

**DETERMINANTS OF INTENTION TO ADOPT ISLAMIC BANKING IN  
TANZANIA: EMPIRICAL EVIDENCE FROM DAR ES SALAAM CITY**

**HASSAN ABASI**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
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**2025**

**CERTIFICATION**

The undersigned certifies that they have read and hereby recommend for acceptance by the Open University of Tanzania dissertation entitled **Determinants of Intention to Adopt Islamic Banking in Tanzania: Empirical Evidence from Dar Es Salaam City** in fulfillment of the requirements of Master Degree of Business Administration in Finance of the Open University of Tanzania.

.....

Dr. Juma Matonya  
(Supervisor)

.....

Date

.....

Dr. Salum Soud Mohamed  
(Supervisor)

.....

Date

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.....

Signature

.....

Date

## **DEDICATION**

I dedicate this thesis to; my beloved mother, Amina Hemedi Likecha: Your unwavering support and encouragement have been the cornerstone of my journey. Your belief in my potential inspired me to persist through every challenge, and for that, I am eternally grateful.

My cherished children, Hysam Hassan Abasi, Abbas Hassan Abasi, and Nasrah Hassan Abasi: Though my time and attention have been divided, your resilience and strength have shone brightly. Your understanding and support have been a source of inspiration, reminding me of the love that binds us, even in my absence

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## **ABSTRACT**

The main objective of this study was to assess the determinants influencing the intention to adopt Islamic banking in Dar es Salaam, Tanzania. It specifically investigated the effects of attitude, subjective norms, perceived behavioral control, and religiosity on this intention. The study employed explanatory research design with a quantitative approach, whereby sample random sampling procedure was adopted to generate a sample of 200 participants. Data analysis was performed using IBM SPSS Statistics for data coding, entry and analysis, yielding both descriptive and inferential results. The findings revealed that religiosity and perceived behavioral control were significant predictors of consumer intentions to adopt Islamic banking products and services, with coefficients of 0.228 ( $p < 0.001$ ) for religiosity and 0.643 ( $p < 0.001$ ) for perceived behavioral control, both at a 95% confidence interval. However, attitude and subjective norms did not emerge as significant predictors, as indicated by P-values of 0.761 and 0.400, respectively. The regression analysis confirms that perceived behavioral control and religiosity significantly influence the intention to adopt Islamic banking, while attitude and subjective norms do not. It is concluded that financial institutions offering Islamic banking windows should prioritize consumer; perceived behavioral control and religious commitments as key predictors of their intention to adopt Islamic banking in this context. It is recommended to enhance perceived behavioural control and religiosity through targeted interventions, such as skills training and resource provision. Additionally, initiating community programs that integrate religious values with behavioral control strategies is advised to foster positive outcomes.

**Keywords:**

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**LIST OF ABBREVIATIONS**

NGO	Non-Government Organization
TPB	Theory of Planned Behaviour
TZS	Tanzania Shillings
VIF	Variance Inflation Factor

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Overview**

This chapter introduces the main problem of the study. The section begins by providing the background information for the study and the statement of the problem. Also, it presents the research objectives, hypotheses, and the significance of the study. Moreover, it presents the scope of the study as well as the organization of the study.

#### **1.2 Background of the Study**

Islamic banking has experienced significant growth worldwide, underpinned by its adherence to Sharia law and ethical principles that resonate with many consumers, particularly within the Muslim community. As of 2021, the global Islamic finance industry surpassed \$3 trillion in assets, reflecting a burgeoning interest in alternative financial systems that promote social justice and ethical investments (Ahmed, 2022; Omar & Mohd Noh, 2021). This trend is particularly pronounced in regions like the Middle East and Southeast Asia, where Islamic banking institutions have established a strong foothold, continuously innovating to meet consumer demands.

Despite this global growth, the adoption of Islamic banking services in Africa remains notably lower, even in countries with substantial Muslim populations. In Tanzania, particularly in Dar es Salaam, a significant Muslim demographic has not led to widespread adoption of Islamic banking services (Hassan & Aliyu, 2020). This discrepancy highlights the need to investigate the specific factors influencing consumer attitudes and behaviors toward Islamic financial products in this region.



Key determinants affecting the adoption of Islamic banking include consumer attitudes shaped by perceptions of its ethical and financial benefits. Research indicates that a positive attitude towards Islamic banking correlates with a higher likelihood of adoption, especially among consumers who prioritize ethical dimensions in their financial transactions (Faruk & Memon, 2023). Additionally, subjective norms, reflecting social influences from family and community, play a critical role in shaping adoption decisions. Social support and pressure can significantly impact individual choices regarding financial services (Nordin & Ahmed, 2019).

Another vital factor is perceived behavioral control, which pertains to how individuals perceive their ability to access and utilize Islamic banking services. Accessibility concerns and the complexity of services can act as barriers to adoption, deterring potential users from engaging with Islamic financial products (Rahman & Uddin, 2021). Addressing these barriers is essential for Islamic banks aiming to increase their market share within the sector. Religiosity also plays a significant role in the likelihood of adopting Islamic banking services. Individuals with a stronger religious commitment are generally more inclined to engage with Islamic financial products, viewing them as more aligned with their values and beliefs (El-Gamal & Sbaity, 2022). This relationship underscores the importance of tailoring marketing strategies to resonate with the religious sentiments of potential customers.

A theoretical framework that underpins this study is the Theory of Planned Behavior (TPB), which offers valuable insights into how individuals' attitudes, subjective norms, and perceived behavioral control influence their intention to engage in specific behaviors. In the context of Islamic banking adoption, TPB can help explain

why certain consumers in Dar es Salaam may choose or reject Islamic banking products. The Theory of Planned Behavior (TPB) posits that an individual's intention to engage in a particular behavior, such as adopting Islamic banking, is influenced by several key factors; first, attitude plays a significant role in shaping an individual's intention. It reflects the person's overall positive or negative evaluation of adopting Islamic banking, considering both its ethical and financial benefits. If consumers perceive Islamic banking as beneficial or aligned with their values, they are more likely to have a favorable attitude towards its adoption.

