternative to the conventional commercial insurance is found on the concept of al-Takaful. The term is an Arabic word, an infinitive noun which is derived from the root word, Kafl or Kafala, which denotes guarantee or responsibility. Takaful is an Islamic insurance transaction on a policy of mutual cooperation, solidarity and brotherhood against unpredicted risk or catastrophe, in which the parties involved are expected to contribute genuinely. An Islamic Insurance (Takaful) main chief characteristic is Al-Musharakah which means sharing, of responsibility, guarantee, collective assurance or mutual undertaking (Maiturare, 2009; Billah, undated(c) (e), Farooq, et al 2010 and Khan, undated).

Technically, Takaful is viewed, economically, as a mutual guarantee or assurance based on the principle of Al-Aqd (formal contract) provided by a group of people living in the same society against a defined risk or disaster befalling one's life, property or any form of valuable thing. Hence, it is described as cooperative insurance with mutual agreement (Billah, undated: 2(e)). In the same vein, Malaysian Takaful Act (1984) defines Islamic insurance as a business of Takaful whose aim and operation do not involve any element which is not approved by the Shariah.

The concept is acceptable in Islam for the following reasons: the policy holders would cooperate among themselves for common good; every policy holder would pay his subscription in order to assist those of them who need assistance; it falls under the donation contract which is intended to divide losses and spread liability according to the community pooling system; the element of uncertainty is eliminated insofar as subscription and compensation are made as at when due; and finally, it does not aim at deriving advantage at the cost of other individuals Billah (undated:1 (c)). The basic objective of Takaful is to pay for a defined loss from a defined fund. And this is in line with the Takaful features which are: cooperative risk sharing by using charitable donation to eliminate gharar and riba; clear financial segregation between the participant (insured) and the operator (insurance company); and Shariah – compliant underwriting policies and investment strategies (Ahmad, Masood & Khan, 2010 and Alamasi, 2010).

Many scholars agreed on what constitutes the principles of contract of Islamic insurance (Billah, undated (a); SECP, 2010). It is unanimously agreed that there are 3 principles which are: avoidance of riba (usury or interest), avoidance of maisir (gambling) and avoidance of gharar (uncertainty) in the Takaful transaction (Billah, undated (a) and SECP, 2010). These principles are the basis upon which the OIC Fiq Academy has used to rule out that conventional insurance is forbidden to the Muslim Ummah (Alamasi, 2010). But, some scholars have added other principles such as al-jahalah (ignorance) and Haram (Forbidden thing in Shariah) (Alamasi, 2010; SECP, 2010).

Theoretically, the practice of Islamic insurance is built on the basis of contract of profit and loss sharing (Aqd al – Mudharabah) and unilateral contract of donation (Aqd al Tabarru). Mudharabah theory states that the funds will be contributed by two or more people for the

purpose of investment at which the profit or loss will be shared among the participants. But, the doctrine of tabarru, Billah (undated: 3 – (c)) said, is synonymous with the idea to the legal consequences of al-sadaqah (charity), al-Hiba (gift) and al-Khairat (donation); wherein anything once given away as donation in favor of something or someone, the donated property cannot generally be retracted. The donor automatically loses title over the donated property soon after it is made as al-Tabarru or al-Sadaqah or al-Khairat or al-Hiba.

Practically, Takaful operation as narrated by Billah (undated (e)) occurs when anybody in society who has the legal capacity may contribute a sum of money to mutual cooperation fund to ensure material security for one against a defined risk probably encountered by another's life or property. Thus, those who contribute to the mutual fund are known as participants while those who among the participants face the risk and are assisted by the fund known as insured. Those who actually benefit from the fund are known as the beneficiaries of the cooperative fund. The monetary contribution made by the participants to the fund is registered to the licensed body or corporation known as a Takaful operator, who bilaterally manages the fund according to Shariah principles and also provides a reasonable financial security for those genuinely deserve it against the loss or damage suffered by them resulting from a defined risk. Furthermore, the contribution made by the participants is put into two funds: one of them is investment fund according to the principles of al-Mudharabah (profit and loss sharing) for instance, 95% of the contribution, while the remaining 5% is treated as charity according to the principles of al-Tabarru. Both funds are termed in Malaysian Takaful industry as Participant's Account (P.A) and Participant's Special Account (PSA) respectively.

According to Jching (undated), Takaful business is divided into two categories: Family Takaful and General Takaful. Family Takaful plan is a Shariah compliant counterpart of conventional life insurance which refers to as a combination of a mutual financial indemnity scheme and an investment scheme. In the plan, the participant's contribution is apportioned into a donation account representing a financial indemnity (tabarru) with the balance into another account for the purpose of the participant's saving and long-term investment. Example of Takaful plan include: individual family Takaful plan, mortgage Takaful, education Takaful plan and health Takaful. In contrast, the second type is a general Takaful plan which is solely provided on a short term mutual indemnity basis and is usually one year, without the saving aspect. Should there be a net surplus in the general Takaful fund, it shall be shared between the participants and the operator. Example of general Takaful scheme are: fire Takaful plan, motor Takaful, Marine, aviation and transport Takaful, engineering Takaful and accident Takaful plan (Maiturare (2009), Billah (undated (e)) and Ado (2010)).

Therefore, to ensure its flexibility and suitability to the different socio-cultural and economic background of Muslim population, three (3) different operating models are developed to serve as a basis for building structure of a Takaful scheme. These models are made up of the Mudharabah model, the wakala model and the waqf model. Recent findings in the Takaful industries have provided many variations developed by practitioners to address the limitations of these three models. The variant Takaful models are: Wakala- Mudharabah model, Wakala with incentive fee model, Wakala Mudharabah model (hybrid) and Wakala with Waqf model (Jaffer, 2010 et al). Billah (undated (b)) also argued that Tijari model (Business/commercial) is operational in Malaysia. This model is divided into family Takaful and general Takaful (Onogun, 2011).

In all these models, however, the operators are free to choose the model depending on many factors such as the target population, regional acceptance, Shari'ah board views, regulatory framework, product design, marketing and pricing technique. The most common models are Mudharabah and Wakala model or a hybrid of both. The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) endorsed the hybrid version of the Wakala model (Jaffer et al 2010).

2.4 Sharia Justification for Islamic Insurance Practice

Takaful is a shariah complied product. Its principles, guidelines, rule and regulations have originated from the Islamic legal system whose sources of authority emanated from Al' Qur'an and Hadith. That is why in the noble Qur'an, it was stated that "O you who believe! Obey Allah (SWT) and obey the Prophet (SAW) and those charged with the authority among you. If you differ in anything among yourselves, refer it to Allah (SWT) and His Messenger, if you do believe in Allah and the last Day. That is best and most suitable for final determination;" (Qur'an: 4:59). This is a declaration in the noble Qur'an which shows that the general sources of Islamic Law (Takaful inclusive) are the noble Qur'an, and sunnah (tradition of Holy Prophet). In another verse of the noble Qur'an, its (Qur'an) own definition is deduced which states: "It is a plain statement to man, a guidance and instruction to those who fear Allah (SWT)... (Qur'an: 3:138). Sunnah, however, is a practice of or tradition of Holy Prophet as he is the best interpreter of the noble Qur'an. Other sources of Shari'ah Law can be from the practice of the companions of the Holy Prophet (S.W.A) followed by the Ijtihad that is consensus of opinions, among the Islamic scholars as instructed by Allah (SWT) which says to that effect "... think deeply O you who understand... (Qur'an: 59:2) Ali, (2000:257).

The institution of Islamic insurance is built on the basis of mutual cooperation, responsibility and mutual protection; among participants. Many Islamic injunctions can be forwarded to that effect. On the basis of mutual cooperation, the noble Qur'an says "Help one another in furthering virtue and God – Consciousness (At – Taqwa) and do not help one-another in furthering evil and enmity (Qur'an 5:2). In the Holy Prophet's (SWA) Hadith; it was reported that Prophet said "Allah (SWT) will always help His servant for as long as he helps others (Narrated by Imam Ahmad Ibn Hambal and Imam Abu Daud). On the basis of responsibility, however, the Holy Prophet's Hadith states that the place of relationships and feelings of people with faith, between each other, is just like the body; when one of its parts is afflicted with pain; then the rest of the body will also be affected (Narrated by Al-Bukhari & Muslim). More so, the Holy Prophet said" One true Muslim (Mu'min) and another true Muslim is just like building whereby every part in it strengthens the other part (Narrated by Al-Bukhari & Muslim). To establish the basis of mutual protection among members, the Holy Prophet (SAW) in his Hadith, warns that "by my life, which is in Allah's power, nobody will enter paradise if he does not protect his neighbor who is in distress (Narrated by Imam Ahmad Ibn Hambal). These fundamentals are what have constituted the core tenet of the business of Takaful (SECP, 2010).

It has, for long, been justified that the Muslim Ummah should work hard in order to be able to change their conditions as can be seen in the noble Qur'an "...verily never shall Allah (SWT) change the condition of people until they change it themselves (with their own souls) (Qur'an, 3:11). This is in line with aim of Takaful which is to change the condition of Muslim Ummah through sound financial planning and risk management that is inherent in human life to conform with the wishes of Allah (SWT) to humanity as stated in Qur'an

verse,” Allah (SWT) intends you to enjoy an easy life. He does not wish you to face hardships... (Qur’an, 2:185).

As noted that the core value of Takaful that distinguishes it from conventional insurance include: avoidance of Riba (interest), avoidance of gharah (uncertainty) and avoidance of Maisir (gambling). These are vitiating elements of contract in Shari’ah and are forbidden in Qur’an and Sunnah. Allah (SWT) warns Muslim against Riba (interest) as said “...Allah (SWT) permits trade and transaction while he prohibits anything involving usury (interest)... (Qur’an 2:275), Takaful transaction is made to be free from element of uncertainty to comply with the Holy Prophet (S.A.W) saying as reported by Said Ibn al-Musayyib (R.A) that verily the Holy Prophet (S.A.W) forbids Muslim from uncertain transaction (Muwatta Imam Malik). Allah (SWT) also said “O ye who believe! Intoxicants and gambling, sacrificing to stones and (divination by) arrows, are an abomination; of satan’s handiwork: Eschew such (abomination) that ye may prosper (Qur’an; 5:90). This is what has made the Takaful transaction to be free from gambling (Ali, 2000).

On the other side, the validity of Takaful practice is sourced and originated from the Arab tribal custom (urf) and the practice of Al-Aqila which has been approved by the Holy Prophet (SAW) in the Hadith. “Narrated by Abu Hurairah (R.A), he said that once two women from Huzail tribe had clashed. One of them hit the other one with a stone which had killed her (the pregnant) and the unborn baby. The heirs of the victim brought an action to the court of the Holy Prophet (SAW) who gave a verdict that the compensation for the Foetus shall be a male or female slave; while the compensation for the killed woman is a blood money (dyat) to be paid by the Aqila the relatives of the Father’s side of the killer (Sahih Al – Bukhari, vol. 9. No 45:34). Takaful transaction is permissible in Islam as it can be considered under the

hadith saying, that “... people are bound by their condition except the condition which prohibits the lawful one or the one which permits the unlawful one... (Al-Tirmizi).

Therefore, the scope of an Islamic insurance is very wide and flexible which is designed for the purpose to ensure a smooth life in the society and this is in line with the Qur’anic injunction “... our lord, give us happiness in this world and happiness in the hereafter... (Qur’an: 2:201). Takaful success is dependent upon the sincerity and pure intention in order to achieve the desired result from Allah (SWT) that says “...And they have been command no more than this, to worship Allah (SWT), offering him sincere devotion. (Quran, 98:5). The tradition of the Holy Prophet (SAW) also shows validity of action is depending on intention and therefore every man shall have but that which he intended... (Al – Bukhari and Muslim). In the similar direction, the Holy Prophet (SAW) is saying that “verily Allah (SWT) never looks at your physical shape or at your appearance but considers sincerity in your hearts... (Sahih Muslim in Riyadussalihin).

2.5 Shariah Position About Misconception of the Concept of Insurance

Insurance misconception among Muslim Ummah emanates from the religious doctrine of Tawwakkul (Trust on Allah (SWT) about fate). Muslim population believes that the insured puts a trust on the insurance company to protect him against an unexpected loss instead of putting his trust on Almighty Allah (SWT) (Billah, undated (e)). Misunderstanding the concept of fate (as associated with insurance) has made Muslim’s beliefs to deviate further by the belief that the future is in the hand of Allah (SWT) where Muslim are faced with fatalistic mentality by putting themselves in the doctrine whether one is rich or poor, happy or sad, it is predestined by Allah (SWT) which is in line with the saying of noble Qur’an that

goes...but on Allah (SWT) puts your trust (Tawakkul) if you have faith (Qur'an; 5:26) (yusif, Radan, Ismail & Yakub, 2011).

This is a good dealing with luck. In fact; efforts and prayer should precede this kind of belief. Thus, for a long time, the misconception has been associated with insurance and as a result any effort to decide on risk management strategy to insure the asset or life has been considered against the fate or will of Allah (SWT) (Iqtisad Al-Islamy, 2003 in Akhtev, Akhtar & Jafri, undated; yusif, Radan, Ismail & Yakub, 2011 and Kalif, 2006).

Of course, it is true that only Allah (SWT) knows one's future and fate, but it is reiterated that Muslim should strive to achieve the goodness in this world and the hereafter (Qur'an; 2:201). Submission to the will of Allah (SWT) has a positive effect on human behavior for it will lead to peace and contentment. Undoubtedly one has to submit every single thing to Allah (SWT) but is supposed to be after his hand stretch out to do the best effort as he can, to change himself, so that he would be able to manage and to cope with unforeseen calamities and misfortune (Akhter, etal, undated). In his tradition, the Holy Prophet (SAW) was reported to have asked a Bedioun who had left his camel untied, "Why do you not tie your camel? The Bedouin answered; "I put my trust in Allah (SWT)", the Prophet (SAW) then said; "tie up your camel first, then put your trust in Allah (SWT)" (Sunan Al-Tirmizi vol. 4, No 2517:668). The story of Prophet Ya'qub in the noble Qur'an shows similar dimension as it says; "further he said; O my sons! Enter not all but one gate. Enter ye by different gates. Not that I can profit you ought against Allah (SWT) with my advice. None can command except Allah (SWT): on Him do I put my trust; and let all that trust put their trust on him". (Qur'an; 12:67). We Muslim, however, should put our trust on to Allah only after meticulous planning by best utilization of all the available resources like Takaful products.

Various sources of misconceptions explored by scholars (Isa & Dandago, 2010; Billah, undated (e) and Kalif, 2006) among others are; that all insurance is a form of a gambling; that all dimension of insurance seek to maximize profit which takes the benefits away from the policy holders or participants; that all Takaful operators are the same; that it is safer to say “I do not need Takaful (insurance) and finally, Takaful is contrary to the principles of Mirath and Wasayah especially in the case of family Takaful plan.

Therefore, in response to the misconception, many Qur’anic injunctions and Sunnah have already clarified some issues. Besides, an Islamic model of insurance is a mutual agreement and transaction similar to the Allah (SWT) saying: “o ye who believe! Do not misappropriate your property among yourselves in vanities but let there be among you traffic and trade by mutual goodwill! (Qur’an; 4:29) Takaful plan encourages Muslim Ummah to strive hard in overcoming difficulties in their lives where the Holy Prophet (SAW) have said to that effect: as narrated by Abu Huraira (R.A), the Holy Prophet (SAW) said; “whosoever removes a worldly grief from a mu’min, Allah (SWT) will take away from him one of the grieves of the hereafter. Whosoever alleviates a needy person, Allah (SWT) will alleviate from him in both the world and the hereafter” (Sahih Muslim in a Nawawi: 114). Takaful is also similar to the principle of al-wadiyah (deposit) whereby two parties engage themselves in an agreement in which one of them deposits money to the other as a trust or Amanat for the purpose of safe keeping as Allah (SWA) says, “...verily Allah (SWT) commands you to render back trust to those to whom they are due... (Qur’an; 4:58).

In conclusion, however, Takaful is aimed at eliminating hardship from one’s life which is in line with the Allah (SWT) saying,”...Allah (SWT) intends easy life for you while He does not

want to put you to difficulties... (Qur'an; 2:185). In the same vein, the Holy Prophet (SAW) said as narrated by Safwan Ibn Salim (R.A); the Holy Prophet (SAW) said: “the one who looks after and works for a widow and for a poor person is like a warrior fighting for the cause of Allah (SWT) or like a person who fast during the day and prays overnight... (Sahih al-Bukhari, vol 8, No 35:23). The Holy Prophet (SAW) finally does advice as narrated by Sa’ad Ibn Abi Waqqas (R.A) that “it is better for you to leave your offspring wealthy than to leave them poor asking others for help...” (Sahih al-Bukhari vol. 8, No. 725: 477)

2.6 General Determinants of Product/Service Consumption

Consumption of a product/service has enjoyed a wide range of explanation especially in the fields of Economics and Marketing. Generally, consumption is described as the use of goods and services that respond to the human basic needs... International Institute of Sustainable Development (IISB) (1996). It is goods and services consumed by people (private consumption) or government (public consumption). The level of consumption is best measured in monetary term which is determined by many factors: income (money) available for the consumption, price of goods and services, technologies used to produce the goods and services, and the tastes and preferences of the consumer. The impact of these factors arise from: the income and pattern of individual/household spending in the economy, the value placed on different natural attributes through the consumption habits and the forces affecting individual preferences; that is ones’ value and world view as it affects goods/services, social norms and interpersonal influences which usually comes from something like advertisement (Stern, 1995).

