



Customers' Acceptance of Islamic Microfinance in Kano State: Moderating Role of Religiosity

Surajo Musa Yakubu¹, Muhammad Aminu Haruna², Yassar Faruk Muhammad,³ Jamilu Salihu⁴, & Shehu Alhaji Musa⁵

^{1,2,3&4} School of Management Studies, Kano State Polytechnic - Nigeria

⁵ Bayero University Kano, Kano State, Nigeria

Corresponding Email: surajomusa76@gmail.com

Abstract

The study examines Customers Acceptance of Islamic Microfinance using religiosity as moderating variable with service quality, customer perceived value and corporate image, as an objective of the study. However, we apply Partial Least Square (PLS), and the results indicate two of the three variables under direct relationship has positive significant result and remaining one which is corporate image have insignificant. While under the moderating relationship only service quality has significant result indicating moderate relationship. In contrast, policymakers and government agencies and parastatals such as Central Bank of Nigeria, financial institutions, Stock Exchange Commission, and Security Exchange Commission can use the outcomes of the study to formulate policies and procedures to improve the efficacy of their operations. Finally, suggests future study should apply different methodology and expand the sample size and change of measurement.

Keywords: Corporate image, Customer perceived value, Islamic microfinance, Religiosity, Service quality

1. Introduction

Islamic microfinance is one of the vital unconventional lending channels Islamic financial institutions use to relieve the negative impact of extreme poverty and unemployment among people in Muslim countries (Ahmed & Ammar, 2015). Previous studies of the application of Islamic finance in microfinance were carried out by Khan (2011) as established that Islamic banking, with its emphasis on risk sharing for certain establishments, decreases the problem of high-interest charges on their borrowers Zakat funds could be used to shelter the default risk of microenterprises and to shape capacity and skills.

Islamic finance is described as controlling resources from well-to-do individuals (rich) to poor people, deficit-producing or consuming units. Rokhman and Wahibur (2013) explained that microfinance is a small-scale financial service, credit and

savings and given to poor companions as well as to small and micro inventiveness. Also, Khir, Gupta, and Shanmugam (2008) defined Islamic microfinance as a unit just like its conventional function such as a profit-making body with other commands based on the revealed sources. Ab Rahman et al. (2019) analyzed the component of religiosity practice between teens an Islamic perspective. They used qualitative research methods and the outcomes of their studies revealed significant effects among Islamic mental cognitive processes and practice of sunnah on Islamic psychosocial. Gutiérrez-Nieto and Serrano-Cinca (2019) reviewed much literature to perform a scient metrics analysis of the microfinance field. The appraisal is based on bibliometric data: keyword co-occurrence networks and citation networks. A chronological analysis discloses the evolution of the topics most interesting to



researchers: the initial phase designated the innovations of the microcredit practices and their impact; the additional and very expansive phase in which microfinance institutions' peculiarities were analyzed; and their studies revealed that the sector is mature but with negative aspects arising, such as mission drift.

Ashamu (2014) described that the federal and state ministries of commerce and industry have accepted the standard of value of installed fixed capital to regulate what a small-scale industry is, in this esteem, the value has varied in the Year 1972 as N60,000, increased in 1975 to N159, 000, N250,000 in 1979, keep increasing to N500,000 in 1986, to a fixed investment of not more than N2,000,000 (Two Million Naira) in 1992. Also, beached on the statement by the Central Bank of Nigeria (CBN, 2014), the microfinance performance is counted as assets of 151,610 billion in the 2009 and engorged to 170, 338.9 billion naira in 2010 and reduced to 117, 872.1 billion naira in the year 2011. Similarly endures increasing every year such as 312, 322 billion in the financial year 2015 in addition to 349 billion Naira in the year 2016.

Until now, with all these increases and the long existence of the properties of microfinance in Nigeria glitches continue to exist, bothered and why Nigeria micro finance did not overwhelm the hitches. Supreme of the Nigerian requirements to go for Islamic microfinance/Islamic bank linked conventional bank. Since the majority of people in Kano State are Muslim and Sharia compliance, they wouldn't accept to be part of any business that is not based on Islamic orders such as one that is based on interest charging also customers preferred to involve in product of Islamic microfinance, and many others that can decrease or answer the problems of poverty-related with poor and fewer privilege members (Kettell, 2011; Mansori, Chin & Safari, 2015).