Second, subjective norms pertain to the social pressure individuals feel from their family, peers, and community. These norms strongly influence the adoption decision, as individuals tend to consider how others in their social circle view the behavior. For example, if family or community members endorse Islamic banking, an individual is more likely to be influenced by these social pressures and adopt similar behaviors.

Finally, perceived behavioral control refers to an individual's perception of how easy or difficult it is to adopt Islamic banking services. This includes factors such as the accessibility of these services and any barriers, such as cost or complexity that might deter individuals from engaging with Islamic financial products. If a person feels confident in their ability to access and use Islamic banking services, they are more likely to intend to adopt them. By applying TPB, this study can better understand the dynamics shaping consumer behavior toward Islamic banking in Dar es Salaam. The theory helps to identify key psychological and social factors that affect the intention to adopt Islamic financial services, providing a theoretical foundation for the

research.

Understanding these determinants, guided by the Theory of Planned Behavior, is crucial for Islamic banks and policymakers who seek to overcome barriers to adoption. By exploring the interplay of attitudes, subjective norms, perceived behavioral control, and religiosity, stakeholders can develop strategies that effectively promote Islamic banking services in Dar es Salaam. This research aimed to provide insights that would inform banking practices and regulatory frameworks, ultimately facilitating the growth of Islamic banking in the region.

In conclusion, while the global Islamic banking sector continues to thrive, localized challenges in regions like Dar es Salaam require targeted approaches to enhance adoption. By addressing the unique factors influencing consumer behavior and perceptions, Islamic banks can better serve their communities and promote financial inclusion (Hassan & Aliyu, 2020). This study, grounded in the Theory of Planned Behavior, would contribute to a deeper understanding of the dynamics at play in the adoption of Islamic banking services, paving the way for more effective engagement strategies that align with the values and needs of consumers in Tanzania.

### **1.3 Statement of the Problem**

Islamic banking has become a significant and rapidly growing sector in the global financial industry, driven by its adherence to Sharia law, which emphasizes ethical, interest-free financial practices. With its appeal among Muslims and its ethical standards, Islamic banking has experienced substantial growth in many regions across the world (Ahmed, 2022). This growth has not been confined to

predominantly Muslim countries but has also extended to non-Muslim-majority countries, where Islamic banking is increasingly seen as a viable and ethical financial alternative. Despite these global advancements, the adoption of Islamic banking services has remained inconsistent, with significant disparities between regions.

In the case of Tanzania, despite its predominantly Muslim population and the ethical appeal of Islamic banking, adoption rates in major urban centers like Dar es Salaam remain low (Hassan & Aliyu, 2020). Several factors have contributed to this discrepancy between potential adoption and actual usage. Attitudes toward Islamic banking have been identified as a key determinant of adoption. Positive perceptions of its ethical benefits and its alignment with Islamic principles encourage adoption, while negative or indifferent attitudes serve as barriers (Omar & Mohd Noh, 2021). Subjective norms, such as the influence of family, peers, and community leaders, have also been found to significantly affect adoption decisions. In some cases, a lack of support from these social groups has deterred individuals from adopting Islamic banking, despite their religious alignment with its principles (Nordin & Ahmed, 2019).

Perceived behavioral control is another important factor. The accessibility of services, along with the complexity of financial products offered, impacts adoption rates. Limited understanding of Islamic banking products or difficulty in accessing services may discourage potential adopters from engaging with the system (Rahman & Uddin, 2021). Additionally, religiosity plays a significant role in the adoption of Islamic banking, with varying effects seen among both Muslim and non-Muslim users who value ethical financial practices (El-Gamal & Sbaity, 2022).

Studies on the determinants of Islamic banking adoption have been conducted in various contexts worldwide, revealing that consumer attitudes, subjective norms, perceived behavioral control, and religiosity significantly influence the adoption of Islamic banking. For instance, Ezeh and Nkamnebe (2022) found that relative advantage, social influence, trust, and compatibility were key factors influencing Islamic banking adoption among non-Muslim customers in Nigeria. Similarly, Charag, Fazili, and Bashir (2020) identified attitude, religiosity, culture, government support, and perceived risk as the most significant determinants of consumer intention to adopt Islamic banking in Kashmir.

Despite these insights, very little research has focused on understanding the specific determinants of intention to adopt Islamic banking in Tanzania, especially in urban centers like Dar es Salaam. This study, therefore, seeks to fill this gap by investigating the factors that influence the adoption of Islamic banking in Dar es Salaam. By identifying these determinants, the study aims to provide valuable insights for enhancing service delivery and increasing adoption rates in Tanzania's growing Islamic banking sector.

## **1.4 Objectives of the Study**

### **1.4.1 General Objective**

The main objective of this study was to assess determinants of intention to adopt Islamic banking in Tanzania.

### **1.4.2 Specific Objectives**

This study was guided by the following specific research objectives;

- i. To determine the effect of attitude on the intention to adopt Islamic banking

services and products in Dar es salaam, Tanzania

- ii. To determine the effect of subjective norm on the intention to adopt Islamic banking and services in Dar es salaam, Tanzania
- iii. To examine the effect of perceived behavioral control on the intention to adopt Islamic banking and services in Dar es salaam, Tanzania
- iv. To determine the effect of religiosity on the intention to adopt Islamic banking and services in Dar es salaam, Tanzania

### **1.5 Research Hypotheses**

**H1:** Attitude has a significant influence on the intention to adopt Islamic banking products and services in Dar es salaam, Tanzania.

**H2:** Subjective norm has positive influence on adoption of intention to adopt Islamic banking products and services in Dar es salaam, Tanzania.

**H3:** Perceived behavioral control has a significant influence on the intention to adopt Islamic banking products and services in Dar es salaam, Tanzania.

**H4:** Religiosity has a significant influence on the intention to adopt Islamic banking products and services in Dar es salaam, Tanzania.

### **1.6 Significance of the Study**

This study aimed to enhance understanding of Islamic banking and inform policy improvements as well as the development of new policies within the sector. By identifying the key factors influencing adoption, the findings will help create effective strategies to raise awareness and attract more users to Islamic banking services. The insights gained from this research proved valuable to a range of stakeholders, including researchers, NGOs, scholars, financial institutions, and

community leaders. By providing a clearer picture of community perceptions, subjective norms, attitudes and beliefs of Islamic banking, the study guided future initiatives and developments in the industry, ultimately contributing to the growth and acceptance of Islamic banking services.