It is observed that understanding consumer behavior is a function of the relationship between resource scarcity, market prices, consumer buying habit, income and consumption. In modern

economics, price and income are perceived as primary determinants of consumer's consumption/demand. The secondary factors include: price of other products/services, weather condition, government policies, consumer's expectation, consumer's taste and preference, availability and cost of credit facilities, socio-religious factors, size of the population, goodwill of the producer, advertisement and general development and prosperity of the society (Rano, 2004). These determinants in the economic perspective are the factors influencing consumers/customers consumption.

Similarly, emergence of modern marketing has brought about detail explanation with regard to the major factors influencing the consumer buying behavior. These determinants are: cultural factors (human culture, subculture and social class), social factors (reference group, family, roles and statuses of a consumer), and personal factors (age and stage in the life circle, occupation and economic circumstances of the consumer, lifestyle and personality and self-concept of the consumer), as well as finally, psychological factors (motivation, perception, learning, belief and attitude of the consumer). These factors, as argued by Kotler (1999), really shape and lead to certain purchase decision and by extension determine the customers' consumption of a product or service.

Understanding factors influencing consumption of services is best explained by many models created. Among them is SERVQUAL. This is a widely used instrument that is employed to measure companies' services delivery and quality. It consists of 22 attributes which are grouped into five (5) dimensions: tangibles, reliability, responsiveness, assurance and empathy. These five variables are used to explore customers' expectations and perception's level of the service quality delivered by a company. SERVQUAL has been tested (Sriyam, 2010) to provide a benchmark based on customer's opinions of an excellent company.

Therefore, this study has seen the relevant of employing non-economic factors in explaining the determinants of Islamic Insurance service consumption. The factors are specifically isolated from the psychological determinants of consumer buying behavior. They are customer's awareness of Takaful, customer's attitude, customer's perception, customer's trust and confidence repose on the Takaful operators and the capacity and competences of Takaful operators to sell the services.

Besides, the study has operationally defined these factors: public attitude, herein means likes or dislikes of Takaful services; public perception means how customer sees the Takaful services, as shariah complied or not, as ethical product or not. Public trust and confidence on Takaful operators refer to as willingness of consumer to buy the services and feel comfortable that his investment is in competent, credible, honest and safe hand. Takaful operators' capacity and competence, however, means availability of infrastructure such as marketing facilities like cars, computers and other communication' gadgets for power point presentation of the services offered to customers and knowledgeable staff who are able to sell the services in Kano Metropolis, Nigeria. The study also employs and measures the Operators personal characteristics (Bio-data) as the relevant variants that can explain the extent to which their capacity and competences have significant relationship with the Takaful services consumptions in Kano Metropolis, Nigeria.

2.7 Empirical Evidences on Takaful Products Demand

The works on the Takaful products consumption are mainly conducted in Malaysia where the industry has been in existence for 20 years. The research of Redzuan, Rahman & Aidid (2009) exists among the pioneering empirical studies on the subject matter, specifically family Takaful demand in Malaysia. It has pointed out that the demand function for family

Takaful products (Life Insurance) which is derived from the maximization of utility function of the consumer depends on the income, interest rate, inflation rate, savings and stock market index. The results of the regression analysis from the two models of dependent variables: Contribution per income and contribution per worker represent demand for family Takaful products on the level of explanatory variables: income, interest rate, inflation rate, savings rate and stock composite. The study shows the following findings: that the income variable is statistically related to Takaful demand. As income raises, insurance becomes more affordable and demand for family Takaful products increases. This indicates that with the level of income higher than the country's per capital level, majority of people (Malaysian Muslim) may have the financial capability to purchase Takaful. The study, however, shows that only aggressive marketing techniques are needed to boost the penetration rate of Takaful among the Malaysian Muslim.

In a different study, Rahman, Yusuf & Bakar (2008) have employed distinct dependent variable which are: New Business profit and premium, that correlates with the: Gross Domestic Product (GDP), Consumer Price Index (CPI), 3-Month Treasury Bill Rate (TBR) and Kuala Lumpur composite Index (KLCI) to predict the demand for family Takaful. The research findings have shown a reversal in the outcome of former research which indicates that the higher the income level of a Malaysian does not predict the higher the demand for family Takaful. Further analysis in this research has revealed that the very high level of general public awareness of the Takaful products and its benefits has been the reason for the reversal. It is therefore stated that no amount of contraction in income will induce people in Malaysia to reject purchasing the policy which has, now, perceived to be a necessity.

It is also established by Redzuan, et al (2009) that the explanatory variables: interest rate, saving rate, inflation rate and stock index; are found to be negatively related to family Takaful demand. The reason has been due to the role of agents in Malaysian Takaful industry which become very crucial. Most of the customers are persuaded by the agents through detail explanation of the coverage that can easily convince the customers about the important of Takaful plans in alleviating financial burden of the participants. Being similar to a personal financial advisor, their agents developed a strong bond with the clients and family. Clients do put their trust in their agents.

Besides; another findings of Rahman, et al (2008) have found out that the family Takaful products are portrayed to masses as a necessity due to its features, of saving and protection element, that is either in life or in death, which means one is assured of a sum of money to send his children to school, medical expenses and provision of retirement needs are guaranteed. This also indicates that even if one demises his/her contributions would have alleviated the burden of his family.

The study of general Takaful, however, is pioneered by Hamid, Osman & Nordin (2009). They attempted to investigate the factors or determinants of corporate demand for Takaful products in Malaysia. They have measured explanatory variables which are: Leverage, growth opportunities, expected bankruptcy costs, company size, managerial ownership tax considerations and regulation effects; in determining the corporate demand for Islamic insurance in Malaysia, (as dependent variables). Their findings have shown that all the explanatory variables have important role for determining the Takaful demand in Malaysia. In the same vein, another study was conducted by Hamid, Yaakub, Mujan & Jusoff (2011) who have employed the same explanatory variables similar to Hamid et al (2009) study. But, they

investigated the determinants of corporate demand for the products of both Islamic and conventional insurance. Their findings confirmed the outcome of the early study conducted by Hamid, et al (2009).

These researches, as critically examined, have revealed that the factors employed to determine Takaful products consumption in Malaysia are economic factors. But, this study doubts the suitability of using economic determinants to predict Takaful product consumption in Nigeria. This is because, Malaysian Takaful industry has been in existence for 20 years; compared with the Nigerian experience that is less than 7 years. Another fact is that the existing study on the insurance services has shown that there exists a negative attitude by Nigerian on the conventional commercial insurance which shares some relevance with Takaful.

Therefore, this research has adopted the use of non-economic variables in predicting Takaful services consumption. This belief will go with the same level of embryonic nature of Nigerian Takaful market in the insurance industry. The theoretically non-economic factors are going to be measured in determining factors which can enable smooth patronage of Takaful services (as independent variables) in Nigeria, especially Kano Metropolis. As suggested by Yazid, Arifin, Hussain, and Daud (2012) in their proposed conceptual framework for determinants of family Takaful demand in Malaysia, this study will test some of them that include: education, age, employment status, (as socio-economic factors) and income-an only economic factor (Rahman, 2009).

2.8 Public Awareness of Takaful Services and Takaful Services.

Literatures have reported that at both individual and corporate levels, there are needs to spread awareness about Takaful in most Muslim countries as still there are consumers in some markets who are unable to differentiate Takaful from conventional insurance. The hesitancy on the part of the Muslim about Takaful system has been the reason for the slow growth of the business (Billah, undated (c); Taylor, 2005 and Rahman, 2009).

In their study Rahman et al (2008) have identified that the very high awareness of Takaful products and its benefits induce consumers to purchase the policies no matter how the contraction on the level of their income. Many conceptual studies have argued that the low level of public awareness of the Takaful services constitutes a great challenge for its penetration world over and Nigeria in particular (Billah, undated (a); Alamasi 2010; Isa & Dandago, 2010). Hence, this research has seen the need to determine the effect of public awareness of Islamic Insurance services on the Takaful services consumption in Kano Metropolis, Nigeria.

2.9 Public Attitude of Takaful Services.

People have attitudes toward almost everything: - religion, politics, clothes, services and Takaful. Attitudes put people into a frame of mind of liking or disliking an object, moving toward or away from it. It is equally argued that attitudes make people to behave in a fairly consistent way toward similar objects/products. They do not have to interpret and react to every product in a fresh way. This is due to the fact that attitudes do economize on energy and thought. This is what makes attitude to be very difficult to change. Customer's attitude settles into a consistent pattern: to change it may require major adjustments in other attitudes (Kotler, 2000). It is, however, asserted that person's attitude is an enduring favorable and

unfavorable evaluations, emotional feeling and action tendencies toward some object or idea. Attitudes do affect behavior. Customer when there is perceived risk or lack of personal expertise about a given product or service, does rely on heuristics. It is on this note that one can conclude that potential customers of Takaful products can result to heuristics (Kotler, 2000).

Therefore, it can be concluded that since the research's findings of Yusuf, et al (2009) have established the existence of negative attitude among Nigerians on conventional insurance services, there is the need to investigate the position of Islamic insurance services in Nigeria. Although, the earlier study by Yusuf (2006) on the interest free insurance has discovered that there may be support and high rate of patronage of Muslim population in African countries, yet, no empirical research is conducted to that effect. This study will fill the vacuum.

2.10 Public Perception of Takaful Services.

Just as people perceive the images of themselves so also they perceived the image of products or services. The concept of perception in the words of Kotler & Keller (2005) is a process whereby a person selects, organizes and interprets an information inputs to create a meaningful picture of the world. It is concerned about how we see the world around us (Schiffman & Kanuk, 2004). It is equally in line with the Robbins & Judge (2007) assertion which states that perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. The perception of an object or Takaful services is highly an individual internal processing. It is based on one's need, value and expectations. People respond differently depending on their behavioral patterns, especially, when they are exposed to the same stimuli or reality. The effect of the

actual behavior of individual perception, for instance, on Takaful services, is very important in this research (Akpa, 2008 and Teas, 1993).

However, what one perceives can be substantially different from objective reality. This is due to the people selective attention (selection of what one needs); selective distortion (blockage of unnecessary stimuli) and selective retention (retention of needed stimuli). Thus, different factors operate to shape people perception which can be from the perceiver (Attitude, motives, interest, experience and expectation), the target object (Novelty, motion, sound, size, background, proximity and similarity) and the situation (time, work setting, social setting etc) (Robbins & judge, 2007; Akpa, 2008 and Teas, 1993).

Therefore, people perception is being described as a cognitive process which enables them to interpret and understand the environment. Recognition of a product (Takaful) is one of the perceptual processes. Thus, the effect of public perception on Takaful services consumption can be influenced by 3 factors: the Physical characteristics of the stimuli (Takaful), their surroundings (insurance industry) and finally, the conditions within the individuals (level of income, knowledge etc). This is in line with Zelizer's (1979) cited in Yusuf, et al (2009) assertion that states people generally believe anything insurance is contrary to their religious belief and also in IFSTD (2007).

2.11 Public Trust and Confidence upon the Takaful Operators of Takaful Services.

Omar (2007) in his assessment of consumers' attitudes toward life insurance patronage in Nigeria has discovered that there is lack of trust and confidence between the public and insurance companies. On the other hand, the study conducted by Redzuan, et al (2009) has come out with the relevant findings which demonstrate that developing strong bond by agents, in Malaysia Takaful industry, with their clients enable them to establish a trust. This

trust, consequently leads to more Takaful products purchase. Hence, these have shown the need to establish the customers' trust on Takaful operators, (salleh & kamaruddin, 2011).

2.12 Takaful Operators' Capacity and Competences of Takaful Services.

In the study conducted by Billah (undated: 15 (a)), he has observed that some of the Takaful operators employees do not have much awareness towards what they are involved into. They are still dreaming on the day rather than trying to equip themselves with the relevant knowledge about Takaful operation. He, then, maintains that this is a shame since they are the main tools for the company to get the confidence from clients. It is in contrast to the assertion which, however, Redzuan et al (2009) have noted that the employees of Takaful operators (agents) are needed to personally explain the coverage of Takaful policies and convince the consumers of the benefits of Takaful plan. Thus, it could be deduced that the expertise, knowledge and skills of Takaful operator's employees or agents have, theoretically, significant effect on the possibility to convince customers to purchase the policy. This can equally be an important determinant of Takaful services consumption (Salleh & Kamaruddin, 2011). Hence, competences of Takaful operator, here, refer to their ability to have a staff that is very knowledgeable in Takaful. This means to stop using the staff of conventional insurance that may not have necessary skills and knowhow about Takaful, to market the Takaful services.

It is against this background that the researcher has the feeling that the existing Takaful operators, with all monopoly status and more than seven (7) years experiences in the market, lack the necessary capacity to win in the market. Capacity, here, means all the assets, infrastructural facilities in term of modern equipment, computing and so on which can convince customers that the Takaful operators are not conventional insurance company. This goes with the assertion which has stated that the Takaful operators established as window or

branch of the known conventional insurance companies creates doubt in the mind of public that this service is not the one approved by the religion of Islam.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The focus of this chapter is to discuss the methodological issues relating to the research. The design to be adopted is presented here to enable us develop a mental image of the structure of the study for collecting data and its analysis. The chapter has successfully discussed the following parts which are: the population of the study, sample size and sampling techniques, method of data collection, pilot study procedure, reliability and validity analysis of research instruments, normality test of the data, administration of the questionnaire and finally, data analysis technique.

3.2 Research Design

The study employs survey exploratory design method as the research approach to answer the research questions and ascertain the veracity of the hypothesis. The data collected is cross sectional data. The researcher collects it at a particular period of time. The research aims to explore the factors influencing Takaful services consumption in Kano Metropolis, Nigeria. The choice of Kano state is due to its nature of having big metropolitan city where many Nigerian ethnic groups are largely represented. Therefore, the effect of public awareness of Takaful services, public attitude, public perception, public trust and confidence upon Takaful operators, capacity and competences of Takaful operators (as independent variables) are measured to determine if they are significant factors influencing Takaful services consumption (as dependent variable) in Kano Metropolis, Nigeria.

This relationship is depicted in a model below:

$$Y = f (PA, PA, PP, PTC, CC)$$

Where:

Y = Takaful services consumption,

PA = Public awareness

PA = Public attitude

PP = Public perception

PTC = Public trust and confidence repose on Takaful
Operators

CC = Capacity and competences of the Takaful operators

In view of the foregoing, the constructs of the study, the scope of the research and its coverage are believed to be adequate enough to enable the researcher to carry out the study. The model presented is to portray the nature of the factors. It has not been predetermined (to the knowledge of the researcher) that the independent variables are correlated in explaining the dependent variable. Therefore, the study generates data on cross-sectional basis that is the data collected on one or more variables at same point in time (Aliero, 2004). The data possesses nominal, ordinal and interval scaling characteristics. The data is generated from the response of two independent samples of the study which are potential and actual customers as well as the Takaful operators' staff.

3.3 Population of the Study

The population size of this study is all income earners residing in Kano Metropolis, Nigeria. Due to the premises which states that income level of the respondents is a major determinant for the demand of Takaful products (Redzuan, Rahman & Aidid, 2009), the researcher has

resolved that the subjects in the population include: Civil servants, Military/paramilitary working in the state, Business men and women, health workers and NGOs staff working in the Metropolis; as a specific part (actual and potential customers of Takaful services) and also the main respondents in the research.

Significant effort is made to get the total size of the population. Readily available information was not found due to confidentiality. The researcher, in the survey interview conducted, he is able collect these relevant facts. Civil servants in Kano state (Official statement of Kano State Government states that there are 42,000 approximately), the Nigeria Police Force (official statement from the Nigerian Police Public Relation Officer states that there are 9,000 approximately in the state), business men and women (official statement of Kano State Ministry of Commerce states that there are more than 2,000,000 in the major markets of the state) and these, however, have indicated that the population size of income earners in Kano metropolis is more than one hundred thousand (100,000).

The other part of the population is the total number of the Takaful operator's employees (marketing staff/agents and management) in Kano Metropolis, Nigeria. The Takaful companies in the state are: African Alliance Insurance Plc (has seventeen (17) staff and agents), Niger Insurance Plc (has eight (8) staff and agents) and Corner Stone Insurance Plc (two (2) staff/agents). The total numbers of Takaful operators' staff/agents in Kano Metropolis are twenty seven (27). Therefore, it is concluded that the population is infinite because of the imprecise statistic of the total number.

3.4 Sample Size and Sampling Techniques of the Study

The table for determining random sample size from a given population developed by Krecie & Morgan (1970) as reported by Sodangi (2010); re-evaluated and affirmed by Research Advisors (2006) (Appendix E) states that for a population of more than 100,000 the appropriate sample size is 384 at the margin of error of 5% and level of significant; 95%. This study has adopted the total number of 384 to be the sample size of the potential and actual customers of Takaful services in the state. Similarly, the total numbers of Takaful operators' staff/agents are twenty seven (27). The study has also included all twenty seven (27) in the research's sample. The total number of this research's sample is four hundred and eleven (411) subjects.

The sampling technique for the research is judgmental sampling of non-probability sampling to draw the sample of 384 from the population of actual and potential customers of Takaful services in Kano Metropolis, Nigeria. The sampling technique is chosen to enable the researcher to identify people that earn income as noted by Redzuan, Rahman & Aidid, 2009. The study has also employed census method of sampling to include the complete total number of Takaful operators' staff/agents (27) in the sample. Census method of sampling is used when the population of the study is relatively small. This purposive sampling is commonly applied in the non-probability sampling. The method enables the researchers to identify persons (411 subjects as the sample size of the population) with the relevant information and to seek the cooperation of such people for generating data. The main reason for this choice is that the Takaful services consumption has been empirically established that the respondents have to possess some level of income such as salary income earners or business persons.