This is stylish in a state where the Nigerian population is fast snowballing, the population of Nigeria as of July, 2019 elevated at 201, 131, & 575 of which 70% depend on the services of microfinance their important source of socio-economic focal concern (World Bank Reports on Nigeria 2019, United Nations World Population Prospects 2019). Rendering to the World Bank (2014) report exposed that around seventy percent of the total population in Nigeria is in need of microfinance to resolve their instant need where their earning is less than 451 Nigerian Naira equivalent to 1.25 United State dollars a day which is below the poverty line. Sighted that more than half of the Nigerian population are Muslim helped as the purpose of the need for not just microfinance but Islamic microfinance bank (establishments) (Comolli, 2015). Since dominant of them are Muslims, they must be more satisfied with products that based on Islamic Sharia.

Statement of the Problem

Idea of Religiosity, Perceived Value about acceptance of Islamic microfinance as a process for poverty reduction. Though, Comolli (2015), Umaru (2018), and Olanrewaju (2019) recognized in their studies that the formal microfinance institutions set up in Kano State, Nigeria rise in the level of unemployment, poverty, and social evils such as Boko Haram, Fulani and Farmers clashes and others for high interest rate charges. Customer religiosity and perceived value are significant while on the other hand loans granted are insignificant, then, it simply presented acceptance of Islamic microfinance in Kano State of Nigeria as to the expansion of the economy (Yakubu, Naim & Ab Rashid, 2020). Then, in a state where interest charges are high, it is very difficult for the economy to grow and with a small portion sum of loans associated with the model (Mensi, Hammoudeh, Tiwari, & Al-Yahyaee, (2020).



Religiosity and Perceived value in connotation with acceptance of Islamic microfinance dealings with unemployment poverty alleviation gadget. Yet, the Nigerian model of conventional finance is linked with the rise in the poverty rate and unemployment as can be seen as follows: twenty-one percent (21%) in 1980 poverty rate, elevated to forty-six-point three percent in the year, weakened in 1992 to 42.7 percent, later augmented to 54.4% in 1996 and also increased in 2010 to seventy one percent (71.0%) (National Bureau of Statistic, 2012). However, religiosity, perceived value as a model to acceptance of Islamic micro finance, formerly in Kano state, Nigerian state conventional microfinance banks is yet to alleviate poverty, insurgency, eradicate urban to urban migration, lack of employment generation, in Kano state and Nigeria in general.

Based on the data read from previous research there was no study significantly made in Kano State, Nigeria to the best of my knowledge on the moderating effect on religiosity, service quality, customer perceived value, corporate image, and customers' acceptance of Islamic microfinance. This investigation is primarily aimed at analyzing the conduct of religiosity on acceptance of Islamic microfinance via the topics which are service quality, customer perceived value as corporate image to be examined to the acceptance of Islamic microfinance in Kano State, Nigeria.

2. Literature Review

Many literatures were reviewed for this research on service quality, customer perceive values and corporate image which are the independent variables, religiosity as moderating variables and dependent variable known as acceptance of Islamic microfinance and the literature used contain the following:

2.1 Acceptance

Zainul (2015) analyzed thematic research of Islamic perspectives in Scopus articles indexed. The researcher used methodology that involved the use of Scopus data based as well as interactive search facility. The result revealed minimal representation of articles in viewpoint to Scopus. (Fadillah, Khairani & Rozi (2020) conducted data collection method using interview stage and literature study. Scholar uses system development methods of Rapid Application Development (RAD), whereas testing using user acceptance testing and unit testing and. Result of the study is secure mobile banking system exploiting Near PIN, Field Communication technology and AES encryption.

2.2 Service Quality

Curry & Penman, 2004 described Service quality as an important factor in product differentiation and customer retention to obtain long-term organizational benefits. Hoe (2007) defined service quality as exceeding or meeting expectations and needs of delighting customers and customers and providing what they want.