### **1.7 Scope of the Study**

This study explored the determinants of Islamic banking adoption among individual customers in Dar es Salaam City, Tanzania, defining its scope to ensure relevant and actionable findings. This study focused on Dar es Salaam, Tanzania's key financial hub, due to its rapid economic growth and growing Islamic banking presence (Mwaura et al., 2023). The city's diversity and economic vibrancy make it ideal for exploring Islamic banking adoption, providing insights relevant to similar urban settings (Khamis & Mzirai, 2021).

### **1.8 Organization of the Study**

**Introduction:** This part of the thesis provides background on Islamic banking, the significance of the study, research objectives, hypotheses, and scope of the study.

**Literature Review:** This section of the study provides the reviews of the existing related literature on Islamic banking adoption, focusing on attitude, subjective norms, perceived behavioral control, and religiosity. Moreover, the section indicates the research gaps in the literature and established the theoretical framework.

**Methodology:** This part describes the research philosophy, design, sampling methods, sample size, data collection techniques, and analytical procedures. It includes the details on how data were gathered and analyzed.

**Data presentation and discussions:** This part presents part of the research findings and discussions for the attitudes, subjective norms, perceived behavioral control, religiosity and inferential statistics.

**Summary of the findings, conclusions and recommendations:** This part includes the main findings of the study, implication of the findings, conclusions, recommendations, limitations of the study and ultimately the recommendations for future study.



## CHAPTER TWO

### LITERATURES REVIEW

#### 2.1 Overview

This chapter presents definition of key terms related to the study on determinants of intention to adopt Islamic banking in Tanzania. Also, it presents a review of related literature to the study on Determinants of intention to adopt Islamic Banking in Tanzania. It discusses the theoretical framework guiding the study and Determinants of intention to adopt Islamic Banking in Tanzania. Furthermore, it presents the review of empirical studies that support determinants of intention to adopt Islamic banking and lastly describe the research gap and the conceptual framework that guides the study.

#### 2.2 Definition of Key Terms

**Attitude:** In the context of this study, attitude is defined as an individual's evaluative response to a behavior, which can be positive or negative and influences their likelihood of engaging in that behavior (Ajzen, 2020; Fishbein & Ajzen, 2019). This definition emphasizes the evaluative aspect of attitude, which directly impacts the intention to adopt Islamic banking services, making it particularly relevant for guiding the study.

**Subjective Norm:** This term refers to the perceived social pressure to engage in or avoid a behavior, which affects an individual's decision-making (Armitage & Conner, 2019). The emphasis on social pressure in this definition is crucial, as it highlights how social expectations can significantly influence the adoption of Islamic banking services (Madden, Ellen & Ajzen, 2018).

**Perceived Behavioral Control:** This concept involves an individual's perception of their ability to perform a behavior, considering both facilitators and barriers (Ajzen, 2021). This definition, which includes facilitators and barriers, provides a comprehensive view of how perceived control affects adoption, making it a suitable guide for the study.

**Religiosity:** Defined as the degree of adherence to and involvement in religious beliefs and practices, which can influence behavioral decisions (Saroglou, 2022). This definition is relevant for the study as it connects religiosity with adherence and involvement, key factors when considering the adoption of Islamic banking services (Krause, 2019).

**Intention to Adopt Services:** This refers to an individual's readiness or willingness to use a service, shaped by personal and external factors (Venkatesh, Thong, & Xu, 2020). This definition links intention directly with influencing factors like attitudes and perceived norms, which are pertinent to understanding Islamic banking adoption (Yang & Jolly, 2021).

**Islamic Banking:** Islamic banking it involves banking activities adhering to rules against interest and excessive uncertainty (Khan and Anwar, 2023). This broad definition provides a foundational understanding of Islamic banking principles and practices, essential for the study's context in Tanzania

### **2.3 Theoretical Literature Review**

This study was guided by Planned Behaviour (TPB).

### **2.3.1 Theory of Planned Behaviour**

The Theory of Planned Behavior (TPB), developed by Ajzen, extends the Theory of Reasoned Action by incorporating perceived behavioral control, thereby providing a comprehensive framework for understanding behavioral intentions. According to TPB, the intention to engage in a behavior is influenced by three primary factors: attitudes, subjective norms, and perceived behavioral control (Ajzen, 2020). In the context of Islamic banking adoption in Tanzania, these factors play a critical role. Attitudes toward Islamic banking are shaped by individuals' perceptions of the benefits and compatibility of these services with their personal and cultural values.

Recent studies suggest that positive attitudes significantly enhance the likelihood of individuals intending to adopt Islamic banking products, as consumers who view these services favorably are more inclined to consider them as viable financial options (Mohammed and Mohammed, 2021). Subjective norms, which reflect the influence of social pressures and expectations from family, peers, and community leaders, are also pivotal in shaping individuals' intentions. In many cultural contexts, the perception of what is socially acceptable can heavily impact financial decisions, including the adoption of Islamic banking services (El-Masri and Ameen, 2021).

Perceived behavioral control refers to the ease or difficulty individuals feel regarding the adoption of Islamic banking. This can be influenced by access to information, the availability of banking services, and individuals' financial literacy. Enhanced perceived control is associated with stronger intentions to adopt Islamic banking, as individuals who feel equipped and knowledgeable about the options available to them are more likely to pursue these services (Omar & Abdul Rahman, 2022).

Moreover, religiosity is a significant determinant of intention to adopt Islamic banking. Individuals with higher levels of religiosity often seek to align their financial decisions with their religious beliefs, which can positively influence their intention to adopt Islamic banking products (Musa et al., 2023). Conversely, those who perceive a misalignment between Islamic banking practices and their beliefs may exhibit resistance to adoption.

While TPB has demonstrated its versatility and predictive power across various contexts and cultures, including banking, its complexity can complicate measurement and analysis. Additionally, it may not entirely capture the nuances between intentions and actual behavior, particularly in unique cultural settings such as Tanzania (Biddle and Tsetsos, 2020; Eksi and Eksi, 2020). Addressing these complexities is essential for gaining a nuanced understanding of consumer behavior in the realm of Islamic banking adoption.