3.5 Data Collection Method

The research employs primary sources only. It provides the researcher with the fresh raw-fact that can be used to answer the research objectives and to test hypothesis. Secondary data was not made available to the researcher which might be due to confidentiality or fear of data misuse.

3:5:1 Sources of Primary Data

Among the available instruments of data collection, this study uses questionnaire and observations. The instruments are suitable for mixed study especially if it is pure research or empirical studies. Questionnaire provides quantitative data for empirical study and Observation provides data for strengthening the position of exploratory study.

3:5:2 Questionnaires for the Research

Two different questionnaires are prepared; one for both potential and existing customers and the second questionnaire is for marketing staff/agents of the Takaful operators. Five (5) points Likert summated scale are employed scaling the mode of questions in the questionnaire administered to the actual and potential customers of Takaful services in the Metropolis. Section 1 contains six (6) questions aimed at answering objective 1 and also to test HO₁; section 2 with five (5) questions has answered objective 2 and test HO₂; sections 3 and 4, both have three (3) questions each and are meant to answer objective 3 and 4 /HO₃ &HO₄ respectively. Dichotomous (Yes/No) mode of questions is used for Takaful operators' staff/agents questionnaires. There are six (6) questions designed to answer research objective number five (5)/HO₅. Both versions of the questionnaires have introductory letter and personal bio data. The sample of the questionnaires are there as an appendix A and B.

3:5:3 Observations

An unstructured observation is conducted to enable the researcher to see and evaluate the activities of management and marketing staff/agents as well as to observe the existing structures/capacity of the operators.

3.6 Pilot Study and Testing

A pilot study enables the research to predetermine the ways of understanding the test instructions, reasonability of experimental setting, and adequacy of questions and to reveal if confusing questions are being asked in the instruments. The timing of the study and adequacy of samples is also assessed (ICAN, 2010). Extensive piloting of the survey instrument is essential to demonstrate the instrument's capability of generating the required responses from the target audience (Folarin, 1999; and Smith, 2003).

To prove the reliability and validity of the research instruments, Fifty (50) samples of respondents from the population are administered with the copies of the items of the research questionnaires so that the entire items of questions from the instruments are evaluated. The researcher has retrieved only thirty five (35) copies from the respondents.

3:6:1 Reliability Analyses

Pearson product moment correlation coefficient (PPMC) is employed to correlate each respondent's response with the total responses collected from the research instrument used in this research. As argued by Onocha & Okpara (1995) in Sodangi (2010), the correlation of 0.20 is good for social science research (Shehu, 2006) and (Asika, 1991).

For various set of important associated factors used in the questionnaire, the value of the Cronbach's coefficient Alpha (Rc) is obtained to get the overall internal consistency of the items altogether to determine the psychometric properties of the test instrument especially due to the use of 5 points Likert summated scale (Cronbach (1979) in Sodangi, 2010; ICAN, 2010). This formula below is employed if five (5) likert scales is the mode of questions and it is as follows:

$$Rc = \frac{N}{N-1} \left[\frac{1 - \sum \sigma^2}{\sigma^2} \right]$$

Where: N = the number of items in the test

σ^2 = Variance of the responses

The result of reliability of actual and potential customers which is consisted of 17 items questions show that the overall Cronbach's Alpha value is 0.871 as presented in the appendix C. This is in line with the standard set of 0.7 (Daud, Yussof & Abideen, 2011) which states that if the calculated value is more than 0.7, it has established high level of internal consistencies. However, all the 17 items have passed the reliability test because none of them have had less than 0.7 as presented in appendix C. The reliability of a text is designed as the extent to which the result can be considered consistent or stable. It is used to see in what extent the test items are reliable, it can be said that reliability relates to the consistency of the test scores. Reliability refers to how consistent text score and other evaluation result are from one measurement to another. The formula in measuring the reliability of the test instrument if it has dichotomous (YES/NO) questions is Kuder-Richardson's (KR-20) formula which is presented as follows

$$R = \frac{N}{N-1} \left[\frac{1 - \sum pq}{\sigma^2} \right]$$

Where: N = the number of items in the test

p = Number of the proportion of YES responses

q = Number of the proportion of NO responses (1- p)

σ^2 = Variance of the response

The result of Takaful operators' questionnaire which has total of 6 questions shows that the RK-20 reliability value is -0.98. This is due to small size of sample which is only 26 respondents.

3:6:2 Normality Test

According to Daud, Yussof & Abideen (2011) among the statistical test to be conducted before significant and relational test, is to confirm the normality of the data to be utilized in the study. It is noted that the skewness and kurtosis values between ± 1.0 is considered an excellent value for data to be normally distributed. The results of the skewness and kurtosis measurement (see the appendix D) have revealed that some of cases among the 17 items of questions do not comply with the standard. This indicates that the data is not normally distributed. Thus, parametric statistics cannot be employed. The questionnaire of the Takaful operators, due to small size of the sample (26 respondents), its normality position cannot be attained.

3:6:3 Validity Analyses

The original draft of the questionnaire is given to the experienced persons in academia and professionals to assess and determine the face and content validity of the instruments. The items of questions in the test instrument are validated on the following criteria:-

- (1) The readability and language level.
- (2) The adequacy of the questions.
- (3) The content coverage of the subject matter

After the restructuring and correction, the final copy of the questionnaire is produced for the research. The total items of questions validated are seventeen (17) close ended and two (2) open ended making grand total to be nineteen (19) questions for questionnaire administered to actual and potential customers of Takaful in Kano Metropolis, Nigeria. And the total numbers of items of questions in the questionnaire administered to Takaful operators' Management/staff/agents are six (6) close ended and one (1) open ended question making grand total to be seven (7).

3.7 Administrations of the Questionnaires

The researcher has administered the questionnaire to ensure the authenticity of the information provided by the respondents. The instrument is also designed to contain an accompanying letter of introduction which solicits cooperation from the respondents and equally a provision is made for explaining some technical terms to the respondents. He also employs research assistants; the purpose of which is to use an insider who might have familiarity with the respondents so that he can retrieve the questionnaires on behalf of the researcher.

3.8 Data Analysis Techniques

Infinite nature of the study's population has made it impossible to use probability sampling. This means that only non-parametric inferential statistics is suitable for the study.

3.8.1 Chi-Square (χ^2) Technique

This is a statistical tool that is used to provide non-parametric test on the relationship between two or more variables. The Chi-square test was used to test all the hypotheses of the study using SPSS version 16.

The Chi-square test is given by:

$$\chi^2 = \sum_{i=1}^N \frac{(F_o - F_e)^2}{F_e}$$

Where: \sum = Summation (addition)

N = Number of cells in the contingency table

F_o = Observed frequency or value

F_e = Expected frequency or value

χ^2 = Chi-square

The Decision Rule:

1. Reject H_o at 95 level of confidence ($\alpha=0.05$) if the computed value of χ^2 is greater than the critical (table value).
2. Accept H_o at 95 level of confidence ($\alpha=0.05$) if the computed value of χ^2 is less than the critical (table value).

They are of two types: chi-square test of goodness of fit which tries to explore the proportion of cases that fall into the various categories of a single variable and compares these cases with the hypothesized values. It tests the goodness of fit between theoretical and experimental data. It determines whether a frequency distribution follows a claimed distribution. The second type is the chi-square test of independence which tries to find out whether there is association between row variable and column variable in a contingent table constructed from the sample. It also determines if the two (2×2) categorical variables are related/independent (test of homogeneity).

This study has chosen test of goodness of fit to test all the five (5) hypothesis to explore the statistically significant relationship between each independent variables on the study's dependent variable of the sample drawn from the population. This enables the researcher to accept or reject the Null hypotheses formulated in the study.

The chi-square test of independence is also employed to analyze the relationship that exists between two dichotomous/nominal variables such as male/female respondents in the sample of the research. This is to determine if there is a statistically significant relationship between two independent nominal variables. The crosstab determines whether variables are statistically independent, that is unrelated or otherwise. The effect size under test of independence is discussed in the heading Phi coefficient and Cramer's V technique.

Chi-square test is employed for the data and the researcher employs it to test the study's hypothesis due to its minimal requirement which state that only ability to create categorization of data into mutually exclusive class is required to apply it (X^2) to test differences when the data is in form of frequencies. Maiwada & Yakasai (2011) have argued

that when data involve higher level scale (interval and ratio) it must be systematically reduced to ordinal scale so that frequencies could be taken. This study, however, employs Test of good fit and Test of Homogeneity (Test of independence) to enhance the reliability of the findings. In addition, these tests require large sample by meeting the guideline which states that no more than 20% of the cells should have expected frequencies less than 5. But if it is violated, Fisher's Exact Test should be used instead. If the variables have only two categories, then the value in the row called Yates correction for continuity (continuity correction) is used in place of chi-square test result. It compensates for the overestimation of the chi-square value when used with a 2x2 table.

3.8.2 Phi coefficient Q and Cramer's V Techniques

The chi-square tests of independence measure only whether the relationship between independents and dependent variables are statistically significant but do not indicate the strength of the relationship or the effect size. Since the research wants to establish the extent of effect, the appropriate measure to be used to determine correlation when there exactly two categories (male and female) on each variable (2 x 2) is Phi coefficient symbolized by Q. The study employs Q to correlate the independent Variables with the dependent variable (Steinberg, 2008). It is denoted by a given formula

$$Q = \sqrt{X^2/N}$$

Where: X^2 = Chi-square test result/value.

N = Total number of sample size.

Similarly, Cramer's V is used if the categories are more than 2x2 (such as age of the respondents in term of: 18-25years, 26-35years, 36-45years, 46-55years, and so on). The study employs it to measure the association among different independent variables. It is denoted by a given formula:

$$V = \sqrt{Q^2 / (R/C) - 1}$$

Where: Q^2 = square of Phi coefficient

R = Number of rows

C = Number of columns

The Decision Rules

Cohen (1988) cited in Morgan, Leech, Gloeckner & Barrett (2004) states that the guidelines for interpreting the size of the effect or strength of relationship for Q and V/R coefficients are as follows:

1. If the coefficient is $\geq 0.70/0.71$, there is much larger than typical relationship.
2. If the coefficient is $= 0.50/0.51$, there is larger or larger than typical relationship.
3. If the coefficient is $= 0.30/0.36$, there is medium or typical relationship.
4. If the coefficient is $= 0.10/0.14$, there is small or smaller than typical relationship.
5. It should be noted that the researcher resolves to interpret the overall effect size using three (3) bases which are: strong effect (0.70 to 1.00), average effect (0.50 to 0.60) and weak effect (0.00 to 0.40).

In conclusion, however, the research has used descriptive statistics only to determine the frequencies in tabular form and to measure central tendencies.

3.9 Area of the Study

The study is carried out in Kano Metropolis of Nigeria which is today referred to as the city of commerce depicting the leadership position in commerce (MAN Annual Report 2004). In addition, being the most industrial and Largest Commercial city in the northern part of Nigeria, Kano Metropolis is cosmopolitan and maintains a leadership position in terms of the

state's population in Nigeria. 2006 population census has estimated that there are more than 9 million people in the state. Kano Metropolitan area, however, comprises of 8 local governments which are municipal, Dala, Gwale, Fagge, Tarauni, Ungogo, Nassarawa and Kumbotso. All of them have the total population of 2,828,861, (FGN Gazette 2009). These are areas (metropolis) where the Takaful operators locate their offices. It is observed that the companies do usually market/sell their services (Takaful products) in these identified Areas.

The cosmopolitan nature of Kano metropolis has made the city to have true features of modern urbanized city with its attendant social vices such as arm robbery, theft and political riots like the 2011 post-election violence. Other disasters which have bedeviled the city are the fire disasters, which have raged Kano's major markets, such as Abubakar Rimi, Kofar Wambai and more specifically Kantin Kwari Markets in 2010 (Kano State Fire Service, 2010 in the Researcher's survey). This had led to the loss of life and properties worth millions of Naira. The recent incident of floods in June, 2011 also claimed lives and destroyed properties especially in Fagge Local Government Area. All these catastrophes have left people with few choices that they should either seek relief from government or social insurance. This is not very effective in alleviating the sufferings of these disastrous incidences or to provide relief to the populace.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

It is observed that the aim of survey research is to employ primary data and observe the subjects of study without any attempt to manipulate the variables. This study has employed various approaches of survey explorative statistical tools of generating primary data that can enable the researcher to test the five (5) hypotheses formulated for the study. This chapter presents analyses and interprets the data collected from the field. The data is a cross sectional which is collected from the period of 2011 to 2012 using questionnaires and direct observation. Therefore, the empirical data used to answer the research questions and research hypotheses for the study are presented as follows:

4.2 Characteristics of the Respondents

The study's sample size is four hundred and eleven (411) in which three hundred and eighty four (384) are the size of actual and potential customers drawn to participate in the research and the remaining twenty seven (27) are the size of Takaful operators' staff/agents and management inclusive. The personal information of the respondents is presented by using descriptive statistical tools which are employed purposely to enable the researcher to show the exact nature and characteristics of respondents (Appendix E).

4.2.1 Characteristics of the Respondents from the Actual and Potential Customers

The questionnaire for the actual and potential Takaful customers had six (6) personal information of the respondent that includes: gender, age, marital status, educational qualification, occupational status and income level. Out of the three hundred and eighty four (384) copies of the questionnaire administered to the respondents, only two hundred and sixty

six (266) are retrieved representing 69.27% (Appendix E). Gender is categorical data which among the respondents, 45 of them (16.9%) are female and the remaining 221 (83.1%) are male indicating that males are more. The age distributions of the respondents indicate that 29 of the respondents (10.9%) are between 18-25 years, 130 respondents (60%) are 26-35 years, 68 of the respondents are 36-45 years representing 28.5%, 33 of the respondents (12.4%) are aged between 46 years to 55 years and finally only 1.9% (5) of the respondents are having ages ranged from 55 years and above. This shows that the respondents in between 26 years of age to 36 years are over represented. There is one missing value (0.4%).

Furthermore, the marital status of the respondents portrays that there are 72 single (27.2%), 191 (71.8%) married and one (1) widow and a divorcee representing 0.4% respectively. There is one missing value (0.4%). In addition, the academic qualifications of the respondents are presented as there are 20 with West African Examinations certificate and equivalent representing 7.5%, 47 (17.7%) respondents have had Ordinary National Diploma and equivalent, the holders of Bachelor's Degree and equivalent are 139 representing 52.3%, 36 of the respondents possess professional masters and equivalent (13.5%), the holders of academic masters and doctorate Degrees are 19 equivalent to 7.1% and finally the holders of other qualifications which consisted of LLB holder and Library science certificate are only 3 (1.1%). There are two (2) missing values (0.8%).

Similarly, the occupational status of the respondents shows that there are 34 business Men and Women representing 12.8%. Civil servants 176 (66.2%) and there are 38 private organizational employees (13.5%). Four (4) respondents are Military or Para-military that are equivalent to 1.5%. There are 15 others (5.6%) that have made up of the NGOs

employees, consultants and Nurses. One respondent, however, has not disclosed his/her occupational status resulting to 0.4% missing value.

In conclusion, however, the respondents' income level annually shows that there are 62 (23.3%) with income below 500,000 naira and 95 (35.7%) have income from 500,001 to 1,000,000 naira. There are 81(30.5%) respondents with income from 1,000,001 to 5,000,000 naira. Only 7 respondents (2.6%) have had income ranges from 5,000,001 to 10,000,000 naira and 18 (6.8%) respondents' income level is 10,000,001 and above. Three (3) of the respondents have not disclosed their income resulting 1.1% missing values.

4.3 Data Presentation and Analysis of Questionnaire Responses

Data collected are analyzed for the purpose of testing the hypothesis for the study to explore the determinants of Takaful services consumption in Kano Metropolis, Nigeria. The study aims at testing the relationship between independent variables: public awareness of Takaful, public attitude on Takaful, public perception on Takaful, public trust and confidence upon Takaful operators and capacity and competencies of Takaful operators; and dependent variable (Takaful services consumption in Kano Metropolis, Nigeria). Chi-square is employed to determine the relationship and Phi coefficient and Cramer's V coefficient are used to test the strength of the relationship or effect size.

4.4 Test of Hypotheses

The Hypotheses are tested by comparing the calculated values of chi-square (X^2) with the critical value/tabulated value and it is agreed that if the calculated value is greater than the tabulated, the Null Hypothesis is rejected otherwise the Alternate Hypothesis is accepted and also if the calculated p-value is less than or equal to the tabulated p-value=0.005. Chi-square

test of goodness of fit is used to test effect size and relationship that exist between independent variables and dependent variable formulated in the five (5) different Hypotheses of the study. But, the researcher sees the need to also employ chi-square test of independence to crosstab the Takaful operators' staff/agents responses with their personal bio- data. This is only to determine the strength of relationship of the independent variable and dependent variable formulated in Hypothesis 5 (HO₅)

4.4.1 HO₁: Building Public Awareness has no Significant Effect on the Takaful Services Consumption in Kano Metropolis, Nigeria

This subsection presents and discusses the result of the responses retrieved from the items of the pieces of questionnaires administered to the actual and potential customers of Takaful services in Kano Metropolis, Nigeria. The research uses the results to test the relationship of the public awareness of Takaful and Takaful services consumption in Kano Metropolis using chi-square test of goodness of fit. The summary of the responses are presented below.