2.3 Relationship between service Value and Acceptance of Islamic Microfinance

In the same vein, Sanjuq (2014) evaluated what impact service quality that underlies the SERVQUAL model has on customer satisfaction in Saudi Arabia's banking sector. Using a quantitative study which utilized self-administered questionnaire among 412 customers of various bank in the Saudi capital city of Riyadh, during the fall of 2014. The response rate was 67% and the study data were analyzed using SPSS and a reliability coefficient (alpha) was determined. Regression analysis found a positive relationship among assurance, empathy, and responsiveness, but that this relationship has no significant effect ($P \geq 0.50$) on customer satisfaction. Reliability was found to have a negative relationship to customer satisfaction, but no significant effect on the same. Only tangibles were found to have a positive

relationship and a significant impact ($P < 0.50$) on customer satisfaction (Soliha et al., 2019). Analysed the relationships between service quality and bank image on customer loyalty among Islamic banks. The population of this study is the savings customers of Bima Bank in Semarang – Indonesia. By using purposive sampling, 100 respondents are determined as a sample. The data are analyzed using multiple regression. Sobel test further is applied for testing mediation effect. The results show that service quality and bank image have no effect on customer loyalty. In the study of Kadir et al., (2017), did a study among 500 students from different universities in Malaysia including University of Malaya, University Kebangsaan Malaysia, University Putra Malaysia, Multimedia University Malaysia and Limkokwing University chosen as a sample frame of the study. Questionnaires are distributed among them, and they are asked to respond to questions which ask about their perception as well as experience for their banks. The result revealed that the last dimension of E-SERVQUAL model also results a negative difference with acceptance with Islamic micro finance implying that respondents are not satisfied in this area. Customer's satisfaction and expectation means were 2.2469 and 3.1132 respectively.

The overall mean difference was -0.8663. Felix (2017) studied to determine the relationship between service quality and customer satisfaction in Banque Populaire du Rwanda, Kigali branches using a self-administered questionnaire was to collect primary data from 498 customers. Data were analyzed using SPSS's frequencies and percentages, means, and Pearson's Linear Correlation Coefficient. The findings from PLCC showed a significant and positive relationship between service quality and customer satisfaction while comparing dimension like customer loyalty with reliability, responsiveness, and assurance. On the other hand,

comparison based on positive word of mouth with service quality sub-variables like Reliability, Assurance, tangibles, empathy, and responsiveness, revealed that there was no significant relationship between the variables. The researcher recommended that if BPR is to improve on service it offers to her customers to ensure their satisfaction, BPR staff should: (a) maintains on error-free records service, (b) handle customer problems in constant manner, (c) be willing to solve customer problems promptly and (d) understand specific needs of individual customers.

H1: There is relationship between service quality and Acceptance of Islamic microfinance in Kano State, Nigeria

2.4 Customer Perceived Value

Carlos Fandos Roig, Sanchez Garcia, Angel Moliner Tena, and Llorens Monzonis (2006) opined that banks have recently taken much interest in generating perceived value for the customer, they have experienced high levels of dissatisfaction on the part of users (Johnston, 1997).

2.5 Relationship between customer perceived value and acceptance of Islamic microfinance

Past studies have shown how customer perceived value was related to acceptance of Islamic microfinance (Akhtar et al., 2016; Enggrani, Basri, & Maryanti, 2019; Hosen, Lathifah, & Jie, 2019; Latip, Yahya, & Junaina, 2017; Suryani, 2015). For example, in one study, Latip et al., (2017) did research which attempted to identify the influential factors that are associated with Islamic banking adoption between the Muslim and non-Muslim populations in Sarawak, Malaysia. With the "adoption of Islamic banking" as the dependent variable, this study studies its relationship with seven independent variables. They are, four attributes of innovation, namely: relative advantage, compatibility, observability, and complexity, and three additional variables namely: perceived risk, perceived trust, and customer innovativeness. A



convenient sampling method is used whereby a questionnaire is administered to 436 respondents in Sarawak, Malaysia. Using the logistic regression method, three factors: compatibility, relative advantage, observability and complexity are found to have a significant relationship with customers' adoption of Islamic banking products and services.

Fitri et al. (2019) analyzed the influence of customer perceived value (CPV) and Islamic bank service quality (IBSQ) on customer satisfaction and customer loyalty, while considering the effect of customer satisfaction as an intervening variable. The population in this study is the customers of Islamic banks in Jambi province. Adopting the quantitative research approach, a survey was conducted on 280 customers of Islamic bank in Jambi. The sampling method applied is the non-probability method with purposive sampling technique. This study used SEM analysis method with Amos 21 and Sobel test. The findings of this study show that CPV and IBSQ influence customer satisfaction and CPV also influences customer loyalty. On the other hand, IBSQ and customer satisfaction do not influence customer loyalty. With the intervening variable, CPV and IBSQ do not influence customer loyalty at Islamic banks. Hosen et al., (2019) measured the levels of customer satisfaction, to analyze the gap of values between expectations and perceptions of customers for quality of services and to analyze the factors which should be priority of services in reducing the levels of customer satisfaction at branch office of Bank Muamalat Indonesia (BMI). The study used quantitative and qualitative approach to analyze challenges and problems of quality in banking services at BMI based on Islamic perspective. Findings showed that the levels of customer satisfaction are satisfied.