## **2.4 Empirical Literature Review**

The research section presents previous research findings reported from different settings that seem to be relevant to the current study. The review was based on the objectives and took into account global, African, and Tanzanian contexts.

### **2.4.1 Attitudes towards Islamic Banking**

Numerous studies have shown that attitudes toward Islamic banking play a significant role in the intention to adopt its products and services. For example, Ahmed and Ali (2019) conducted a quantitative study in Malaysia using a survey of 500 respondents. They found that positive attitudes toward Islamic banking

significantly increased the likelihood of adoption, particularly when consumers viewed the products as ethically aligned with their financial goals. The study emphasized the importance of promoting Islamic banking as a morally sound alternative, suggesting that ethical perceptions are a critical determinant.

In Zainuddin and Mahmood's (2021) study, which involved 450 participants in Indonesia, it was found that education and awareness campaigns significantly improved attitudes toward Islamic banking. The study used a mixed-methods approach, combining surveys and in-depth interviews, to reveal that individuals who had more knowledge about Islamic banking services were more likely to have positive attitudes and, consequently, a higher intention to adopt. Additionally, Khamis and Mzirai (2021), in a study conducted in Tanzania, found a positive attitude to be a strong predictor of the intention to adopt Islamic banking services. They used a quantitative approach with 300 respondents in Dar es Salaam and confirmed that individuals who understood Islamic finance principles were more likely to adopt Islamic banking products. However, the study noted that many Tanzanians still lacked adequate knowledge of Islamic banking.

Alharbi, et al., (2022) further support these findings, indicating that people who view Islamic banking as a morally superior system were more inclined to adopt its products and services. The study was conducted in Saudi Arabia using a survey method and involved 600 respondents. The study found that ethical principles were key drivers of adoption, especially among younger consumers. Iqbal and Mirakhor (2019) also argue that a favorable attitude is necessary for the acceptance of Islamic banking in non-Muslim communities. Their study, published in the *Journal of*

*Islamic Finance*, found that attitudes toward Islamic finance were closely linked to the perception of fairness and ethicality.

These studies collectively suggest that positive attitudes toward Islamic banking are essential for increasing adoption rates. However, despite the established importance of attitudes, little research has examined how cultural and regional differences in Tanzania may affect attitudes toward Islamic banking. Thus, this gap is addressed in the current study, which seeks to understand Tanzanian consumers' perceptions and their impact on adoption. Hypothesis H1: Attitudes towards Islamic banking positively influence the intention to adopt Islamic banking products and services.

#### **2.4.2 Subjective Norms**

Subjective norms, referring to the influence of family, peers, and community leaders, have also been shown to affect the intention to adopt Islamic banking. Khan, Hussain, and Shah (2021) conducted a study in Saudi Arabia using a sample of 400 respondents, where they found that social approval from family and peers was a significant factor influencing the adoption of Islamic banking. The study employed a quantitative survey methodology and concluded that people were more likely to adopt Islamic banking when their social circles supported the decision.

In Mousa, El-Amin, and Hussein's (2023) study in Egypt, they examined the role of community leaders in shaping the adoption of Islamic banking. The study, which surveyed 350 respondents, revealed that endorsements from influential community figures positively impacted the adoption decision. The qualitative interviews and surveys used in this research highlighted the power of social networks in influencing

financial behaviors. In Tanzania, Juma and Kihara (2022) explored how subjective norms influenced adoption in Dar es Salaam, surveying 200 individuals. They found that the social approval of family members and peers was crucial in shaping financial decisions. This study emphasized that social pressures played a role in the adoption of Islamic banking services, even among those with limited knowledge of the products.

In Pakistan, Nawaz et al. (2023) confirmed that subjective norms significantly impacted adoption decisions. Their study, involving 500 respondents, demonstrated that social influence, particularly from family and friends, was a key determinant of adopting Islamic banking products. These studies suggest that subjective norms are influential across different contexts. However, the research also identifies a gap in understanding how subjective norms interact with other determinants like religiosity and attitudes in the Tanzanian context. This gap is addressed by the current study, which investigates how social influences, in tandem with other factors, contribute to the adoption of Islamic banking in Dar es Salaam. Thus, this study hypothesizes that;

**H4:** Religiosity positively influences the intention to adopt Islamic banking products and services.

## **2.5 Research Gap**

Despite the growing body of research on Islamic banking in Tanzania, several critical gaps remain that warrant further investigation. These gaps span theoretical, empirical, and practical dimensions, each contributing to a more comprehensive understanding of Islamic banking adoption. Addressing these gaps is essential for advancing both theoretical models and practical solutions in the context of Islamic banking. While existing studies have examined individual factors such as attitude,

subjective norms, perceived behavioral control, and religiosity in relation to Islamic banking adoption (Juma and Kihara, 2022; Mwita and Chacha, 2023), there is a notable lack of research on how these determinants interact with one another. The Theory of Planned Behavior (TPB), which underpins much of this research, suggests that the interplay between attitudes, subjective norms, and perceived behavioral control can significantly influence behavioral intentions.

However, empirical studies investigating these interactions specifically within the context of Islamic banking are sparse. For instance, recent research by Ahmed and Ali (2021) indicates that while individual determinants have been studied, their combined effects and interactions are less understood. This theoretical gap suggests that current models may oversimplify the complex relationships between these variables. Further research using advanced statistical techniques and more sophisticated models is needed to explore how these factors work together to influence adoption intentions. Understanding these interactions could offer deeper insights into how multiple factors jointly impact the intention to adopt Islamic banking services.

Recent studies by Ali and Hussain (2023) and Patel et al. (2022) highlight that while perceived behavioral control and accessibility are crucial, more detailed research is needed on specific adoption barriers. Variations in financial literacy and the lack of services in underserved areas are key issues. Addressing these barriers through targeted education and improved service availability can enhance adoption and service delivery.