Table 4.1 has shown the Takaful actual and potential customers responses as regard to the effect of public awareness of Takaful on the Takaful services consumption. The total number of the respondents (N) that have returned the pieces of questionnaires are two hundred and sixty six (266), but the result above has shown otherwise indicating missing value of the responses. The number of the respondents' correct responses (N) together with the average responses and its spread as well as percentages is presented in the Table. The Maximum (5= strongly agreed) and Minimum (1=strongly disagreed) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire.

Table 4.1 has also shown the average responses of the respondents. They have agreed with the need for strong awareness campaign of Takaful services and its practices as the mean value and standard deviation of the responses along with minimum and maximum value as well as percentage are shown in line with the requirement of the question (mean (M) =4.23 with standard deviation (S) =1.119, far from mean and percentages indicating strong agreement (50% & 75%=5).

Table 4.1 Summary of the Responses on the Effect of Public Awareness of Takaful upon Takaful Services Consumptions in Kano Metropolis, Nigeria

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75 th
AWARENESS CAMPAIGN	264	4.23	1.119	1	5	4.00	5.00	5.00
RELIGIOUS BACKGROUND	265	4.04	1.167	1	5	4.00	4.00	5.00
COMPANIES OFFER TAKAFUL SERVICES	263	2.99	1.192	1	5	2.00	3.00	4.00
TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR	263	3.88	1.197	1	5	3.00	4.00	5.00
GENERAL TAKAFUL MEETS NEEDS	260	3.15	1.283	1	5	2.00	3.00	4.00
FAMILY TAKAFUL MEETS NEEDS	263	3.37	1.262	1	5	3.00	4.00	4.00

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The responses have also indicated that 75% of respondents have strongly agreed (5) and agreed (4) that religion enables them to be aware of Takaful (M=4.04 & S=1.167); that Takaful is devoid of interest rate (M=3.88 & S=1.197); but they have disagreed that Takaful services are offered in Kano Metropolis (M=2.99 & S=1.192); that they are neutral as to if

the general Takaful service can meet their needs (M=3.15 & S=1.283) and also if the family Takaful services can meet their needs (M=3.37 & S=1.262). It is resolved that the overall results of descriptive statistics show the public awareness of Takaful has effect on the Takaful services consumption in Kano Metropolis, Nigeria.

Table4.2 Chi-square Result for Effect of Public Awareness of Takaful upon Takaful Services Consumption in Kano Metropolis, Nigeria

Test Statistics						
	AWARENESS CAMPAIGN	RELIGIOUS BACKGROUND	COMPANIES OFFER TAKAFUL SERVICES	TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR	GENERAL TAKAFUL MEETS NEEDS	FAMILY TAKAFUL MEETS NEEDS
Chi-Square	269.674 ^a	175.660 ^b	51.620 ^c	109.224 ^c	24.654 ^d	64.700 ^c
Df	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.8.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 53.0.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.6.

d. cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.0.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.2 represents the result of chi-square (X^2) test of goodness of fit statistics exploring if public awareness of Takaful has significant effect on the Takaful services consumptions in Kano Metropolis, Nigeria. The calculated X^2 results have satisfied the condition which states that it has to have 20% of the expected frequencies to be less than 5. The values of calculated X^2 of all the six (6) cases above are greater than or equal to the tabulated $X^2=9.49$ at 4 degree of freedom. This shows the rejection of Null Hypotheses confirming that there is significant relationship between public awareness of Takaful and Takaful services consumption in Kano Metropolis. It means Alternate Hypotheses are retained as all calculated p-values=0.000 are

less than or equal to tabulated $p\text{-value}=0.05$. The overall results predict that public awareness of Takaful has significant effect on the Takaful services consumptions in Kano Metropolis, Nigeria.

4.4.2 HO₂: Public Attitudes on Takaful Services have no Significant Effect on the Takaful Services Consumption in Kano Metropolis, Nigeria

This subsection presents and discusses the result of the responses retrieved from the pieces of questionnaires administered to the actual and potential customers of Takaful services in Kano Metropolis, Nigeria. The research uses the results to test the relationship between the public attitude and Takaful services consumption in Kano Metropolis using chi-square test of goodness of fit. The summary of the responses are presented below.

Table 4.3 has shown the Takaful actual and potential customers responses as regard to the effect of public attitude on the Takaful services consumption. The total number of the respondents (N) that have returned the items of questionnaires are two hundred and sixty six (266), but the values in the table have shown otherwise indicating missing value of the responses. The number of the respondents' correct responses (N) together with the average responses and its spread as well as percentages is presented in the Table. The Maximum (5=strongly agreed) and Minimum (1=strongly disagreed) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire.

Table 4.3 has presented the results of the respondents' attitude on the Takaful and it is indicated that the responses are significant, because 75% of the respondents have demonstrated their strong agreement that the Takaful services can be patronized. The mean value and standard deviation of the responses along with minimum and maximum value as shown in line with the requirement of each question indicates that the study predicts Takaful

as substitute of conventional insurance can be patronized (mean= 3.86 with the deviation of 1.192). The willingness to patronize the service is average (M=3.86 & S=1.106).

Table4.3 Summary of the Responses on the Effect of Public Attitude upon Takaful Services Consumption in Kano Metropolis, Nigeria

Descriptive Statistics								
	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75th
TAKAFUL SERVICES AS A SUBTITUTE WILL BE PATRONIZED	262	3.86	1.192	1	5	3.00	4.00	5.00
MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH	259	3.86	1.106	1	5	3.00	4.00	5.00
GENERAL TAKAFUL WILL BE PATRONIZED	257	3.69	1.123	1	5	3.00	4.00	4.00
FAMILY TAKAFUL WILL BE PATRONIZED	259	3.79	1.065	1	5	3.00	4.00	4.00
TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED	256	3.92	1.133	1	5	3.00	4.00	5.00

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The results of the questions as presented in table 4.3 with regard to Takaful general services and family services show significant possibility to be patronized (M=3.69 and M=3.79 with their S=1.123 and S=1.065 respectively). The study also shows that Takaful service devoid of uncertainty will be patronized (M=3.92 with S=1.133 around the mean). This has demonstrated that the overall descriptive statistics from the table show the respondents' positive attitude toward Takaful services.

Table4.4 Chi-square Result for Effect of Public Attitude upon Takaful Services Consumption in Kano Metropolis, Nigeria

Test Statistics

	TAKAFUL SERVICES AS A SUBSTITUTE WILL BE PATRONIZED	MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH	GENERAL TAKAFUL WILL BE PATRONIZED	FAMILY TAKAFUL WILL BE PATRONIZED	TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED
Chi-Square	117.313 ^a	107.931 ^b	106.288 ^c	157.969 ^b	133.023 ^d
Df	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.4.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.8.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.4.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.2.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.4 represents the result of chi-square (X^2) test of goodness of fit statistics exploring if public attitude on Takaful has significant effect on the Takaful services consumptions in Kano Metropolis, Nigeria. The calculated X^2 results have satisfied the condition which states that there has to have 20% of the expected frequencies to be less than 5. The values of calculated X^2 of all the six (6) cases above are greater than or equal to the tabulated $X^2=9.49$ at 4 degree of freedom. This shows the rejection of Null Hypotheses confirming that there is significant relationship between public attitude on Takaful and Takaful services consumption in Kano Metropolis. It means an Alternate Hypothesis is retained as all calculated p-values=0.000 are less than or equal to tabulated p-value=0.05. The overall result predicts that the respondents' positive attitude (as the descriptive statistics has found out on Takaful) has effect upon Takaful services consumptions in Kano Metropolis, Nigeria.

4.4.3 HO₃ : Public Perceptions on Takaful Services have no Significant Effect on the Takaful Service Consumption in Kano Metropolis, Nigeria

This subsection presents and discusses the result of the responses retrieved from the pieces of questionnaires administered to the actual and potential customers of Takaful services in Kano Metropolis, Nigeria. The research uses the results to test the relationship between the public perception on Takaful and Takaful services consumption in Kano Metropolis using chi-square test of goodness of fit. The summary of the responses are presented below.

Table 4.5 has shown the Takaful actual and potential customers responses as regard to the effect of public perception on the Takaful services consumption. The total numbers of the respondents (N) that have returned the items of questionnaires are two hundred and sixty six (266), but table 4.5 has shown otherwise indicating there are missing value of the responses. The number of the respondents' correct responses (N) together with the average responses and its spread as well as percentages is presented in the Table. The Maximum (5= strongly agreed) and Minimum (1=strongly disagreed) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire.

It has indicated from the table 4.5 below that 75% of the respondents have agreed with the questions raised determining favorable perception. The mean (3.47) and standard deviation (0.997) responses indicates that the respondents are neutral as to the fact establishing that the existing Takaful operators (windows of conventional insurance) offer shariah complied services.

Table4.5 Summary of the Responses on the Effect of Public Perception upon Takaful Services Consumption in Kano Metropolis, Nigeria

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75th
TAKAFUL OPERATORS SERVE AS WINDOW	259	3.47	.997	1	5	3.00	4.00	4.00
TAKAFUL PROVIDES INVESTMENT \$ RISK MANAGEMENT	259	3.63	1.009	1	5	3.00	4.00	4.00
TAKAFUL IS SUBSTITUTE OF\$ DIFFERENT FROM INSURANCE	256	3.82	1.008	1	5	3.00	4.00	5.00

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The study also shows that the respondents have agreed that Takaful provides investment and risk management facilities that can solve problem of life uncertainty (M=3.63 with S=1.009 around the mean). It is equally found out that Takaful as a substitute of conventional insurance offers alternate sound financial planning (M=3.82 with S=1.008). Therefore, the overall descriptive result predicts that the public perception is favorable and it relates with the Takaful services consumptions in Kano Metropolis, Nigeria.

Table 4.6 displays the chi-square test of goodness of fit which relates public perception of Takaful with the Takaful services consumptions. The tabulated chi-square (X^2) test statistics=9.49 at the 4 degree of freedom shows that it is less than or equal to the calculated chi-square tests of all the 3 cases (133.066, 133.375 and 130.367). This justifies the rejection of Null Hypotheses since the calculated X^2 values are greater than the tabulated; Alternate

Hypotheses are accepted implying public favorable perception has significant effect on the Takaful services consumption in Kano Metropolis, Nigeria.

Table 4.6 Chi-square Result for Effect of Public Perception upon Takaful Services Consumption in Kano Metropolis, Nigeria

Test Statistics

	TAKAFUL OPERATORS SERVE AS WINDOW	TAKAFUL PROVIDES INVESTMENT \$ RISK MANAGEMENT	TAKAFUL IS SUBSTITUTE OF \$ DIFFERENT FROM INSURANCE
Chi-Square	133.066 ^a	133.375 ^a	130.367 ^b
Df	4	4	4
Asymp. Sig.	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.8.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.2.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

4.4.4 HO₄ : Public Trust and Confidence Repose on Takaful Operators has no Significant Effect on Takaful Services Consumption in Kano Metropolis, Nigeria

This subsection presents and discusses the result of the responses retrieved from the pieces of questionnaires administered to the actual and potential customers of Takaful services in Kano Metropolis, Nigeria. The research uses the results to test the relationship between the public trust and confidence repose on Takaful operators and Takaful services consumption in Kano Metropolis using chi-square test of goodness of fit. The summary of the responses are presented below.

Table 4.7 Summary of the Responses on the Effect of Public Trust and Confidence of Takaful upon Takaful Services Consumption in Kano Metropolis, Nigeria

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25th	50th (Median)	75th
ESTABLISHED RECORDS ASSURE ME TO BUY TAKAFUL	257	3.43	1.025	1	5	3.00	4.00	4.00
IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL	258	3.61	.969	1	5	3.00	4.00	4.00
MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH	256	3.57	1.064	1	5	3.00	4.00	4.00

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.7 has shown the Takaful actual and potential customers' responses as regard to the effect of public trust and confidence of Takaful operators on the Takaful services consumption. The total numbers of the respondents (N) that have returned the pieces of questionnaires are two hundred and sixty six (266), but table 4.7 has shown otherwise indicating that there are missing value of the responses. The number of the respondents' correct responses (N) together with the average responses and its spread as well as percentages is presented in the Table. The Maximum (5= strongly agreed) and Minimum (1=strongly disagreed) indicate the 5 points likert scale ranges of options that are given to the respondents to answer the questions in the questionnaire.

Table 4.7 shows that 75% of the respondents have demonstrated their agreement with questions aimed at relating public trust and confidence on the operators with the Takaful

services consumptions in Kano Metropolis, Nigeria. The respondents' mean (3.43) with standard deviation (1.025) of the responses shows neutrality; asserting if the established financial and business records of the Takaful operators can assure the respondents to invest/buy Takaful services. Similarly, the respondents have seen making claims for compensation from Takaful operators is easier/simpler than from the conventional insurance companies (M=3.61 with S=0.969 far from mean). The respondents' trust and confidence on the Takaful operators is not very high as indicated by the mean responses= 3.57 which has high standard deviation (1.064). The overall result indicates that the respondents' trust and confidence on the existing Takaful operators in Kano Metropolis is not very high.

Table4.8 Chi-square Result for Effect of Public Trust and Confidence upon Takaful Services Consumption in Kano Metropolis, Nigeria

Test Statistics

	ESTABLISHED RECORDS ASSURE ME TO BUY TAKAFUL	IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL	MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH
Chi-Square	142.397 ^a	136.574 ^b	93.727 ^c
Df	4	4	4
Asymp. Sig.	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.4.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.6.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 51.2.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.8 displays the chi-square test of goodness of fit which relates public trust and confidence on Takaful operators in Kano Metropolis with the Takaful services consumptions. The tabulated chi-square (X^2) test statistics=9.49 at the 4 degree of freedom shows that it is less than or equal to the calculated chi-square tests of all the 3 cases (142.397, 136.574 and 93.727). This justifies the rejection of Null Hypothesis since the calculated X^2 values are greater than the tabulated; Alternate Hypotheses are accepted implying public trust and confidence on the Takaful operators in Kano Metropolis has significant effect on the Takaful services consumption in Kano Metropolis, Nigeria. The findings are valid given the position of calculated p-value=0.000 of all the cases which is less than or equal to the tabulated p-value (0.005).

4.4.5 Qualitative Responses of Respondents from the Customers

The researcher has included in the actual and potential customers' questionnaire two items of questions (questions 24 and 25) that are aimed at giving the respondents opportunities to explain what he/she sees as the problems/challenges militating against the success of Takaful services consumption in Kano Metropolis, Nigeria. Among the respondents that have completed and returned the administered items of questionnaires, two hundred and ten (210) have answered qualitative questions (24&25). They have mentioned problems/suggestions related to the Takaful services consumptions in Kano Metropolis. The numbers of times the problems/suggestions have been repeated (Rates) by the respondents and the percentages (%) are summarized and presented in Tables below.

Table 4.9 summarizes various challenges that are mentioned by the respondents as factors militating against successful consumptions of Takaful services in the state. The rates of the responses are two hundred and sixty nine (269). This 269 is the number of times 210 respondents have mentioned one challenges or the other. It is more than total number of the

respondents due to the fact that some have mentioned one problem (Lack of public enlightens and awareness of Takaful is mentioned up to 156) but have not mentioned the other (Public cultural oriented carelessness of financial back-up is stated only twice). That is why if the total sum of the responses is put together would be more than 210.

The respondents have observed that lack of awareness and knowledge of Takaful and its services scores highest percent (56.8%). This represents what the respondents have argued that the operators do not perform promotional mobilization such as use of Bill board advertisement, radio and televisions promotions. Small number of branches/offices of the Takaful operators in Kano Metropolis have been mentioned (15 times= 5.7%) as contributing to the poor patronage of the service. This equally goes with the fact that the few existing offices of Takaful operators are located in remote places which makes it challenging for the potential customers to locate them (mentioned 2 times=0.7%). It is also stated that many people in Kano Metropolis are ignorant of the concept of Takaful and doubt whether it is Islamic or not (mentioned 12 times=4.5%).

Similarly, the respondents argue that they are ignorant of the existence of Takaful offices or company in Kano Metropolis, Nigeria (mentioned 16 times=6%). They have stated that public have negative attitude on anything insurance (conventional one that have been known by the public) (0.7%) and this is accompanied with public misconceptions (Muslim in particular) about trust on Allah (SAW) which is referred to as Tawwakkul in Islam (1.1%). This of course may have resulted poor patronage of the service. It is also mentioned that lack of public trust and confidence on the Takaful operators (7.1%) creates serious challenge in convincing people to patronize Takaful services in Kano Metropolis. It is added that the operators selling the services in the Metropolis appeared to be lacking confidence in

marketing Takaful (3%). A strong problem militating against an effective consumption of Takaful in Kano is the existence of misconception and differences in the opinion of Islamic scholars (4.5%) on the Takaful legality or otherwise. This is reinforced due to the lack of enabling law governing Takaful practices in Nigeria as mentioned 10 times (3.6%). It has made the public to feel that the Takaful service offered does not comply with international Takaful standard (0.4%).

The respondents, however, have argued that since the emergence of Takaful in Nigeria, the Nigerian insurance commission (Insurance regulatory authority) has not supported the business (0.7%). The most concerned challenge is that the respondents have the feeling that the managements of the Takaful operators in Kano do not have the necessary competence and skill to run the business and also the Takaful staff/agents lack the required knowledge to sell the service (4.5%). In conclusion, however, the respondents have mentioned that people in the study area have had cultural orientation which makes them to care very little on personal and business financial back-up (0.7%). This has contributed very much toward poor consumption of Takaful services in Kano Metropolis, Nigeria.