The main items of deduction for customers' satisfaction are services of access, services of price, interruption of

services, sophistication of technology and variety of products. In general findings, Sharia compliance becomes a critical point of services in Islamic banks. Akhtar et al., (2016) did a survey i which consist of 150 Muslims respondent in different Islamic bank in Pakistan. Result of this study indicates that there is a significant perception criterion regarding Islamic banking. The most important factors which effect on the perception of customers in Islamic banking are religion, awareness regarding financial teaching of Islam, awareness regarding IB product and service, advertising, networking. The data is analyzed by using SPSS software version 16.0. Mostly respondent know about the IB product and service they are not used these product and service. mostly study indicate that there is need to educate the people about IB product and service and IBS are required to more work for the competition with conventional banking system in Pakistan.

H2: There is a relationship between customer perceived value and Acceptance of Islamic microfinance in Kano State, Nigeria

2.6 Relationship between Corporate Image and Acceptance of Islamic Microfinance

Awan et al., (2018), defined corporate image in the banking sector as a strong belief to be a major basis of differentiation among Islamic and conventional banks. Amin et al., 2013 suggested that customer satisfaction has a stronger effect on the corporate image of non-Muslim customers of banks compared to Muslim customers and that it enhances employee engagement (Hussain, Ishak, Daud, & Yunus, 2014). Bilal et al., 2020 on their research used 400 business units as sample size. This research is based on the primary data collected from different areas of Central Punjab. Several inferential statistics techniques have been used to get results. The study has found a significant impact of the corporate governance image of the bank, government

support, relative advantage, perceived behavior control, and subjective norms on the use of Islamic banking among SMEs in Pakistan.

Komari et al., (2017) tried to determine and analyze the performance of marketing through customer relationship marketing (CRM), market orientation, and the image of Islamic Banks in Kediri, East Java, Indonesia. The population in this study some 65 873 customers who have savings in five Islamic Banks. Testing of the model is done with Generalized Least Square Estimation (GLS), analysis of structural equation modeling (SEM), proportional random sampling method, and software assistance Amos 22, on 397 respondents. The test results model (fit) seen from the GFI, AGFI, TLI, CFI, RMSEA, and CMIN / DF, each of which amounted to 0.915, 0.901, 0.949, 0.953, 0.063, and 1.497 are all that are in the range of expected values so that the model can be accepted. The results showed that: customer relationship marketing (CRM), market orientation, and image effect on the competitive advantage of Islamic Banks in Kediri. CRM, and market orientation affect the marketing of Islamic Banks Performance in Kediri. The company's image does not affect the marketing of Islamic Banks Performance in Kediri. It is suggested that the bank to constantly improve its image. This can be done by giving the concern for the surrounding community as the company's involvement with social activities. Thus, the social programs that the company will be able to form a personality, raise the reputation of companies before the general public.

H3: There is relationship between corporate image and Acceptance of Islamic micro finance in Kano State, Nigeria

2.7 Religiosity as a Moderator

The definition of religiosity as defined by McDaniel and Burnett (1990) is a belief in God accompanied by a commitment to follow principles believed to be set by God.

This differs from spirituality in that spirituality may involve 'a search for meaning, unity, connectedness to nature, humanity and the transcendent' whereas religiosity provides a 'faith community with teachings and narratives that encourage morality' (Emmons, 1999, p. 877).