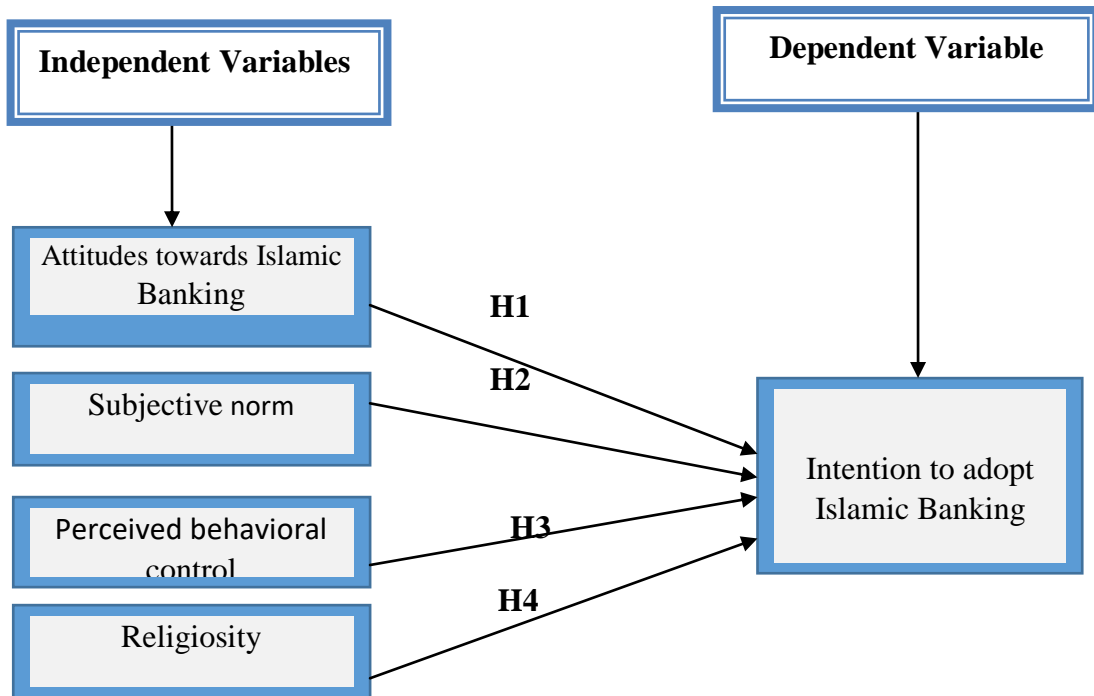
## 2.6 Conceptual Framework

A conceptual framework provides a visual depiction of the relationships among the variables under study. It uses boxes, lines, and arrows to illustrate how different factors are interconnected and influence one another. This framework is crucial for guiding research by outlining the hypothesized pathways through which variables affect the dependent outcome. According to Bollen and Pearl (2019) and Maxwell (2020), a well-structured conceptual framework helps in understanding and interpreting the research findings.

In the context of this study, Figure 2.1 presents a conceptual framework that illustrates the relationships between the independent variables—attitude, subjective norm, perceived behavioral control, and religiosity—and the dependent variable, which is the intention to adopt Islamic banking services. This visual representation is designed to show how each of these independent variables is hypothesized to impact individuals' intentions to use Islamic banking services in Dar es Salaam, Tanzania. The proposed relationships depicted in Figure 2.1 suggest that a positive attitude towards Islamic banking significantly enhances the intention to adopt these services.

Additionally, the subjective norm indicates that social influences, such as family and peer support, play a crucial role in shaping individuals' intentions. Perceived behavioral control highlights the importance of individuals feeling confident in their ability to access and utilize Islamic banking services, thereby further influencing their intention to adopt. Lastly, religiosity reflects how individuals' adherence to Islamic principles directly affects their willingness to engage with Islamic banking products. Collectively, these relationships illustrate a comprehensive framework for

understanding the factors that drive the intention to adopt Islamic banking services in the study area.



**Figure 2.1: Conceptual Framework**

**Source:** Modified from Chairunnisa (2023) and Lajuni et al. (2017)

### 2.6.1 Clarification of the Conceptual Framework Sources and Modifications

The conceptual framework guiding this study synthesizes key variables from Chairunnisa (2023) specifically attitude, subjective norm, and perceived behavioral control with insights from Lajuni et al. (2017) regarding the role of religiosity. This integration is essential for understanding the dynamics influencing the adoption of Islamic banking services, particularly in a context where religious principles significantly shape consumer behavior. By merging these theoretical perspectives, the framework not only reflects the multifaceted nature of banking behavior but also underscores the importance of cultural and religious considerations in financial decision-making.

### **2.6.2 Adaptation and Modification**

To effectively apply Chairunnisa's framework to the context of Islamic banking in Dar es Salaam, specific adjustments were necessary to account for the local socio-economic and cultural factors at play. This process of adaptation ensures that the framework accurately reflects the unique dynamics of consumer behavior within this predominantly Islamic setting.

One of the most significant modifications involved the incorporation of religiosity into the framework. As highlighted by Lajuni et al. (2017), religiosity plays a pivotal role in shaping banking behaviors in communities where Islamic principles are deeply embedded in daily life. By integrating religiosity as a key variable, the framework acknowledges that consumers are influenced not only by rational considerations but also by their beliefs and values. This addition provides a more nuanced understanding of how individuals approach Islamic banking services, illustrating that their decisions are often intertwined with their spiritual and ethical perspectives (Chairunnisa, 2023).

Furthermore, to enhance clarity and facilitate a better understanding of the relationships among the variables, the framework was updated to include a visual representation. This visual component serves to illustrate how attitudes, subjective norms, perceived behavioral control, and religiosity interact and collectively influence the intention to adopt Islamic banking services. By mapping these connections, the updated framework not only aids in comprehension but also emphasizes the complexity of the decision-making process (Ajzen, 2020). It highlights the interplay between individual beliefs, social expectations, and perceived barriers, painting a

comprehensive picture of the factors that drive consumers toward or away from Islamic banking options.

### **2.6.3 Implications and Rationale**

The adapted conceptual framework serves as a roadmap for understanding how different factors collectively influence the intention to adopt Islamic banking services. By visualizing these relationships, the framework helps in formulating research hypotheses and designing data collection methods to test these hypotheses. It offers a structured approach to investigating how attitudes, social pressures, perceived ease of access, and religious beliefs interact to shape individuals' decisions regarding Islamic banking.