Table 4.10, furthermore, summarizes and presents respondents suggestion as to how Takaful services consumption could be improved in Kano Metropolis. The rates of the responses are two hundred and sixty one (261). This 261 is the number of times 210 respondents have mentioned one suggestion or the other. It has become more than total number of the respondents (210) due to the fact that some have mentioned one suggestion (Needs for mass awareness campaign and promotion is mentioned up to 190) but have not suggested other (Needs for enabling Takaful Acts/Laws/Guidelines/Boards is mentioned only once). That is why if the total sum of the responses is put together would be more than 210.

Table4.9: Challenges on Takaful Services Consumptions in Kano Markets

S/N	Description of the Respondents Responses (problems)	Rates	Percent%
1.	Lack of public enlightens and awareness of Takaful	153	56.80
2.	Few offices/branches of Takaful operators	015	05.70
3.	Locating the offices in remote, non -attracted areas	002	00.70
4.	Ignorance of Takaful practice in Islam and if it is Islamic	012	04.50
5.	Ignorance of Takaful business's existence in Kano	016	06.00
6.	Public negative attitude on anything insurance	002	00.07
7.	Misconception of the doctrine of Trust in Allah (SWA)	003	01.10
8.	Lack of trust of / confidence in the Takaful operators	019	07.10
9.	Lack of confidence in the operators to sell the products	008	03.00
10.	Misconceptions & differences in Islamic scholars opinions	012	04.50
11.	Lack of Nigerian Takaful Acts/Law/Sharia Board/councils	010	03.60
12.	Non – compliance of the service with the world standards	001	00.40
13.	Poor support from the Nigerian insurance commission	002	00.70
14.	Non –charlatan attitude of Managements of the operators/ incompetent staff/agents	012	04.50
15.	Public cultural oriented carelessness of financial back-up	002	00.70
	TOTAL	269	100

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The respondents argue that there are needs for mass awareness campaign using all means of promotion (72.8%). This includes advertisements through Radio, Television, workshops and

seminars, online, and door to door personal selling. It is also mentioned that there are needs to open many offices selling the services in the state (13%) and should be located in relevant appropriate site which can be accessible to the customers. But, it is argued that Takaful should not be much acceptable if it is operated as window/branch/product extension of conventional insurance companies (0.38%). There are needs to have independent Takaful companies selling the services.

It is equally observed that the success of Takaful services revolve around the ability of the operators to be very ethical, transparent, reliable, honorable, efficient and effective in their service delivery (6.13%). This has to be backed by the credible, respected and competent staff/agents as well as robust management team who are ready to run Takaful business (10.34%). The respondents suggest that there is a need to have Takaful firm with strong capital base capable of supporting the business practice and smoothing the compensation of and settlement of clients' claims as at when due (0.77%). It is also maintained that to increase the overall consumption of Takaful services in Kano and Nigeria in general, there is need to have a Takaful Act/law that gives guidelines and states the mode of operation. To create a Takaful Board of experts who supervise the business practice and possibly advising the Nigerian Insurance Commission (1.92%). it is concluded that the Islamic scholars' role is very paramount especially in Kano. Therefore, there are needs for them to be co-opted to support the business and to be seen as part and parcel of the business perhaps incorporating them into the Takaful shari'ah advisory Boards.

Table4.10: Suggestions on Takaful Services Consumptions in Kano Market

S/N	Description of Respondents' Responses (Suggestions)	Rates	Percent%
1.	Needs for mass awareness campaign and promotion	190	72.80
2.	Many branches/offices in a relevant/targeted locations	013	04.98
3.	Needs for Takaful company, not window operations	016	06.13
4.	Needs for credible knowledgeable Takaful staff/agents	027	10.34
5.	Needs for competent committed management team	002	00.77
6.	Needs for strong capital base to run Takaful companies	005	01.92
7.	Coopting Islamic scholars to support and promote Takaful	007	02.68
8.	Needs for enabling Takaful Acts/Laws/Guidelines/Boards	001	00.38
	TOTAL	261	100

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

4.2.6 Characteristics of the Respondents from Takaful Staff/Agent and Management

The questionnaire of Takaful operators has four (4) items of personal information of the respondents which include: gender, period of stay of Takaful staff/agents with the Operators, staff educational qualifications and the number of times a member of staff has attended training. The total of 26 items of questionnaires is retrieved from the respondents representing 96.3%. This means that only one (1) questionnaire that has not been returned (3.7%). The respondents' gender has shown that there are 18 female staff (69.2%) and 8 male staff having 30.8% (Appendix F).

Besides, the staff period of stay with the Takaful operators have indicated that there are 3 (11.5%) staff/agents that have joined the service for less than one (1) year. 17 staff/agents have been with the business between the period of one (1) year to three (3) years representing

65.4%. There are 3 staff/agents that have been with the Takaful operators for four (4) to six (6) years and also the remaining three (3) staff/agents joined the business for more than six (6) years, each of them representing 11.5% respectively.

Furthermore, the educational qualifications of the respondents have indicated that there is one (1) staff/agent with West African Examination Certificate and equivalents in the service (3.8%). Three (3) staff has had Ordinary National Diploma and equivalent certificates in the service (11.5%). 17 of the respondents have a Bachelor's Degree or equivalents representing 65.4%. There are 3 (11.5%) staff with professional masters or academic masters and its equivalent. There are two (2) others (specifying LLB) whose qualification is not shown among the above mentioned categories (7.7%).

In conclusion, however, the presentation has shown that there is only one (1) staff who has not attended training even once (3.8%) but 8 of the staff have gone for Takaful training once (30.8%). Only one staff (3.8%) has attended training twice. The remaining 16 staff/agents have attended the training many time representing 61.5%. This is to state that majority of the staff/agents of Takaful operators in Kano Metropolis have attended various training which expose them to relevant knowledge of Takaful and its practices (Appendix F).

4.4.7 HO₅ Operators' Capacity and Competencies have no Significant Effect on the Takaful Services Consumption in Kano Metropolis, Nigeria

This subsection presents and discusses the result of the responses retrieved from the pieces of questionnaires administered to the Takaful operators in Kano Metropolis, Nigeria. The research uses the results to test the relationship of the operators' capacity and competencies

and Takaful services consumption in Kano state using chi-square test of goodness of fit. The summary of the responses are presented below.

Table4.11 Summary of the Responses for the Effect of the Operators' Capacity and Competencies upon Takaful Services Consumption in Kano Metropolis, Nigeria

Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
ACQUIRED SKILL	26	1.65	.485	1	2
TRAINED TO LEARN	26	1.12	.326	1	2
TRAINING EXPOSES	26	1.04	.196	1	2
SKILL CONVINCES CUSTOMERS	26	1.04	.196	1	2
ORG EMPLOY ADVERTISEMENT	26	1.12	.326	1	2
ORG PROVIDES FACILITIES	26	1.12	.326	1	2

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table4.11 has shown the Takaful staff/agents responses as regard to the effect of operators' capacity and competencies on Takaful services consumption. The number of the respondents (N) is twenty six (26) together with the average responses and its spread are presented in the Table. The Maximum (2=NO) and Minimum (1=YES) indicate the ranges of options (dichotomous) that are given to the respondents to answer the questions in the questionnaire.

Table4.11 shows that the average respondents have not acquired skills and knowledge of Takaful before joining the company (mean=1.65 & standard deviation=0.485). It is equally indicated that the respondents are trained by their companies (mean=1.12 & standard deviation=0.326). The respondents agree that their trainings have exposed them relevant Takaful practice (mean=1.04 & standard deviation=0.196). They have also agreed that the skill acquired enables them to convince customers to buy Takaful services (mean=1.04 &

standard deviation=0.196). The respondents, however, say that their companies do employ promotional tools of advertisement (mean=1.12 & standard deviation=0.326) in promoting Takaful services and the operators have provided working facilities which enable marketing Takaful services (mean=1.12 & standard deviation=0.326).

Table4.12 Chi-square Result for Effect for the Operators' Capacity and Competencies upon Takaful Services Consumption in Kano Metropolis, Nigeria

Test Statistics

	ACQUIDED SKILL	TRAINED TO LEARN	TRAINING EXPOSES	SKILL CONVINCES CUSTOMERS	ORG EMPLOY ADVERTISEMENT	ORG PROVIDES FACILITIES
Chi-Square	2.462 ^a	15.385 ^a	22.154 ^a	22.154 ^a	15.385 ^a	15.385 ^a
Df	1	1	1	1	1	1
Asymp. Sig.	.117	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 13.0.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The results of chi-square (X^2) test shown in Table4.12 have satisfied the requirements of having 20% of the cells to have expected frequencies less than 5. The calculated X^2 of cases 2 to 6 compared with the critical $X^2=3.38$ at 1 degree of freedom shows that the values are greater than the critical. This indicates that the Null Hypotheses are rejected confirming the acceptance of Alternate Hypotheses. It has also agreed with the p-value where the calculated ($p=0.000$) are less than or equal to tabulated/critical ($p=0.050$). But, for the case 1, the X^2 calculated (2.462) is less than the X^2 tabulated (3.38). This means the Null Hypothesis is accepted indicating the rejection of Alternant Hypothesis. It is similar to the finding of p-value which is the calculated $p=0.117$ is greater than the critical $p=0.050$. The overall results

of chi-square test of good fit (except case 1) predict the significant relationship of independent variables on the dependent variable. This tells that there is significant relationship between Takaful operators' capacity and competencies on Takaful services consumption in Kano Metropolis, Nigeria. The case one (1) result which has indicated the acceptance of Null Hypothesis signifies that acquisition of knowledge/skill before joining Takaful Company by the employees/agents has no significant relationship with the Takaful services consumption in the Metropolis.

The chi-square test of independence is a crosstab analysis which is also employed to determine the significant relationship in a bivariate table. The researcher wants to test relationship between/among the personal bio data of the respondents and the cases (questions) that are designed to predict the effect of the capacity and competencies of Takaful operators on the Takaful services consumption in Kano Metropolis, Nigeria. The Tables below present the summary of the crosstab of bio data (gender, period/staff duration with the operators, qualifications, training attended) with the cases (questions).

The Table4.13 summaries and presents the respondents' responses by cross tabulating the respondents' gender with the cases (six questions). Since the categories are 2×2 and the sample size is small (26 respondents), the continuity correction values and the Fisher's Exact Test are the appropriate measures to be employed to test the Hypotheses in place of Pearson chi-square. The tabulated chi-square at 1 degree of freedom is 3.84 and the critical p- value is 0.05. The calculated Fisher' Exact Test of all cases (see Table4.13 above) compared with critical p-value (0.05), indicates that the calculated results are greater than the critical value. This means the values are not less than or equal to 0.05. Therefore, the Null Hypothesis is accepted. The calculated continuity correlation values of all the 6 cases also confirm it. It is

concluded that gender is not independent of all the cases that is column (sex) is not significant on and are related with the row (the respondents' responses).

Table 4.13 Summary of the Statistics Cross-tabulating Takaful Operators' Staff Gender with 6 Cases of HO₅ Independent Variable Determining Takaful Services Consumption in Kano Metropolis, Nigeria

S/N	Statistical measures calculated: Cross Tabulated Gender vs. Cases	Acquired skill	Trained to learn	Training exposes	Convinces customer	Advert ment	Facilities provided
1.	Pearson chi-square/p-value	0.042/0.83 7	1.507/ 0.220	0.462/ 0.497	0.462/ 0.497	0.010/ 0.919	1.507/0.22 0
2.	Continuity correction/ p-value	0.000/1.00 0	0.317/ 0.574	0.000/ 1.000	0.000/ 1.000	0.000/ 1.000	0.317/ 0.574
3.	Likelihood Ratio/p-value	0.042/0.83 7	2.376/ 0.123	0.753/ 0.385	0.753/ 0.385	0.010/ 0.919	2.376/ 0.123
4.	Fisher's Exact Test/p-value	1.000/0.58 7	0.529/ 0.314	1.000/ 0.692	1.000/ 0.692	1.000/ 0.686	0.529/ 0.314
5.	Linear-by-Linear Association/p-value	0.041/0.84 0	1.449/ 0.229	0.444/ 0.505	0.444/ 0.505	0.010/0.92 0	1.449/ 0.229
6.	N of valid cases	26	26	26	26	26	26
7.	Phi coefficient (Q)/p-value	-0.40/ 0.837	-0.241 /0.220	-0.133 /0.497	-0.133 /0.497	0.020/ 0.919	-0.241 /0.220
8.	Cramer's coefficient (V)/p-value	0.040/ 0.837	0.241/ 0.220	0.133/ 0.497	0.133/ 0.497	0.020/ 0.919	0.241/ 0.220
9.	Degree of freedom	1	1	1	1	1	1

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

This, however, implies that staff/agents differences in gender (male or female) do not have effect on the Operators' capacity and competencies toward promoting Takaful services in Kano Metropolis, Nigeria. To determine the effect size, the Phi (Q) values (since it is 2×2) of all the cases (except case 5) are negative implying inverse relationship between gender and Takaful operators' capacity and competencies in promoting Takaful services. The size of the

effect using Cohen (1988) in Morgan, Leech, Gloeckner and Barrett (2004) guideline in interpreting the strength of relationship, all the cases are not greater than 0.3, meaning that the effect size is medium or typical. It is therefore concluded that staff/agents' gender is not very significant in determining competency of Takaful staff/agents toward promoting the services. It is also resolved that staff gender has small effect on the Takaful operators' capacity and competencies toward promoting Takaful services consumption.

Table4.14 Summary of the Statistics Cross-tabulating Takaful Operators' Staff Period of Stay in the Service of a Company with 6 Cases of HO's Independent Variable

S/N	Statistical measures calculated: Cross Tabulated period v cases	Acquired skill (1)	Trained to learn (2)	Training exposes (3)	Convinces customer (4)	Advert ment (5)	Facilities provided (6)
1.	Pearson chi-square/p-value	9.540/0.02 3	2.180/0.53 6	7.973/0.0 47	7.973/0.04 7	2.180/0.53 6	1.795/0.61 6
2.	Continuity correction/ p-value						
3.	Likelihood Ratio/p-value	11.172/0.0 11	2.462/0.53 6	4.658/0.0 27	4.658/0.02 7	2.462/0.48 2	2.795/0.60 2
4.	Fisher's Exact Test-p-value						
5.	Linear-by-Linear Association	2.421/0.12 0	0.970/0.37 5	4.898/0.0 27	4.898/0.02 7	0.970/0.32 5	0.272/0.60 2
6.	N of valid cases	26	26	26	26	26	26
7.	Phi coefficient (Q)/p-value	0.606/ 0.023	0.290/0.53 6	0.554/0.0 47	0.554/0.04 7	0.290/0.53 6	0.263/0.61 6
8.	Cramer's coefficient (V)/p	0.606/ 0.023	0.290/0.53 6	0.554/0.0 47	0.554/0.04 7	0.290/0.53 6	0.263/0.61 6
9.	Degree of freedom	3	3	3	3	3	3

Determining Takaful Services Consumption in Kano Metropolis, Nigeria

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.14 presents and summarizes the respondents' responses by cross tabulating the respondents period of stay with the Takaful companies with the cases (6 questions). Since it is a 2×4 table, the chi-square test is used to test the level of independence. The computed Pearson chi-square values of cases 1, 3 and 4 are greater than the tabulated chi-square (7.82) at 3 degree of freedom. This leads to the rejection of Null Hypotheses implying that these 3 cases: acquiring Takaful skills before joining the companies ($X^2=9.540$), staff training exposes them to current Takaful practices ($X^2=7.973$) and staff skill that enables him to convince customers ($X^2=7.973$); are statistically significant. It means these cases are independent and not related to the period of stay with Takaful companies in predicting operators' capacity and competencies. This has gotten backing as the calculated p-values are less than or equal to 0.05. The other cases 2, 5 and 6, on the other hand, have presented X^2 values: 2.180, 2.180 and 1.795 respectively to be less than tabulated $X^2=7.973$. This results to the acceptance of Null Hypotheses implying that training to learn Takaful concepts, operators to advertise the services and provision of facilities (car for marketing staff) are related with/ not independent of period of staff stay with the companies. The p-values for these cases are also not less than or equal to 0.05. The overall result has shown that period of stay of staff is not in all cases statistically independent in predicting the Operators capacities and competencies to sell Takaful services.

The measure of association, however, which interprets the strength of relationship for all cases, has indicated that cases 1, 3 and 4 have had the Cramer's V values (0.606, 0.554 and 0.554 respectively) greater than or equal to tabulated 0.50. It has therefore shown that the effect sizes are larger than typical. But, for the cases 2, 5 and 6 their V values indicates the strength of relationship to be medium when compared with tabulated 0.30. It is resolved that

staff's period of stay in the companies has average effect on the Operators capacity and competencies toward promoting the Takaful consumption.

Table4.15 summaries and presents the respondents' responses by cross tabulating (2×5) respondents' educational background with the cases/responses. The results/values of chi-square test of independence (X^2) calculated of all cases 1 to 5 except case 6, show that the values are greater than the tabulated $X^2=9.49$ at 4 degree of freedom. This confirms the rejection of Null Hypotheses meaning that there is significant relationship between the educational background and Operators capacity and competencies. But case 6 is not significant as its value ($X^2= 1.795$) is less than the critical $X^2=9.49$.