Religiosity is recognized as one most important culture to influence consumers' behavior (Ied, 2013; Zamani-Farahani & Henderson, 2010; Zamani-Farahani & Musa, 2012). Rehman and Shahbaz Shabbir (2010) reported that religiosity affects the adoption of new products by Muslim consumers through their beliefs about what products they should adopt. Religiosity also has a significant role to affect consumer and social behavior (Khraim, 2010; Mukhtar & But, 2012). In addition, research by AbouYoussef et al. (2015) on Islamic banking in Egypt stated that religiosity affected the attitude of consumers of Sharia banking in Egypt. Religiosity also moderates the effect of perceived value on customer satisfaction (Eid & Gohary, 2015; Eid, 2015). In addition, Souiden and Rani (2015) stated that religiosity has an indirect effect on interest in Sharia banking purchase through attitudes toward the bank. However, Farraq and Hassan (2015) found different results from some previous research that there was a negative relationship between religiosity with attitude of Egyptian youth in determining fashion trends. Previous research results showed the differences in those results, especially religiosity and the effect on customer satisfaction and behavior. This provides a research gap for this study to examine deeper about the religiosity role to influence consumer satisfaction and behavior.

H4: Religiosity moderates the relationship between Service quality and Acceptance of Islamic microfinance in Kano State, Nigeria

H5: Religiosity moderates the relationship between customer perceived value and

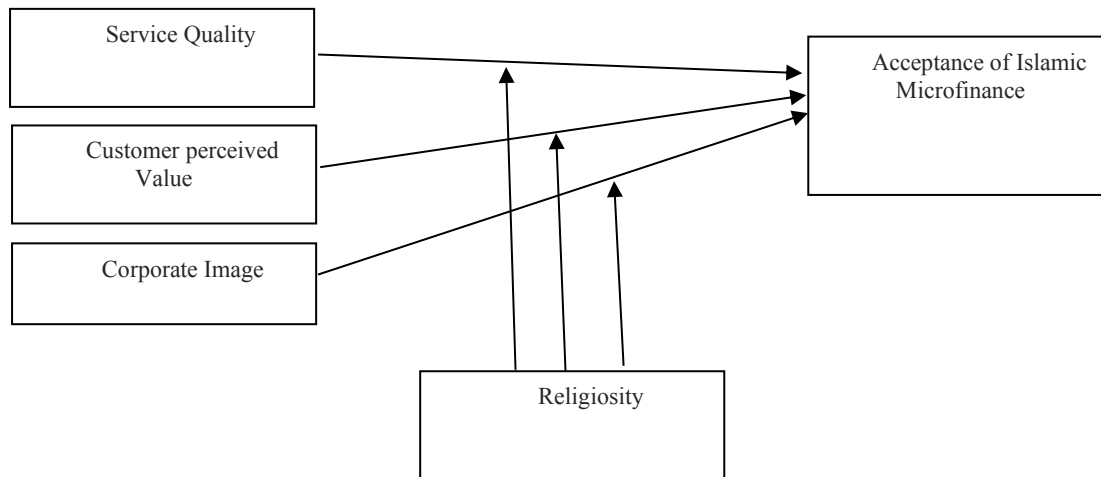
Acceptance of Islamic microfinance in Kano State, Nigeria

H6: Religiosity moderates the relationship between corporate image and Acceptance of Islamic microfinance in Kano State, Nigeria

2.8 Research Framework

The framework below Figure 2.1 will help as a guide to the component of this investigation. The below framework tags the linking within acceptance of Islamic microfinance, service quality, customer perceived value, corporate image, and religiosity served in moderating the

relationship between the relationship. The study is in line with the theory of human behavior that enlightens the customer behavior on products. The human behavior theory (THB) has also designated and interacted with one another and their settings by the dynamic and constant business of Islamic microfinance. Furthermore, Glanz, Rimer, and Viswanath, (2008) argued that a person should have honest importance through a target that determine ideas. Figure 2.1 below offerings an explanation of the idea.





The above research framework explains the existence of direct and indirect relationships between service quality, customer perceived value, and corporate image as independent variables, and the dependent variable is customers' acceptance of Islamic microfinance. The meeting shows that service quality, customer perceived value and corporate image were the forecasters of acceptance of Islamic microfinance whereas religiosity was used as the moderating variable originated on the related works such as (Munerah, Muthaiyah, & June, 2018) and the supporting theory of the existing investigation is theory of human behavior.