The modifications made to the original frameworks were essential for ensuring that the conceptual model accurately represents the specific dynamics of Islamic banking adoption in Dar es Salaam. This tailored approach allows for a more precise examination of how each variable impacts adoption intentions, providing valuable insights into the factors driving the acceptance of Islamic banking services in this context. In summary, while the conceptual framework draws from existing literature, it has been customized to reflect the unique aspects of Islamic banking in Tanzania. This customization ensures that the framework is relevant and applicable to the study area, thereby enhancing the validity and applicability of the research findings

## **2.7 Theoretical Framework**

The theoretical framework posits that the independent variables attitude, subjective norm, perceived behavioral control, and religiosity significantly influence customers'

intention to adopt Islamic banking services, which serves as the dependent variable. Attitude reflects customers' positive or negative evaluations of Islamic banking services. A favorable attitude is likely to enhance their intention to adopt these services, as individuals who view Islamic banking positively are more inclined to engage with its offerings.

Subjective norm refers to the perceived social pressure surrounding the adoption of Islamic banking. If customers believe that significant others, such as family and friends, or societal expectations favor Islamic banking, their intention to adopt may be strengthened. This social influence can play a critical role in shaping customers' decisions, as they often look to their social circles for guidance in financial matters. Perceived behavioral control captures customers' perceptions of their ability to use Islamic banking services. When customers feel they have the necessary resources and opportunities, this perception can positively influence their intention to adopt. A higher sense of control can empower individuals, making them more likely to pursue options that may otherwise seem challenging.

Finally, religiosity represents the extent to which religious beliefs and practices shape customers' financial decisions. Higher levels of religiosity often lead to a stronger intention to adopt Islamic banking services, as these services align closely with individuals' religious values. This alignment reinforces the connection between faith and financial behavior, suggesting that customers who prioritize their religious beliefs are more inclined to engage with Islamic banking.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This section focuses on the methodology that was used in the study. It presents research design, area of study, target population, sampling techniques and sample size, data collection tools, data collection procedures and data analysis techniques, and finally validity and reliability of research instruments.

#### **3.2 Research Philosophy and Design**

This study on the determinants of Islamic banking adoption in Dar es Salaam City is grounded in a positivist research philosophy, complemented by a quantitative research design and approach. This integrated framework is essential for ensuring that the research produces rigorous, reliable, and generalizable findings.

##### **3.2.1 Research Philosophy: Positivism**

This study is based on positivist philosophy, which values knowledge gained through observable, measurable phenomena and emphasizes quantitative methods for data collection and analysis (Creswell and Creswell, 2018). Positivism is suitable for this research as it supports using structured surveys to objectively measure variables like attitudes, subjective norms, perceived behavioral control, and religiosity. This approach aligns with the Theory of Planned Behavior and enhances generalizability and reliability by minimizing biases and using statistical analysis (Saunders, Lewis, and Thornhill, 2019).

##### **3.2.2 Research Design: Explanatory Framework**

The study employed an explanatory research design grounded in positivist

philosophy, emphasizing systematic data collection and numerical analysis to establish cause-and-effect relationships. This design is particularly suited for investigating the factors influencing the intention to adopt Islamic banking services. Structured questionnaires were utilized to gather data on attitudes, subjective norms, perceived behavioral control, and religiosity related to Islamic banking adoption.

By using this method, the study enables a detailed analysis through techniques such as multiple regression (Hair et al., 2019), which allows for the assessment of the impact of each independent variable on the dependent variable. This analytical approach ensures that the findings are grounded in empirical evidence, thereby enhancing scientific rigor (Neuman, 2024). Ultimately, this explanatory research design provides a robust framework for understanding the dynamics of Islamic banking adoption in Dar es Salaam City, offering insights into how various factors interact to influence customer intentions.

### **3.3 Unit of Analysis**

This study investigated the factors influencing individuals' intention to adopt Islamic banking services in Dar es Salaam City. Key variables include attitudes, subjective norms, perceived behavioral control, and religiosity, which shape consumer behavior toward financial services (Dewi et al., 2022; Hasan et al., 2021). Participants of adults (18+) with bank accounts from various socioeconomic backgrounds in Dar es Salaam, providing insights into their views and behaviors regarding Islamic banking (Hassan and Ntim, 2022; Juma and Kihara, 2022). Data were collected through structured questionnaires to ensure reliable, quantitative insights into these determinants (Field, 2018; Creswell and Creswell, 2018).

### **3.4 Population of the Study**

The target population for this study consisted of individuals in Dar es Salaam City, Tanzania who were either potential or current banking service users. This focus ensures the relevance of the research to those likely to engage with Islamic banking services, which is critical for understanding adoption dynamics. The choice of Dar es Salaam as the geographic focus was based on several factors. The city is home to key banking institutions and exhibits significant economic diversity, making it a fertile ground for the development and adoption of Islamic banking (Khamis and Mzirai, 2021). This context allows for an exploration of various influences on banking preferences and behaviors within a dynamic financial landscape.

Participants in the study were residents aged 18 and older with bank accounts, encompassing both Muslims and non-Muslims. This inclusive approach aimed to provide a comprehensive view of banking adoption, capturing a wide range of perspectives on Islamic banking services and ensuring that the findings reflect the diverse experiences and attitudes of the community (World Bank, 2024). To ensure accuracy, the study estimated that out of Dar es Salaam's 600,000 residents (National Bureau of Statistics, 2022), about 139,800 have bank accounts, based on the World Bank's data that 23.3% of Tanzanians aged 15 and older have bank accounts (World Bank, 2024). This population estimate defined the study's focus on individuals with bank accounts for researching Islamic banking adoption.

### **3.5 Sampling Technique and Sample Size**

#### **3.5.1 Sampling Technique**

The study employed simple random sampling to ensure that every resident of Dar es



Salaam City had an equal chance of selection. This method effectively minimizes biases and enhances the representativeness of the sample. Participants were selected using random number generation, ensuring a fair and unbiased process (Creswell & Creswell, 2018). By utilizing simple random sampling, the study aimed to accurately capture the diverse perspectives of the population regarding the adoption of Islamic banking services. Structured questionnaires, distributed online and in-person collect quantitative data on factors influencing Islamic banking adoption (Saunders, Lewis, and Thornhill, 2019).