Table4.15 Summary of the Statistics Cross-tabulating Takaful Operators' Staff Educational Qualifications with 6 Cases of HO's Independent Variable Determining Takaful Services Consumption in Kano Metropolis, Nigeria

S/N	Statistical measures calculated: Cross Tabulated Gender v cases	Acquired skill (1)	Trained to learn (2)	Training exposes (3)	Convinces customer (4)	Advert ment (5)	Facilities provided (6)
1.	Pearson chi-square/p-value	9.540/0.049	14.570/0.005	26.000/0.000	26.000/0.000	10.248/0.036	1.795/0.773
2.	Continuity correction/ p-value						
3.	Likelihood Ratio/p-value	11.172/0.025	12.005/0.017	8.477/0.076	8.477/0.076	7.171/0.127	2.753/0.600
4.	Fisher's Exact Test-p-value						
5.	Linear-by-Linear Association	0.682/0.409	0.312/0.576	6.284/0.012	6.284/0.012	0.800/0.371	0.028/0.867
6.	N of valid cases	26	26	26	26	26	26
7.	Phi coefficient (Q)/p-value	0.606/0.049	0.749/0.006	1.000/0.000	1.000/0.000	0.628/0.036	0.263/0.773
8.	Cramer's coefficient (V)/p	0.606/0.049	0.749/0.006	1.000/0.000	1.000/0.000	0.628/0.036	0.263/0.773
9.	Degree of freedom	4	4	4	4	4	4

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

The result conforms to tabulated p-value standard of 0.05. The overall results show that the staff's level of education is statistically independent in the cases except case 6 in predicting the Operators' capacity and competencies toward promoting Takaful services consumption in Kano Metropolis, Nigeria. The effect size of staff's education on the Takaful operators' capacity and capabilities, the results show that the Cramer's V values of cases 1 to 5 (0.606, 0.749, 1.000, 1.000, 0.628) indicates larger than typical (cases 1 and 5) and much larger than typical (cases 2, 3 and 4) relationship; only case 6 that has had smaller than typical relationship. It is concluded that the staff's education has strong effect on determining Operators' capacity and competencies in promoting Takaful services consumption.

Table 4.16 Summary of the Statistics Cross-tabulating Takaful Operators' Staff Attendance of Training with 6 Cases of HO's Independent Variable Determining Takaful Services Consumption in Kano Metropolis, Nigeria

s/n	Statistical measures calculated: Cross Tabulated Gender v cases	Acquired skill (1)	Trained to learn (2)	Training exposes(3)	Convinces customer(4)	Advertiseme nt (5)	Facilities provided (6)
1.	Pearson chi-square/p-value	1.147/0.766	8.243/0.041	26.000/0.000	26.000/0.000	8.243/0.041	2.120/0.548
2.	Continuity correction/ p-value						
3.	Likelihood Ratio/p-value	1.787/0.618	5.087/0.166	8.477/0.037	8.477/0.037	5.087/0.166	3.154/0.368
4.	Fisher's Exact Test-p-value						
5.	Linear-by-Linear Association	0.136/0.712	2.566/0.109	4.861/0.027	4.861/0.027	2.566/0.109	1.885/0.170
6.	N of valid cases	26	26	26	26	26	26
7.	Phi coefficient (Q)/p-value	0.210/0.766	0.563/0.041	1.000/0.000	1.000/0.000	0.563/0.041	0.286/0.548
8.	Cramer's coefficient (V)/p- value	0.210/0.766	0.563/0.041	1.000/0.000	1.000/0.000	0.563/0.041	0.286/0.548
9.	Degree of freedom	3	3	3	3	3	3

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4.16 summarizes and presents respondents' responses by cross tabulating trainings attended with cases (responses). The values of chi-square (X^2) calculated of cases 2, 3, 4, and 5 are greater than the critical $X^2=7.82$ at 3 degree of freedom indicating that the Null Hypotheses are rejected. This implies that they are statistically independent. It also means staff trainings are statistically significant in relation to the variants of Operators' capacity and competencies. But, the calculated values of cases 1 and 6 are less than the critical values resulting to acceptance of the Null Hypotheses. All these values have conformed to p-value=0.05 standard. The overall results have found out that the staff trainings attended except in cases 1 and 6; is statistically independent upon the Operators' capacity and competencies toward predicting the Takaful services consumption in Kano Metropolis, Nigeria.

Similarly, the strength of relationship between the staff training and Operators capacity and competencies is predicted by Cramer's V value. In cases 2, and 5; their calculated $V=0.563$ and 0.563 show larger than typical relationship; cases 3 and 4 ($V=1.000$) indicate much larger than typical relationship and finally the cases 1 and 6 ($V=0.210$ and 0.286) have had smaller than typical relationship. It is resolved that the overall effect size of staff training upon the Operators capacity and competencies is average in predicting Takaful services consumption in Kano state, Nigeria.

4.4.8 Qualitative Responses of Respondents from Takaful Staff/Agents & Management

All the items of 26 copies of questionnaire retrieved from the respondents have had one or more suggestions to move Takaful consumption in Kano state, Nigeria forward. While some have highlighted the problems hindering the success of the services to be patronized by many, others have focused on the activities that need to be done to ensure the increases on the

Takaful services consumption in the state. The researcher has resolved to report vividly the various responses of the respondents in a summary form.

The respondents have unanimously mentioned that lack of the awareness of the Takaful services create serious challenge to its consumptions. They have argued that there is a need for massive aggressive marketing campaign which can enlighten the public. This can be achieved by employing all sorts of advertisements, use of bill boards, seminars and door to door marketing. They state the needs to employ more competent agents and existing ones should be well trained as well as to have enhancement of their compensation packages. They propose the need to incorporate Takaful in the Nigerian educational system as part of the curriculum be taught in Tertiary Institutions. This is accompanied by introducing an attachment program which can enables students to work in the insurance companies offering Takaful services for them to acquire practical skills. The respondents have also mentioned problems of mobility (Transport) as the factor that can cause unfavorable conducive atmosphere for agents to do their job effectively. Therefore, they have expressed the need for all stakeholders in the insurance industry, especially the promoters of Takaful, to come together and disregarding inter-rivalry and competitions, to determine the success of the service. Many respondents have the belief that Takaful can be more acceptable to Nigerian if it had enjoyed the support conventional insurance have had.

In addition, however, the respondents have suggested the needs for building strong capital base by the operators. This, according to them, can enable smooth payment of claims as at when due and the payment should be made public. It is stated that the Nigerian Insurance Commissions (NAICOM) has to provide licenses for the Takaful business. A respondent argues that his company wants to offer more dynamic Takaful services, but they have not

allowed having the license. This is to state that the existing Takaful services are run under the license of conventional insurance. That is why all the existing Takaful operations are run under the conventional insurance companies. It is also argued that the Takaful operators need to convince and assure the public the Takaful service complies with the Islamic injunctions. Then, it is stated that the people of Kano, generally, are paying very little attention to life future plan and care very less on financial back up. They prefer cash on cash business and have little interest on paper transactions. It is conclusively mentioned that the success of Takaful services consumptions would have gained momentum if religious leaders and traditional rulers are coopted in promoting the service.

4.5 Results of the Researcher's Unstructured Observation.

This tool of data collection is employed to enable the researcher to capture and report the eye witness evidence and facts qualitatively to establish and back up the authenticity or otherwise of quantitative data retrieved through other means. The researcher comes across the following facts; it is observed that the Operators have not clearly distinguished the Takaful service offered from the conventional insurance services. It appears that the Takaful services are run as the product extension of conventional insurance which do not yet successfully win the support of Top management. That it is the same class of staff who sell conventional insurance products also sell Takaful services. That there are few competent staff running the business, for instance, it is always one Manager that is covering many states (a Manager supervises Kano, Kaduna and Katsina). For example, a Manager of one Takaful operator is staying at Kaduna but running in Kano and other states' Takaful businesses. No meaningful business is done in these states, a simple enquiry by customer, for example, has to be awaited, unless the manager has arrived from Kaduna. Of course, this has signified unusual business practice. It is also observed that some operators do not provide even company car for marketing. The

marketers/agents have to use the car that carries the company's identity which is the identity signifying conventional insurance.

Another abnormality observed is the internal competition in allocation of scarce resources between Takaful and the conventional services offered by the insurance companies. Takaful always lacks the support of top management (the Top managements due to the difference in cultural background have seen Takaful not from business perspective but as it is (Takaful) promotion of a religious course). This challenge is equally confronted from the external environment (regulators). This is manifested by the fact that if one has visited some insurance companies offering Takaful services, one can hardly see any physical identity which signifies they are selling Takaful, but they have produced pamphlets advertising the products.

In conclusion, moreover, the researcher has observed that the offices of the operators marketing Takaful services are located in less attracted location which is hardly to catch attention of the customers. All the operators in Kano Metropolis have opened only one office. Through the period of this study, the researcher has never seen any Bill-board advertising Takaful services neither listens to radio advertisements nor observes Television show promoting Takaful services. It is only once the researcher has witnessed Takaful agent advertising the service when the agent come to where he works. Finally, it is observed that there is a high rate of labor turnover especially of management staff. Because just in-between the period of 2011 to 2012, many senior management staff of the Takaful operators in Kano have resigned their appointments. Although, the reason is not known to the researcher, what is glaringly apparent is that it is not a good omen to the development and success of Takaful business in the state.

4.6 Discussions of Major Findings of the Study.

The research's data analysis has revealed that all the five (5) hypotheses formulated in the study have been rejected indicating that the independent explanatory variables: public awareness of Takaful services, public attitude, public perception, public trust and confidence upon Takaful operators as well as Takaful operators' capacity and competences; have significant effect upon Takaful services consumptions in Kano Metropolis, Nigeria.

Building strong public awareness of Takaful services of course becomes very significant. It is a determining factor for the success of the business not only in Kano Metropolis but also Nigeria in general. It is examined that a consumer cannot buy what he does not know. This finding is in accordance with assertion made by Jaffer, Ismail, Noor & Unwin (2010:15); Rahman, Yusif & Bakar (2008) and also Billah (undated: 15 a). In the words of one manager from the existing Takaful operators who argue that Nigerians (regardless of their educational attainment) are completely unaware of not only the recently introduced Islamic insurance, but also even the conventional insurance. Nigerians buy insurance simply because the enabling law has compulsorily made them to do so. This assertion is to draw the attention of major stakeholder that they must disregard the competition and come as one to make product saleable so that they can reap more benefit in the long run.

Attitude determines human behavior and it is the most difficult component of human behavior very hard to change. Since it is found out that public attitude has significant relationship with Takaful service consumption, the providers of this service must employ multiple approaches and strategies to make the scene favorable to them. It is already discovered that Nigerians have negative attitude toward conventional insurance and the provider of Takaful services are the same conventional insurance providers. This creates

confusions to the people who do not understand Islamic insurance and conventional one. This negative feeling on conventional insurance might crossover to have spillover effect upon the Islamic Insurance. It is on this note that the existing Takaful operators have to do a lot in molding public attitude to be favorable toward their course. Respondents have forwarded the need to have independent company offering the Takaful services as the means of ensuring favorable attitudinal change.

Perception, however, represents human reality. It determines what customers see about a product. Rejection of HO₃ indicates that public perception has significant effect in determining Takaful services consumptions in Kano Metropolis. This finding concurs with Hamid (2011:122) who has argued that Customer's satisfaction is the result of the buyer's perception of service quality and this satisfaction further leads to customer retention that can create repeat purchase increasing the extent of the relationship building word of mouth cementation. This means that since existing Takaful operators provide the service under the window of conventional insurances, many respondents have hardly seen uniqueness in the services delivery. It is observed that some Takaful operators do not differentiate staff of Takaful from the conventional insurance employees. They use the same car to market the two services and of course the staff normally apply the experience and knowledge of marketing conventional insurance (they have acquired for long practice of conventional insurance) when selling Takaful. But, it is observed that Takaful might have required unique skill to sell the service. This creates challenge as to how respondents can perceive Takaful and the service patronage.

Furthermore, it is found out that HO₄ is rejected resulting to predicting that public trust and confidence on Takaful operators has significant effect on the Takaful services consumptions

in Kano Metropolis. This is in line with Redzuan, Rahman & Aidid (2009) assertion and Salleh & Kamaruddin (2011). This also implies that the existing operators need to do a lot in distinguishing themselves from the so call investment companies that are flourishing in the environment where many of them have defrauded public. Many of these companies have succeeded in creating fear in the mind of people as to who is to trust. This is in line with doubt raised by one respondent who have been the victim of such fraud. It is also this that have resulted the need for the Takaful Company that can dissociate itself with the people previous experience of conventional insurances and the other unethical investment firms.

In conclusion, however, the findings of the study has rejected the Null Hypothesis predicting that the Takaful operators capacity and competencies has no significant effect on the Takaful services consumption in Kano Metropolis (HO₅). This discovery has confirmed the assertion (Jaffer, Ismail, Noor and Unwin, 2010:15-16) which establishes that a well-trained Takaful agent/staff convinces customers to buy the policy. It is also implied that the Takaful operators need to reengineer their present position to provide more capital base which can enable them to build strong capacity by making all relevant infrastructures required in selling the services. Similarly, there are need to employ more competent staff who are motivated to sell the service.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This research replicates the studies of Redzuan, Rahman & Aidid (2009), Rahman, Yusuf & Bakar (2008), Hamid, Osman & Nordin (2009) and Hamid, Yaakub, Mujan & Jusoff (2011) that have examined the determinants of both Family Takaful services and General Takaful services demand in Malaysia. They have studied quantitative factors predicting Takaful services demand in the Malaysian business and economic environment. But this study comes to understand that due to the embryonic nature of Takaful in the Nigerian insurance industry, secondary data cannot be available to examine the same quantitative factors. Instead the research has invented qualitative factors aim at exploring relevant determinants for the Takaful services consumptions in Kano state, Nigeria. The study specifically intends: to determine the extent to which building public awareness of Takaful services has significant effect on Takaful services consumption in Kano state, Nigeria; to examine the effect of attitude of the public on the Takaful services consumption in Kano state, Nigeria; to explore the effect of public perception on the Takaful services consumption in Kano state, Nigeria; to assess the effect of public trust and confidence reposed upon the Takaful operators on the Takaful services consumption in Kano state, Nigeria and to evaluate the effect of Takaful operators' capacity and competencies on the Takaful services consumption in Kano state, Nigeria. The scope of the study is the area of Kano state, Nigeria. The time frame of the study is from 2011 to 2012. There are also three (3) Takaful operators in the state namely: African Alliance insurance Plc, Niger Insurance Plc and Corner Stone Insurance Plc.

Various literatures are reviewed which enable the research to trace the origin of Takaful. The conceptual and theoretical background is also discussed and it enables the researcher to

explain what are Takaful and its practices. These have given way to explain the shariah justification of Takaful practice. The empirical evidences justifying this study are reviewed which have shaded light as to how this research is supposed to be carried out. The research is able discuss effect of public awareness of Takaful, public attitude, public perception and public trust and confidence on Takaful operators as well as the Operators' capacity and competencies upon Takaful services consumption in Kano state, Nigeria.

The methodological approach of the study explains the design of study. The design is survey research which enables the researcher to employ questionnaire instrument of collecting data and unstructured observation that are used in gathering the primary data of this study. These primary data are used in testing the five (5) Hypotheses formulated. The research has equally found its population to be indefinite that is why non probability sampling technique is the means of drawing the sample. The total of 411 sample size is drawn in the study which has consisted of 384 representing the size of the actual and potential customers of the study and the remaining 27 are the sample size of Takaful operators staff. Judgmental sampling method is employed to draw the 384 sample size and also census method is employed to include the total population of the Takaful operators' staff/agents. The study has employed non-parametric statistical tools in data analysis. Chi-square test of goodness of fit is used in testing the effect size of independent variables upon the dependent variable of the five (5) hypotheses formulated in the study. In addition, however, the researcher has used chi-square test of independence to (in the HO5) test the relatedness or other wise of the operators' personal information with the responses. Similarly, Phi and Cramer'V coefficients are calculated to determine the strength of the relationship in the HO5. The study also uses descriptive presentational tools to show the characteristics of the respondents. Bar-chart and

Pictogram are used in presenting the characteristics of both Takaful operators' staff/agents and actual/ potential customers as the respondents in the study.

Therefore, the data analysis has revealed that all the Null Hypotheses formulated in the study are rejected. This has led to the prediction that the five (5) independent variables: public awareness of Takaful services, public attitude, public perception, public trust and confidence upon Takaful operators, capacity and competences of Takaful operators; have significant relationship with the dependent variable (Takaful service consumption) in Kano state, Nigeria. This has resulted to the following discovery: That building strong public awareness of Takaful services is a factor influencing the service consumption in Kano state, Nigeria; that building positive public attitude of Takaful services is a factor influencing the service consumption; that creating favorable public perception of Takaful services is a determinant of the service consumption; that establishing public trust and confidence of Takaful operators is a determinant of the service consumption in Kano state; and finally, that obtaining strong business capacity and competencies by the Takaful operators is a factor influencing the service consumption in Kano state, Nigeria.

5.2 Conclusions

This study in line with literatures, empirical findings and the respondents qualitative responses have arrived at the following conclusions:

Building strong public awareness of Takaful services is a factor influencing the service consumption in Kano Metropolis, Nigeria. But it is noted that the existing Takaful operators have not done very much in creating the awareness of Takaful services availability in Kano Metropolis, Nigeria.

Building positive public attitude of Takaful services is a determinant of the service consumption in Kano Metropolis, Nigeria. This means that there is a need to portray good features of Takaful services to the people so that they can see its necessity in solving the daily risks exposure and consequently this can establish public positive attitude which is the bases to encourage people' willingness to patronize the services.