3. Methodology

Many of the research uses ordinary least square (OLS) Dzansi, 2014 and Ernst & Young, 2015. This method is not good for

categorical data that is usually from the survey analysis (Gujarati, 2004). Therefore, used quantitative research method to find the relationship between the three independent variables, dependent variable and moderating variable. This study will focus on the partial least square (PLS) and will overcome the problems of over and under estimation (Gujarati, 2004). The study uses 317 sample which is determine by Krejcie and Morgan (Morgan, 2012). Also tested the hypotheses frame from reviewing the literature as proposed by (Hair et al., 2014). Accordingly, the population of this study was 1,808 individual customers of Islamic microfinance in Kano State which is the most populated and one of the advance State in Nigeria.

4.1 Results and Discussion

The result of the study showed an assessment of the partial least square (PLS-SEM) path model outcome and preliminary analysis in which the outcome of hypotheses was formed.

Table 1: Loading and cross loading of the second stage

Constructs	Items	Acceptance	Corporate Image	Customer Perceived Value	Religiosity	Service Quality
Acceptance	ACC10	0.728	0.507	0.516	0.331	0.569
	ACC11	0.711	0.482	0.536	0.342	0.580
	ACC12	0.726	0.507	0.467	0.380	0.593
	ACC13	0.718	0.507	0.549	0.356	0.601
	ACC15	0.753	0.575	0.619	0.472	0.627
	ACC17	0.699	0.467	0.532	0.366	0.589
	ACC18	0.752	0.544	0.570	0.363	0.552
	ACC19	0.680	0.458	0.517	0.341	0.536
	ACC20	0.660	0.582	0.499	0.375	0.585
	ACC21	0.706	0.492	0.486	0.359	0.579
	ACC22	0.716	0.526	0.508	0.426	0.579
	ACC23	0.696	0.501	0.523	0.409	0.570
	ACC24	0.749	0.540	0.580	0.365	0.604
	ACC25	0.663	0.465	0.486	0.462	0.556
	ACC7	0.713	0.461	0.523	0.375	0.573
	ACC9	0.697	0.449	0.458	0.339	0.549
Customer Perceived Value	CPV21	0.512	0.609	0.721	0.439	0.491
	CPV22	0.463	0.482	0.700	0.439	0.522
	CPV23	0.517	0.519	0.713	0.416	0.475



Constructs	Items	Acceptance	Corporate Image	Customer Perceived Value	Religiosity	Service Quality
	CPV24	0.474	0.480	0.698	0.379	0.427
	CPV4	0.598	0.621	0.737	0.556	0.578
	CPV6	0.514	0.532	0.685	0.356	0.504
	CPV7	0.572	0.521	0.754	0.431	0.539
	CPV8	0.523	0.536	0.678	0.444	0.532
Corporate Image	CRI1	0.599	0.759	0.593	0.618	0.648
	CRI2	0.580	0.766	0.556	0.565	0.619
	CRI3	0.521	0.742	0.553	0.526	0.566
	CRI4	0.493	0.670	0.581	0.439	0.544
	CRI5	0.513	0.735	0.589	0.524	0.605
	CRI6	0.505	0.769	0.569	0.525	0.539
	CRI7	0.469	0.693	0.480	0.415	0.495
	CRI8	0.418	0.644	0.415	0.320	0.402
	CRI9	0.441	0.652	0.534	0.439	0.458
Religiosity	RGY1	0.385	0.512	0.410	0.731	0.492
	RGY10	0.332	0.456	0.439	0.670	0.377
	RGY12	0.373	0.466	0.390	0.709	0.399
	RGY13	0.310	0.456	0.375	0.659	0.406
	RGY14	0.353	0.487	0.463	0.697	0.371
	RGY15	0.389	0.502	0.434	0.686	0.442
	RGY2	0.422	0.512	0.439	0.763	0.512
	RGY3	0.404	0.511	0.487	0.695	0.478
	RGY5	0.401	0.461	0.490	0.709	0.418
	RGY7	0.469	0.554	0.487	0.789	0.554
	RGY8	0.335	0.475	0.405	0.709	0.381
	RGY9	0.359	0.501	0.417	0.755	0.389
Service Quality	SQ1	0.617	0.499	0.376	0.383	0.707
	SQ11	0.603	0.541	0.579	0.438	0.716
	SQ13	0.606	0.535	0.525	0.437	0.767
	SQ15	0.593	0.582	0.568	0.433	0.706
	SQ16	0.526	0.586	0.538	0.425	0.692
	SQ17	0.514	0.577	0.544	0.418	0.697
	SQ2	0.581	0.455	0.442	0.417	0.702
	SQ4	0.587	0.600	0.538	0.555	0.718