### **3.5.2 Sample Size**

Sample size is crucial for research design, affecting the representativeness, reliability, and generalizability of findings (Creswell and Creswell, 2018; Field, 2018). A well-chosen sample size improves the accuracy of detecting significant effects, reduces error margins, and enhances statistical power, ensuring valid results (Cohen, 2018). It also impacts the precision of estimates and the ability to identify small but significant effects (Johnson and Lee, 2022). Following statistical guidelines is essential for research quality and credibility (Babbie, 2021).

### **3.5.3 Sample Size Determination**

For this study on banking services users in Dar es Salaam City, determining the sample size involved considering the population and using statistical formulas.

1. **Population Characteristics:** About 23.3% of Tanzanians aged 15 and older have a bank account (World Bank, 2024). This equated to roughly 139,800 potential banking customers in Dar es Salaam.

## 2. Sample Size Calculation:

i. **Formula for Finite Population:**  $n = \frac{N}{1 + \frac{N-1}{n}}$

Where  $N$  is the population size and  $n$  is the sample size.

ii. **Cochran's Formula:**  $n_0 = \frac{Z^2 \cdot p \cdot (1-p)}{E^2}$  With  $Z = 1.96$  for a 95% Confidence level,  $p = 0.233$ , and  $E = 0.05$ , the

Calculation yields:  $n_0 \approx 288$

**Adjusted for Finite Population:**  $n = \frac{n_0}{1 + \frac{n_0 - 1}{N}} = \frac{288}{1 + \frac{288 - 1}{139,800}} \approx 287$

Therefore, a sample size of approximately 287 was deemed statistically significant and representative.

3. **Practical Considerations:** Given constraints, a sample size of 200 was proposed. This number balances statistical reliability with practical constraints, aligning with recommendations for social research (Creswell & Creswell, 2018; Brown & Green, 2021).

### 3.6 Data collection Methods

In the study on Islamic banking adoption in Dar es Salaam, data was collected using a structured questionnaire designed to gather information on key variables: attitude, subjective norms, perceived behavioral control, and religiosity. The questionnaire included a mix of Likert scale questions, multiple-choice items, and demographic queries to capture a comprehensive view of participants' perspectives. To ensure clarity and accuracy, the questionnaire was pretested before distribution. It was administered through various channels, including online platforms such as WhatsApp and email, as well as face-to-face interactions. Local organizations were

also engaged to facilitate distribution, aiming to reach a diverse and representative sample. This multifaceted approach to questionnaire administration enhanced participation and provided valuable insights into the factors influencing the adoption of Islamic banking services

### **3.7 Validity and Reliability Test**

#### **3.7.1 Validity Test**

Ensuring validity is crucial for obtaining accurate research findings. Internal validity confirms that the research accurately measures the intended variables, ensuring that observed effects are due to the study variables and not errors or biases (Saunders, Lewis, & Thornhill, 2019). On the other hand, external validity assesses whether the findings can be generalized to contexts beyond the study setting (Creswell & Creswell, 2018). To enhance validity, this study employed several strategies, including triangulation through multiple data collection methods, which helped cross-check and validate results, thereby reducing biases associated with any single method. Additionally, pilot testing was conducted by administering a preliminary version of the questionnaire to a small sample, refining questions and ensuring clarity before full-scale data collection. Rigorous statistical techniques were also applied to control for biases, measurement errors, and sampling variability, ensuring that the results were robust and reliable.

#### **3.7.2 Reliability Test**

Reliability in research ensures measurement instruments produce consistent results. Cronbach's Alpha ( $\alpha$ ) is a key statistic for assessing internal consistency, determining if multiple items on a scale measure the same construct. An Alpha value of 0.70 or

higher is typically accepted, indicating good internal consistency (Tavakol & Dennick, 2011; Hair et al., 2019)

### 3.8 Variables and Measurements

The variables for this study included the independent variables which are attitude, subjective norms, perceived behavioral control, and religiosity and the dependent variable, which is the intention to adopt Islamic banking services. To measure these variables, scale items from previous studies were utilized. A Likert-type scale was applied, with responses ranging from 1 (strongly disagree) to 5 (strongly agree). This section details how the variables were measured. Table 3.1 presents the variables assessed, the number of scale items for each variable, and their sources

**Table 3.1: Variables and Measurements**

Variables that were measured	Number of Scale Items	Source
Attitude	6	Ajzen (2020) ; Eagly & Chaiken (2022) ; Schwartz (2022) ; Krosnick & Petty (2021)
Subjective Norms	6	Ajzen & Fishbein (2021) ; Trafimow & Sheeran (2023)
Perceived Behavioral Control	6	Ajzen (2022); Conner & Armitage (2023); Khalid & Badi (2023)
Religiosity	6	Hill & Pargament (2022); Saroglou (2021); Smith & Denton, (2023)
Intention to Adopt Islamic Banking services	6	Ali & Gohar (2024) ; Amin & Isa (2022); Khan & Khan (2023)

**Source:** Researcher, 2024.

### 3.9 Data Processing and Analysis

#### 3.9.1 Data Preparation

This section described the various processes involved in preparing the data for analysis. One of the initial steps was data coding, which assigned numerical or categorical values to survey responses. This process simplified the analysis by

converting qualitative responses into a quantitative format, making it easier to apply statistical methods (Cohen, Manion, & Morrison, 2018). For instance, response categories like "Agree" and "Disagree" were assigned specific numerical values, allowing for straightforward comparisons and calculations. Another critical aspect of data preparation involved checking for incomplete entries. It was vital to ensure that all data was accounted for, as missing responses could significantly impact the validity of the analysis (Hair et al., 2019). Incomplete data was addressed by identifying any gaps and determining whether to impute missing values, exclude incomplete responses, or apply other strategies. This step was essential for maintaining the integrity of the dataset and ensuring a robust analysis.

Data cleaning was also an important part of the preparation process. This step involved correcting errors, removing duplicates, and ensuring overall consistency within the dataset. Cleaning the data not only improved the accuracy of the results but also enhanced the reliability of the findings (Field, 2018). By thoroughly reviewing the dataset for inconsistencies, researchers could minimize potential biases that could arise from erroneous entries. Additionally, handling missing data was crucial for the overall validity of the research. Various strategies were employed to address gaps, including imputation techniques, which estimated missing values based on available data, and deletion methods that removed incomplete responses (Little & Rubin, 2019). These approaches helped to prevent skewed results and ensured that the dataset accurately represented the population being studied.