Creating favorable public perception of Takaful services is a determinant of the service consumption in Kano state, Nigeria. But it is noted that the way the existing Takaful services are offered to the Market creates problem or difficulty for the potential customers' perception as very little is done to distinguish the services from the main conventional insurance services sell by the companies. This is due to all the Takaful services are offered as Window or Branch or even a product extension of the conventional insurance companies.

Establishing public trust and confidence of Takaful operators is a determinant of the Takaful service consumption in Kano Metropolis, Nigeria. This says that there are needs to convince people that the services are ethical and worth investing and that the companies running the Takaful business are safe, trustworthy and have possessed required competences to handle people money as well as their future financial planning and risks management needs.

Obtaining strong business capacity and competencies by the Takaful operators is a determinant of the service consumption in Kano Metropolis, Nigeria. But it is noted that the existing Takaful operators have not provided adequate infrastructure which are needed as a requirement for when a new product is introduced in a new market which includes the high promotional activities such as advertisements in radio, Television, Bill-board etc. and also they do not locate their few offices at the attracted busy business areas. The general public

has found it difficult to differentiate the Takaful services from the other so called investment companies that are very unethical and even fraudulent and are very common in the Market. Many people doubt if the existing Takaful service is really complied with the Islamic injunctions. The ways the Takaful services are run indicate lack of seriousness from the companies selling the products. This is apparent, according to some respondents, especially when one has visited these companies. Because, a customer can go to the company wanting to inquire for information, but the response will be that he (customer) shall come back and the reason is that the staff who is supposed to explain Takaful or answer the inquiry to him is not around. There are also shortages of competent staff who can efficiently and effectively sell the service in Kano Metropolis, Nigeria. This is a fact as some operators do complain that they are finding it difficult to recruit local sale agents in Kano Metropolis, Nigeria. It is observed that this problem of finding it difficult to recruit local agents to sell Takaful services in the state is due to the fact that the recruits perceive the work as it is unlawful in Islam which is the religion of the majority of people here. Because, conventional insurance and its business is prohibited in Islam and all Muslim are forbidden to partake in the business. This is so owing to all the Takaful operators' Main businesses is conventional insurance.

In view of the above, the Takaful services consumption in Kano Metropolis has not been very successful due to some weaknesses of the Operators. The potential customers are not made to understand the subject matter and Takaful practice.

5.3 Recommendations

Based on the conclusions reached, the researcher has proposed the following recommendations which are as follows:

5.3.1 All the parties at stake in Islamic insurance (Takaful) businesses should put hands together and harness the available resources to promote the business. This means to disregard inter- company rivalry by creating business partnership aimed at creating public awareness of Takaful and its benefits through various strategically business ploys such as indoctrination and cooptation tactics which can make the public to patronize the Takaful services.

5.3.2 Stakeholders especially regulators should provide enabling law (Act) and guidelines that can specify the how the Takaful business is supposed to be run. It might help the consumers to be protected against unethical practice and the likely fraudulent act that can be perpetrated by business people.

5.3.3 The stakeholders should embark on the attitudinal change campaign aims at making public to understand the need for risk management products especially now that there are social and business insecurity not only Nigeria but globally. This is actualized if the existing operators should have to do a lot in creating a unique identity which can make the Takaful so different from conventional insurance. This brings about the need for the independent Takaful Company which can be a subsidiary but not as window of conventional insurance. It can help in creating and maintaining favorable perception of Takaful and its services.

5.3.4 There is need for creating business trust and confidence between the public and the operators. This is possible if the operators have provided efficient and effective service

delivery through sound disclosure of their record and ensuring sound claim settlement which can be even made publically. The trust and confidence is win if the stakeholders in the industry should provide the needed capital investments which can enable the Takaful business to be well established and be capable in winning more customers. This is to make the Takaful operators capacity to be very strong and to enhance the competencies of the players.

5.3.5 The existing Takaful operators should put much effort in building and providing sound services quality delivery to consumers. This can enhance customer satisfaction resulting to word of mouth that promotes Takaful service consumption in Kano state in particular and Nigeria in general. In conclusion, however, there should be a policy by the operators that can facilitate recruiting indigenous competent staff capable of marketing the service. This is necessary and can be facilitated if there is an independent Takaful company which the public would see really selling shariah complied products.

Suggestions for Further Research

It is recommended that this study can be replicated using the actual customers so that stronger parametric statistical tools can be used to come out with very cogent position.

It is recommended that the same study can be carried out in different states of Nigeria such as Lagos, Kaduna and Abuja where it is observed that the Takaful patronage is higher.

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APPENDIX A

Department of Business Administration and
Entrepreneurship,

Bayero University Kano,

Kano State.

P.M.B 3052.

17th July, 2012.

Dear Respondents,

I am a postgraduate student of the above named Department currently undergoing research on the topic entitled “***Non-Economic Factors Influencing Islamic Insurance (Takaful) services consumption in Kano Metropolis, Nigeria***” as a partial fulfillment of the requirement for the award of the Master of Science (M.Sc) Degree in Management.

I wish to solicit for your cooperation to kindly fill this Questionnaire as accurate as possible.

All responses given would be treated with confidentiality and would only be used, strictly for academic purposes.

Yours faithfully,
Habibu Ayuba.
(SPS/09/MMN/00011)
08030527135
Habibuayuba@yahoo.co.uk

QUESTIONNAIRE FOR ACTUAL AND POTENTIAL CUSTOMERS

PERSONAL DATA

Please tick (✓) where appropriately the boxes below and fill in the spaces where applicable.

1. Sex: a. Male ☐ b. Female ☐
2. Kindly do indicate the age group.
a. 18 – 25Years ☐ b. 26 – 35Years ☐ c. 36 – 45Years ☐
d. 46 – 55Years ☐ e. 55Years and above. ☐
3. Your marital status is:-
a. Single ☐ b. Married ☐ c. Separate ☐ d. Widowed ☐
e. Divorced ☐
4. Qualification of the Respondents
a. WAEC/Equivalent ☐ b. OND/NCE/Equivalent ☐
c. HND/B.Sc/B.A/B.Ed ☐ d. MBA/MBF/ACA or Equivalent ☐
e. M.Sc. /Ph.D. ☐ f. Others (Please Specify).....
5. Occupational status of the Respondents
a. Business Man/Woman ☐ b. Civil Servant ☐
c. Private Organization Employee ☐ c. Military/Paramilitary ☐
d. Others (Please specify).....
6. Annual Income Level of the Respondents
a. Below N500,000 P/A ☐ b. N500,001 – N1,000,000 P/A ☐
c. N1, 000,001 – N5, 000,000 P/A ☐ d. N5, 000,001 – 10,000,000 P/A ☐
e. N10, 000,001 – And Above ☐

Instruction: Below are statements that describe how you see or think about Islamic Insurance services consumption in Kano state, Nigeria. Please, answer the questions by using scales to rank them 1 to 5 to indicate your level of agreement or disagreement with each statement as presented below.

KEY: 1 = Strongly Disagree (SD) 2 = Disagree (D)

 3 = Undecided (UD) 4 = Agree (A)

 5 = Strongly agree (SA)

S/N	SECTION 1	RANK 1 – 5
	QUESTIONS	
7.	The strong mass awareness campaign of Islamic Insurance (Takaful) services is necessary to determine its acceptability.	
8.	My religious background enables me to have knowledge of Islamic Insurance service (Takaful services).	
9.	There are Insurance Companies offering Islamic Insurance services in Kano Metropolis, Nigeria.	
10.	The Takaful services are devoid of Riba (Interest rate), Gharar (Uncertainty) and Maisir (Gambling).	
11.	There are general Takaful services which meet my needs to make provision for the misfortunes befalling my car, house, business properties and others.	
12.	There are Family Takaful services which meet my needs to prepare for my children school plan, sickness, Hajj Plan and retirement or ageing.	

S/N	SECTION 2	RANK 1 – 5
	QUESTIONS	
13.	Takaful insurance services serve as a substitute for the conventional insurance services which are not the Shari`ah compliant will be highly patronized.	
14.	My willingness to patronize the Takaful services is very high	
15.	Takaful general services which offer provision for fire disasters against business properties or home and armed robbery will be highly patronized.	
16.	Takaful family services which offer provision for ageing, sickness or plans for children education or Hajj will be highly patronized.	
17.	Takaful Insurance is an Islamic social Insurance devoid of uncertainty, gambling and interest rate which guarantee mutual cooperation among the society will be highly patronized.	

S/N	SECTION 3	RANK
	QUESTIONS	
		1 – 5
18.	The existing Takaful operators that serve as branches or window of conventional insurance companies, offer sharia (Islamic) complied services.	
19.	Takaful services provide investment and risk management products that can enable me to solve my life uncertainty problems.	
20.	Takaful services are substitute of and different from conventional insurance services which provide, people who are ethical, an opportunity to insure their property and life for sound financial planning.	

S/N	SECTION 4	RANK
	QUESTIONS	
		1 – 5
21.	The established financial and business records of Takaful operators assure me to invest my money by buying Takaful services.	
22.	It seems simpler and easier to make claim (receipt of compensation as at the time when the disaster befalls one) from the Takaful operators than from the conventional insurance companies.	
23.	My confidence and trust are very high on the Takaful companies operating in Kano Metropolis, Nigeria.	

24. Please, state and/or highlight some problems associated with Takaful services consumption in Kano Metropolis, Nigeria.

25. Kindly suggest the way forward to enable effective consumption of Takaful services in Kano Metropolis, Nigeria.

Thank you so much for the valuable time you spent in answering this questionnaire.
Please, feel free to contact me for improvement regarding to the questionnaire through my address.

APPENDIX B
BAYERO UNIVERSITY KANO
SCHOOL OF POSTGRADUATE STUDIE
DEPARTMENT OF BUSINESS ADMINISTRATIONAND ENTREPRENEURSHIP
STUDIES

QUESTIONNAIRE FOR MANAGEMENT AND TAKAFUL STAFF

Dear Sir/Madam,

I am a postgraduate student of the above named Institution currently writing my dissertation on the topic entitled “*Non-Economic Factors Influencing Islamic Insurance (Takaful) services consumption in Kano Metropolis, Nigeria*” as a partial fulfillment of the requirement for the award of the Master of Science (M.Sc) Degree in Management.

I wish to solicit for your cooperation to kindly answer this Questionnaire as accurate as possible. All responses given would be treated with confidentiality and would only be used, strictly for academic purposes.

Yours faithfully,

Habibu Ayuba

(SPS/09/MMN/00011)

08030527135

Habibuayuba@yahoo.co.uk

QUESTIONNAIRE FOR MANAGEMENT AND TAKAFUL STAFF

SECTION A

Personal Data

Please tick (✓) where appropriately the following:

1. Sex: Male ☐ Female ☐

2. The period which you have been in Islamic insurance (Takaful) business is:
a. Less than 1 Year ☐ b. 1–3 Years ☐ c. 4 – 6 Years ☐ d. above 6 Years ☐

3. Your educational background is suitable to:
a. WAEC/Equivalent ☐ b. OND/NCE/Equivalent ☐
c. HND/B.Sc/B.A/B.Ed ☐ d. M.Sc/Ph.D/MBA or Equivalent ☐
e. Others (Please Specify).....

4. Takaful trainings and workshop you have attended are:
a. None ☐ b. Once ☐ c. Twice ☐ d. Many ☐

SECTION B

1. As agents/staff of Takaful Company, have you acquired skills and knowledge of Takaful Insurance before joining the organization?
a. Yes ☐ b. No ☐
2. Has your company trained you to learn and understand Takaful Insurance?
a. Yes ☐ b. No ☐
3. Does the training add and expose you to a relevant current Takaful concept and practice?
a. Yes ☐ b. No ☐
4. Does your knowledge and skill in Takaful business enable you to convince more customers to buy the policy?
a. Yes ☐ b. No ☐
5. Does your organization employ advertisement through local media such as Radio in marketing Takaful services?
a. Yes ☐ b. No ☐
6. Does your company provide all the facilities (cars, computers and so on) that can enable to market the services?
a. Yes ☐ b. No ☐

APPENDIX C

Actual and Potential Customers Cronback's Apha Values of each item of 17 questions

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AWARENESS CAMPAIGN	58.01	106.391	.506	.369	.864
RELIGIOUS BACKGROUND	58.20	108.212	.401	.239	.868
COMPANIES OFFER TAKAFUL SERVICES	59.23	112.357	.218	.200	.876
TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR	58.35	107.900	.407	.279	.868
GENERAL TAKAFUL MEETS NEEDS	59.11	108.089	.359	.243	.871
FAMILY TAKAFUL MEETS NEEDS	58.95	105.934	.456	.323	.866
TAKAFUL SERVICES AS A SUBTITUTE WILL BE PATRONIZED	58.38	103.245	.596	.449	.860
MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH	58.38	106.035	.530	.333	.863
GENERAL TAKAFUL WILL BE PATRONIZED	58.56	105.323	.552	.470	.862
FAMILY TAKAFUL WILL BE PATRONIZED	58.46	105.267	.591	.523	.860
TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED	58.35	105.211	.544	.425	.862
TAKAFUL OPERATORS SERVE AS WINDOW	58.77	107.705	.513	.350	.864
TAKAFUL PROVIDES INVESTMENT \$ RISK MANAGEMENT	58.61	105.449	.622	.451	.860
TAKAFUL IS SUBTITUTE OF\$ DIFFERENT FROM INSURANCE	58.44	105.701	.605	.436	.860
ESTABLISHED RECORDS ASSURE ME TO BUY TAKAFUL	58.82	105.524	.597	.481	.860
IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL	58.64	107.835	.522	.372	.864
MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH	58.68	106.144	.546	.437	.862

Source: Generated by the Author using SPSS 16.0, from Questionnaire Response, 2012

Actual and Potential Customers Internal Consistency Result

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.871	.876	17

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

HYPOTHESIS 1

Reliability Statistics

Cronbach's Alpha	N of Items
.624	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
AWARENESS CAMPAIGN	17.41	13.951	.363	.578
RELIGIOUS BACKGROUND	17.61	14.136	.307	.598
COMPANIES OFFER TAKAFUL SERVICES	18.64	14.608	.240	.624
TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR	17.76	13.269	.405	.560
GENERAL TAKAFUL MEETS NEEDS	18.50	12.936	.390	.566
FAMILY TAKAFUL MEETS NEEDS	18.29	12.736	.429	.549

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

HYPOTHESIS 2

Reliability Statistics

Cronbach's Alpha	N of Items
.766	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
TAKAFUL SERVICES AS A SUBTITUTE WILL BE PATRONIZED	15.24	11.199	.464	.751
MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH	15.24	11.535	.483	.742
GENERAL TAKAFUL WILL BE PATRONIZED	15.41	10.828	.572	.711
FAMILY TAKAFUL WILL BE PATRONIZED	15.31	11.009	.600	.703
TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED	15.19	10.795	.570	.711

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

HYPOTHESIS 3

Reliability Statistics

Cronbach's Alpha	N of Items
.705	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
TAKAFUL OPERATORS SERVE AS WINDOW	7.45	3.017	.497	.645
TAKAFUL PROVIDES INVESTMENT \$ RISK MANAGEMENT	7.30	2.845	.549	.580
TAKAFUL IS SUBSTITUTE OF\$ DIFFERENT FROM INSURANCE	7.10	2.936	.521	.617

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

HYPOTHESIS 4

Reliability Statistics

Cronbach's Alpha	N of Items
.726	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
ESTABLISHED RECORDS ASSURE ME TO BUY TAKAFUL	7.17	3.080	.537	.651
IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL	7.00	3.283	.526	.664
MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH	7.04	2.845	.582	.595

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

APPENDIX D

Result of Normality Test

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
AWARENESS CAMPAIGN	264	-1.819	.150	2.666	.299
RELIGIOUS BACKGROUND	265	-1.284	.150	.786	.298
COMPANIES OFFER TAKAFUL SERVICES	263	-.122	.150	-.737	.299
TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR	263	-.969	.150	.094	.299
GENERAL TAKAFUL MEETS NEEDS	260	-.265	.151	-.946	.301
FAMILY TAKAFUL MEETS NEEDS	263	-.600	.150	-.636	.299
TAKAFUL SERVICES AS A SUBSTITUTE WILL BE PATRONIZED	262	-.976	.150	.019	.300
MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH	259	-.874	.151	.083	.302
GENERAL TAKAFUL WILL BE PATRONIZED	257	-.829	.152	.042	.303
FAMILY TAKAFUL WILL BE PATRONIZED	259	-1.010	.151	.559	.302
TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED	256	-1.126	.152	.649	.303
TAKAFUL OPERATORS SERVE AS WINDOW	259	-.639	.151	.233	.302
TAKAFUL PROVIDES INVESTMENT \$ RISK MANAGEMENT	259	-.701	.151	.137	.302
TAKAFUL IS SUBSTITUTE OF\$ DIFFERENT FROM INSURANCE	256	-.799	.152	.236	.303
ESTABLISHED RECORDS ASSURE ME TO BUY TAKAFUL	257	-.725	.152	.055	.303
IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL	258	-.632	.152	.371	.302
MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH	256	-.549	.152	-.043	.303
Valid N (listwise)	239				

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

APPENDIX E
FREQUENCY DISTRIBUTION OF SOME KEY FEATURES OF THE STUDY
(ACTUAL AND POTENTIAL CUSTOMERS CHARACTERISTICS)