Table 4.2

Convergent Validity of First order & Second-order Constructs

Constructs	Items	Factor Loadings	Composite Reliability	AVE	Decision
Acceptance	ACC7	0.713	0.942	0.505	Yes
	ACC9	0.697			
	ACC10	0.728			
	ACC11	0.711			



	ACC12	0.726			
	ACC13	0.718			
	ACC15	0.753			
	ACC17	0.699			
	ACC18	0.752			
	ACC19	0.680			
	ACC20	0.660			
	ACC21	0.706			
	ACC22	0.716			
	ACC23	0.696			
	ACC24	0.749			
	ACC25	0.663			
Customer Perceived Value	CPV4	0.737	0.891	0.505	Yes
	CPV6	0.685			
	CPV7	0.754			
	CPV8	0.678			
	CPV21	0.721			
	CPV22	0.700			
	CPV23	0.713			
	CPV24	0.698			
Corporate Image	CRI1	0.759	0.904	0.513	Yes
	CRI2	0.766			
	CRI3	0.742			
	CRI4	0.670			
	CRI5	0.735			
	CRI6	0.769			
	CRI7	0.693			
	CRI8	0.644			
	CRI9	0.652			
Religiosity	RGY1	0.731	0.926	0.512	Yes
	RGY10	0.670			
	RGY12	0.709			
	RGY13	0.659			
	RGY14	0.697			
	RGY15	0.686			
	RGY2	0.763			
	RGY3	0.695			
	RGY5	0.709			
	RGY7	0.789			
	RGY8	0.709			
	RGY9	0.755			



Service Quality	SQ1	0.707	0.892	0.509	Yes
	SQ2	0.702			
	SQ4	0.718			
	SQ11	0.716			
	SQ13	0.767			
	SQ15	0.706			
	SQ16	0.692			
	SQ17	0.697			

4.2 Reliability Analysis

Anderson, Basilevsky and Hum (1983) and Carmines and Zeller (1979) described validity and reliability approximation as just the first step to considerate the compound subjects of dimension in a practical and theoretical survey situation. Reliability denotes to stage where items that institute the scale swipe together to rally that altogether are measuring the same underlying construct. Moreover, it displays the equivalent which is authentic from random error. The measures of reliability are testing and retesting the sequential stability and internal consistency. As haggard by Chang (2016) and George (2003), the Cronbach's alpha value is 0.60. The uppermost frequently used in SPSS is Cronbach's coefficient which offers suggestion of an average correlation among each item found on the scale. The value plan from 0 to 1 with a better value signifying well reliability and consequence superior to 0.70 expressions the well validity and reliability of techniques. Table 4.3 above pronounces the reliability value of the dependent variable (acceptance of Islamic microfinance) which is 0.96, Reliability of 0.938, and Average Variance Extract (AVE) of 0.503. Religiosity as an independent variable has a Reliability of 0.938 and an AVE value of 0.751. And perceived value has a Reliability of 0.926 and an average variance extract (AVE) value of 0.677. Lastly, Service Quality as a moderating construct has a reliability of 0.935 and AVE values of 0.743, those entirely values are close to one, connotation that the scale used measured is

extremely reliable for this research. From the above Table 4.3, all the variables have fit Composite reliability (CR) and Average Variance Extract (AVE) of more than 0.4.

4.3 Findings

The standards of this inspection revealed the presence of a positive relationship between religiosity, perceived value, and acceptance of Islamic microfinance with service quality as a moderating variable. The values of the study were that religiosity and perceived values have a high effect on the acceptance of Islamic microfinance. The study established data is normally distributed which explains the absence of heteroscedasticity, the relationship among the variables is homoscedastic (Tabachnick & Fidell, 2007).

5. Conclusion and Recommendations

The results of this research would donate to the many financial areas, educational institutions, and corporate bodies and can benefit from the findings to recognize the fit determinant of Islamic microfinance as religiosity. Too, international business organizations and local, governments and people can use this investigation by considering the most appropriate issue that could make customers accept Islamic microfinance. Equally, financiers and shareholders can use the investigation as guidance before engaging their money so that they can reduce risk and the same time maximize their profit. Finally, the government, security and Exchange Commission, Central Bank of Nigeria and Corporate Affairs Commission can use the



products to decide on financial sectors and economic policies resulting from the research.

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