Table 1 Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum	Percentiles		
						25 th	50 th (Median)	75 th
GENDER	266	1.17	.376	1	2	1.00	1.00	1.00
AGE	265	2.45	.912	1	5	2.00	2.00	3.00
MARITAL STATUS	265	1.74	.473	1	4	1.00	2.00	2.00
QUALIFICATION	264	2.98	1.006	1	6	2.00	3.00	3.00
OCCUPATION	265	2.21	.891	1	5	2.00	2.00	2.00
ANNUAL INCOME	263	2.33	1.078	1	5	2.00	2.00	3.00

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 2 GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MALE	221	83.1	83.1	83.1
FEMALE	45	16.9	16.9	100.0
Total	266	100.0	100.0	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 3 AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25YEARS	29	10.9	10.9	10.9
	26-35YEARS	130	48.9	49.1	60.0
	36-45YEARS	68	25.6	25.7	85.7
	46-55YEARS	33	12.4	12.5	98.1
	55YEARS AND ABOVE	5	1.9	1.9	100.0
	Total	265	99.6	100.0	
Missing	System	1	.4		
Total		266	100.0		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 4 MARITAL STATUS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	72	27.1	27.2	27.2
	MARRIED	191	71.8	72.1	99.2
	WIDOWED	1	.4	.4	99.6
	DIVORCED	1	.4	.4	100.0
	Total	265	99.6	100.0	
Missing	System	1	.4		
Total		266	100.0		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 5 QUALIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WAEC/EQUIVALENT	20	7.5	7.6	7.6
	OND/EUIVALENT	47	17.7	17.8	25.4
	HND/B.SC/B.ED/B.A	139	52.3	52.7	78.0
	MBA/MBF/ACA/EQUIVALENT	36	13.5	13.6	91.7
	M.SC/PH.D	19	7.1	7.2	98.9
	OTHERS/LL.B/LIBRARY CERT.	3	1.1	1.1	100.0
	Total	264	99.2	100.0	
Missing	System	2	.8		
Total		266	100.0		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 6 OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BUSINESS MAN/WOMAN	34	12.8	12.8	12.8
	CIVIL SERVANT	176	66.2	66.4	79.2
	PRIVATE ORG.EMPLOYEE	36	13.5	13.6	92.8
	MILITARY/PARA MILITARY	4	1.5	1.5	94.3
	OTHERS/NGOS/CONSULTANTS/NURSES	15	5.6	5.7	100.0
	Total	265	99.6	100.0	
Missing	System	1	.4		
Total		266	100.0		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 7 ANNUAL INCOME

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BELOW 500,000P/A	62	23.3	23.6	23.6
	500,001-1,000,000P/A	95	35.7	36.1	59.7
	1000,001-5,000,000P/A	81	30.5	30.8	90.5
	5,000,001-10,000,000	7	2.6	2.7	93.2
	10,000,001-AND ABOVE	18	6.8	6.8	100.0
	Total	263	98.9	100.0	
Missing	System	3	1.1		
Total		266	100.0		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

APPENDIX F
FREQUENCY DISTRIBUTION OF SOME KEY FEATURES OF THE STUDY
(TAKAFUL OPERATORS' STAFF CHARACTERISTICS)

Table8 Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
SEX	26	1	1	2	1.31	.471	.222
PERIOD	26	3	1	4	2.23	.815	.665
EDUCATION	26	4	1	5	3.08	.845	.714
TRAINING	26	3	1	4	3.23	1.032	1.065
Valid N (listwise)	26						

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 9 SEX

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid FEMALE	18	69.2	69.2	69.2
MALE	8	30.8	30.8	100.0
Total	26	100.0	100.0	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 10 PERIOD

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid LESS THAN 1YR	3	11.5	11.5	11.5
1-3YR	17	65.4	65.4	76.9
4-6YR	3	11.5	11.5	88.5
ABOVE 6YR	3	11.5	11.5	100.0
Total	26	100.0	100.0	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 11 EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Waec/EQUIVALENT	1	3.8	3.8	3.8
	OND/NCE/EQUIVALENT	3	11.5	11.5	15.4
	HND/BSc/B.A/B.ED	17	65.4	65.4	80.8
	M.Sc/Ph.D/MBA/EQUIVALENT	3	11.5	11.5	92.3
	OTHERS	2	7.7	7.7	100.0
	Total	26	100.0	100.0	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 12 TRAINING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	NONE	1	3.8	3.8	3.8
	ONCE	8	30.8	30.8	34.6
	TWICE	1	3.8	3.8	38.5
	MANY	16	61.5	61.5	100.0
	Total	26	100.0	100.0	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

APPENDIX G
FREQUENCY DISTRIBUTION OF SOME KEY FEATURES OF THE STUDY
(ACTUAL AND POTENTIAL CUSTOMERS RESPONCES)

Table 13 AWARENESS CAMPAIGN

	Observed N	Expected N	Residual
STRONGLY DISAGREE	19	52.8	-33.8
DISAGREE	6	52.8	-46.8
UNDECIDED	9	52.8	-43.8
AGREE	90	52.8	37.2
STRONGLY AGREE	140	52.8	87.2
Total	264		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 14 RELIGIOUS BACKGROUND

	Observed N	Expected N	Residual
STRONGLY DISAGREE	16	53.0	-37.0
DISAGREE	20	53.0	-33.0
UNDECIDED	19	53.0	-34.0
AGREE	93	53.0	40.0
STRONGLY AGREE	117	53.0	64.0
Total	265		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 15 COMPANIES OFFER TAKAFUL SERVICES

	Observed N	Expected N	Residual
STRONGLY DISAGREE	39	52.6	-13.6
DISAGREE	41	52.6	-11.6
UNDECIDED	95	52.6	42.4
AGREE	59	52.6	6.4
STRONGLY AGREE	29	52.6	-23.6
Total	263		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 16 TAKAFUL DEVOID OF RIBA,GHARAR \$MAISIR

	Observed N	Expected N	Residual
STRONGLY DISAGREE	18	52.6	-34.6
DISAGREE	17	52.6	-35.6
UNDECIDED	46	52.6	-6.6
AGREE	79	52.6	26.4
STRONGLY AGREE	103	52.6	50.4
Total	263		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 17 GENERAL TAKAFUL MEETS NEEDS

	Observed N	Expected N	Residual
STRONGLY DISAGREE	40	52.0	-12.0
DISAGREE	36	52.0	-16.0
UNDECIDED	71	52.0	19.0
AGREE	72	52.0	20.0
STRONGLY AGREE	41	52.0	-11.0
Total	260		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 18 FAMILY TAKAFUL MEETS NEEDS

	Observed N	Expected N	Residual
STRONGLY DISAGREE	36	52.6	-16.6
DISAGREE	24	52.6	-28.6
UNDECIDED	57	52.6	4.4
AGREE	100	52.6	47.4
STRONGLY AGREE	46	52.6	-6.6
Total	263		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 19 TAKAFUL SERVICES AS A SUBTITUTE WILL BE PATRONIZED

	Observed N	Expected N	Residual
STRONGLY DISAGREE	16	52.4	-36.4
DISAGREE	27	52.4	-25.4
UNDECIDED	29	52.4	-23.4
AGREE	95	52.4	42.6
STRONGLY AGREE	95	52.4	42.6
Total	262		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 20 MY WILLINGNESS TO PATRONIZE TAKAFUL IS VERY HIGH

	Observed N	Expected N	Residual
STRONGLY DISAGREE	11	51.8	-40.8
DISAGREE	23	51.8	-28.8
UNDECIDED	44	51.8	-7.8
AGREE	95	51.8	43.2
STRONGLY AGREE	86	51.8	34.2
Total	259		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 21 GENERAL TAKAFUL WILL BE PATRONIZED

	Observed N	Expected N	Residual
STRONGLY DISAGREE	16	51.4	-35.4
DISAGREE	24	51.4	-27.4
UNDECIDED	46	51.4	-5.4
AGREE	109	51.4	57.6
STRONGLY AGREE	62	51.4	10.6
Total	257		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 22 FAMILY TAKAFUL WILL BE PATRONIZED

	Observed N	Expected N	Residual
STRONGLY DISAGREE	13	51.8	-38.8
DISAGREE	22	51.8	-29.8
UNDECIDED	35	51.8	-16.8
AGREE	125	51.8	73.2
STRONGLY AGREE	64	51.8	12.2
Total	259		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 23 TAKAFUL DEVOID OF UNCERTAINTY WILL BE PATRONIZED

	Observed N	Expected N	Residual
STRONGLY DISAGREE	16	51.2	-35.2
DISAGREE	15	51.2	-36.2
UNDECIDED	34	51.2	-17.2
AGREE	100	51.2	48.8
STRONGLY AGREE	91	51.2	39.8
Total	256		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 24 TAKAFUL OPERATORS SERVE AS WINDOW

	Observed N	Expected N	Residual
STRONGLY DISAGREE	14	51.8	-37.8
DISAGREE	22	51.8	-29.8
UNDECIDED	82	51.8	30.2
AGREE	109	51.8	57.2
STRONGLY AGREE	32	51.8	-19.8
Total	259		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 25 TAKAFUL PROVIDES INVESTMENT \$ RISK

MANAGEMENT			
	Observed N	Expected N	Residual
STRONGLY DISAGREE	10	51.8	-41.8
DISAGREE	26	51.8	-25.8
UNDECIDED	60	51.8	8.2
AGREE	118	51.8	66.2
STRONGLY AGREE	45	51.8	-6.8
Total	259		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 26 TAKAFUL IS SUBTITUTE OF\$ DIFFERENT FROM

INSURANCE			
	Observed N	Expected N	Residual
STRONGLY DISAGREE	7	51.2	-44.2
DISAGREE	22	51.2	-29.2
UNDECIDED	48	51.2	-3.2
AGREE	111	51.2	59.8
STRONGLY AGREE	68	51.2	16.8
Total	256		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 27 ESTABLISHED RECORDS ASSURE ME TO BUY

TAKAFUL			
	Observed N	Expected N	Residual
STRONGLY DISAGREE	16	51.4	-35.4
DISAGREE	29	51.4	-22.4
UNDECIDED	66	51.4	14.6
AGREE	120	51.4	68.6
STRONGLY AGREE	26	51.4	-25.4
Total	257		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 28 IT'S SIMPLER & EASIER TO MAKE CLAIM FROM TAKAFUL

	Observed N	Expected N	Residual
STRONGLY DISAGREE	10	51.6	-41.6
DISAGREE	17	51.6	-34.6
UNDECIDED	79	51.6	27.4
AGREE	109	51.6	57.4
STRONGLY AGREE	43	51.6	-8.6
Total	258		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 29 MY CONFIDENCE & TRUST OF TAKAFUL IS VERY HIGH

	Observed N	Expected N	Residual
STRONGLY DISAGREE	14	51.2	-37.2
DISAGREE	19	51.2	-32.2
UNDECIDED	82	51.2	30.8
AGREE	89	51.2	37.8
STRONGLY AGREE	52	51.2	.8
Total	256		

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 30 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.042 ^a	1	.837		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.042	1	.837		
Fisher's Exact Test				1.000	.587
Linear-by-Linear Association	.041	1	.840		
N of Valid Cases ^b	26				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 2.77.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 31 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.040	.837
	Cramer's V	.040	.837
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 32 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.507 ^a	1	.220	.529	.314
Continuity Correction ^b	.317	1	.574		
Likelihood Ratio	2.376	1	.123		
Fisher's Exact Test					
Linear-by-Linear Association	1.449	1	.229		
N of Valid Cases ^b	26				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .92.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 33 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.241	.220
	Cramer's V	.241	.220
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 34 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.462 ^a	1	.497	1.000	.692
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.753	1	.385		
Fisher's Exact Test					
Linear-by-Linear Association	.444	1	.505		
N of Valid Cases ^b	26				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .31.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 35 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	-.133	.497
Cramer's V	.133	.497
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 36 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.462 ^a	1	.497	1.000	.692
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.753	1	.385		
Fisher's Exact Test					
Linear-by-Linear Association	.444	1	.505		
N of Valid Cases ^b	26				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .31.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 37 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	-.133	.497
Cramer's V	.133	.497
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 38 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.010 ^a	1	.919		
Continuity Correction ^b	.000	1	1.000		
Likelihood Ratio	.010	1	.919		
Fisher's Exact Test				1.000	.686
Linear-by-Linear Association	.010	1	.920		
N of Valid Cases ^b	26				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .92.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 39 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.020	.919
Cramer's V	.020	.919
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 40 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.540 ^a	3	.023
Likelihood Ratio	11.172	3	.011
Linear-by-Linear Association	2.421	1	.120
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is 1.04

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 41 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.606	.023
Cramer's V	.606	.023
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 42 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.507 ^a	1	.220		
Continuity Correction ^b	.317	1	.574		
Likelihood Ratio	2.376	1	.123		

Fisher's Exact Test				.529	.314
Linear-by-Linear Association	1.449	1	.229		
N of Valid Cases ^b	26				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .92.

b. Computed only for a 2x2 table

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 43 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	-.241	.220
Cramer's V	.241	.220
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 44 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.180 ^a	3	.536
Likelihood Ratio	2.462	3	.482
Linear-by-Linear Association	.970	1	.325
N of Valid Cases	26		

a. 7 cells (87.5%) have expected count less than 5. The minimum expected count is .35.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 45 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.290	.536
Cramer's V	.290	.536
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 46 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.973 ^a	3	.047
Likelihood Ratio	4.658	3	.199
Linear-by-Linear Association	4.898	1	.027
N of Valid Cases	26		

a. 7 cells (87.5%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 47 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.554	.047
Cramer's V	.554	.047
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 48 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.973 ^a	3	.047
Likelihood Ratio	4.658	3	.199
Linear-by-Linear Association	4.898	1	.027
N of Valid Cases	26		

a. 7 cells (87.5%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 49 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.554	.047
	Cramer's V	.554	.047
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 50 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.180 ^a	3	.536
Likelihood Ratio	2.462	3	.482
Linear-by-Linear Association	.970	1	.325
N of Valid Cases	26		

a. 7 cells (87.5%) have expected count less than 5. The minimum expected count is .35.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 51 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.290	.536
	Cramer's V	.290	.536
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 52 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.795 ^a	3	.616
Likelihood Ratio	2.753	3	.431
Linear-by-Linear Association	.272	1	.602
N of Valid Cases	26		

a. 7 cells (87.5%) have expected count less than 5. The minimum expected count is .35.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 53 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.263	.616
Cramer's V	.263	.616
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 54 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.540 ^a	4	.049
Likelihood Ratio	11.172	4	.025
Linear-by-Linear Association	.682	1	.409
N of Valid Cases	26		

a. 8 cells (80.0%) have expected count less than 5. The minimum expected count is .35.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 55 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.606	.049
	Cramer's V	.606	.049
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 56 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.570 ^a	4	.006
Likelihood Ratio	12.005	4	.017
Linear-by-Linear Association	.312	1	.576
N of Valid Cases		26	

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 57 Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.749	.006
	Cramer's V	.749	.006
N of Valid Cases		26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 58 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000 ^a	4	.000
Likelihood Ratio	8.477	4	.076
Linear-by-Linear Association	6.284	1	.012
N of Valid Cases		26	

Table 58 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000 ^a	4	.000
Likelihood Ratio	8.477	4	.076
Linear-by-Linear Association	6.284	1	.012

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .04.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 59 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	1.000	.000
Cramer's V	1.000	.000
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 60 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000 ^a	4	.000
Likelihood Ratio	8.477	4	.076
Linear-by-Linear Association	6.284	1	.012
N of Valid Cases	26		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .04.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 61 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	1.000	.000
Cramer's V	1.000	.000
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 62 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.248 ^a	4	.036
Likelihood Ratio	7.171	4	.127
Linear-by-Linear Association	.800	1	.371
N of Valid Cases	26		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 63 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.628	.036
Cramer's V	.628	.036
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 64 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.795 ^a	4	.773
Likelihood Ratio	2.753	4	.600
Linear-by-Linear Association	.028	1	.867
N of Valid Cases	26		

a. 9 cells (90.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 65 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.263	.773
Cramer's V	.263	.773
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 66 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.147 ^a	3	.766
Likelihood Ratio	1.787	3	.618
Linear-by-Linear Association	.136	1	.712
N of Valid Cases	26		

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is .35.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 67 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.210	.766
Cramer's V	.210	.766
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 68 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.243 ^a	3	.041
Likelihood Ratio	5.087	3	.166
Linear-by-Linear Association	2.566	1	.109
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 69 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.563	.041
Cramer's V	.563	.041
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 70 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000 ^a	3	.000
Likelihood Ratio	8.477	3	.037
Linear-by-Linear Association	4.861	1	.027
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .04.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 71 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	1.000	.000
Cramer's V	1.000	.000
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 72 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000 ^a	3	.000
Likelihood Ratio	8.477	3	.037
Linear-by-Linear Association	4.861	1	.027
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .04.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 73 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	1.000	.000
Cramer's V	1.000	.000
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 74 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.243 ^a	3	.041
Likelihood Ratio	5.087	3	.166
Linear-by-Linear Association	2.566	1	.109
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 75 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.563	.041
Cramer's V	.563	.041
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 76 Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.120 ^a	3	.548
Likelihood Ratio	3.154	3	.368
Linear-by-Linear Association	1.885	1	.170
N of Valid Cases	26		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .12.

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

Table 77 Symmetric Measures

	Value	Approx. Sig.
Nominal by Nominal Phi	.286	.548
Cramer's V	.286	.548
N of Valid Cases	26	

Source: Generated by the Author using SPSS16.0, from Questionnaire Response, 2012

APPENDIX I

Required Sample Size [†]								
Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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