Lastly, identifying outliers was key to ensuring the robustness of the analysis. Outliers could significantly affect statistical results and potentially reveal important

insights or errors within the data (Chatterjee & Hadi, 2019). By systematically examining the dataset for unusual values, researchers were able to make informed decisions about whether to retain or exclude these observations based on their potential impact on the overall findings. This comprehensive approach to data preparation ensured that the dataset was well-structured, reliable, and ready for further analysis.

### **3.9 Analytical Methods**

The study employed IBM SPSS Statistics (29th ed.) for data analysis, leveraging its comprehensive statistical tools and user-friendly interface, which are well-suited for both descriptive and inferential analyses. SPSS is widely recognized in social science research for its ability to efficiently handle large datasets, making it an ideal choice for analyzing data collected from a diverse group of respondents (Field, 2018). Descriptive data analysis was conducted to summarize the dataset by calculating frequencies, means, and standard deviations. These measures provided an overview of demographic characteristics and highlighted general patterns in respondents' perceptions of Islamic banking. The findings were visually represented using frequency distribution tables and graphs, which illustrated key trends and distributions.

For inferential analysis, Pearson's correlation coefficient was utilized to explore the relationships between variables, while multiple regression analysis was conducted to establish causal relationships (Cohen, Manion, & Morrison, 2018; Pallant, 2020). Several key assumptions were evaluated during the multiple regression analysis. Linearity was assessed through scatterplots, identifying any non-linear relationships

that warranted the application of polynomial or transformation techniques (Friedman & Hastie, 2023). The independence of errors was examined using the Durbin-Watson statistic, aiming for a value close to 2 to indicate no residual autocorrelation; generalized least squares would be employed if necessary (Baltagi, 2023).

To ensure homoscedasticity, residuals were analyzed against fitted values for 1transformations or weighted least squares methods were considered (White, 2022). The normality of residuals was assessed through Q-Q plots and the Shapiro-Wilk test; any non-normal residuals prompted the use of data transformations or robust regression techniques (Hastie, et al., 2024). Multicollinearity was evaluated using Variance Inflation Factor (VIF) and Tolerance values. A VIF threshold of 10 was established to identify problematic predictors, leading to the removal or combination of variables when high values were observed (Montgomery, Peck and Vining, 2024). Measurement error was also addressed by ensuring the reliability and validity of the measurement tools, alongside monitoring for data entry errors (Carroll and Stefanski, 2023).

The multiple regression model used in this study was formulated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

In this equation:

Y represents the intention to adopt Islamic banking services and products.

$\beta_0$ ,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are the regression coefficients for the independent variables.

$\varepsilon$  represents precision error

The independent variables included:

X1: Attitude

X2: Subjective Norm

X3: Perceived Behavioral Control

X4: Religiosity

By adhering to these analytical methods and assumptions, the study ensured a rigorous and credible examination of the factors influencing the intention to adopt Islamic banking services.

### **3.10 Ethical Considerations**

Informed consent was obtained from all participants, ensuring they were fully briefed on the study's objectives, procedures, and their rights. Participants were made aware of their right to withdraw from the study at any point without any repercussions. This commitment to ethical transparency aimed to foster trust and encourage open participation. To protect participants' privacy, all responses were anonymized. Identifiable information was not collected, and data was stored securely to prevent unauthorized access. The use of unique identification codes allowed researchers to track responses without linking them back to individual participants, thereby maintaining confidentiality throughout the research process. The study adhered to local regulations and ethical guidelines, receiving necessary approvals from both the institutional review board and the Open University of Tanzania Postgraduate Studies directorate. These approvals ensured that all ethical considerations were met, particularly in regard to participant welfare.

Cultural and religious sensitivities were carefully respected, recognizing the diverse backgrounds of participants. Efforts were made to ensure that the language and content of the study were appropriate and respectful of local norms and values. This



included careful consideration of how questions were framed, ensuring that they were not intrusive or offensive. Overall, the study maintained a strong ethical framework, prioritizing participant safety, privacy, and respect for cultural contexts, which is vital for the integrity of the research process.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS**

#### **4.1 Overview**

This chapter presents analysis and discussion of the findings which is divided into eight subsections based on the results aligned with the specific objectives of the study. The first section presents the sociodemographic information of the respondents, followed by descriptive results of the attitude towards Islamic banking, subjective norms, perceived behavioural control, religiosity influence, the intension to adopt Islamic banking product and services and regression analysis of that examined the predictors of adopting Islamic banking product and services.

#### **4.2 Socio-demographic Information**

This section provides the general information of the respondents which includes, gender, age, marital status, level of education, banking experience in years, employment status and annual income. The sociodemographic profile of the respondents is potential information in this study as they may reveal some characteristics that may influence the intention of adopting Islamic banking.

**Table 4.1: Socio-demographic Information of Study Respondents**

Variable	Category	Frequency (n=200)	Percent
<b>Gender</b>	Male	119	59.5
	Female	81	40.5
<b>Age</b>	< 20	6	3.0
	20-29	65	32.5
	30-39	64	32.0
	40-49	50	25.0
	50+	15	7.5
<b>Marital Status</b>	Married	105	52.5
	Not married	61	30.5
	Widow	6	3.0
	Widower	4	2.0
	Separated	24	12.0
<b>Banking experience in years</b>	<5	77	38.5
	5-9	44	22.0
	10-15	46	23.0
	16-20	15	7.5
	>20	18	9.0
<b>Education levels</b>	No formal	4	2.0
	Primary	43	21.5
	Secondary	53	26.5
	Diploma	33	16.5
	Bachelor degree	39	19.5
	Postgraduate degree	28	14.0
<b>Employment status</b>	Employed full-time	74	37.0
	Employed part-time	41	20.5
	Self-employed	64	32.0
	Retired	5	2.5
	Student	15	7.5
	Not employed	1	0.5
<b>Annual income in TZS</b>	< 200,000	27	13.5
	200,000 - 500,000	15	7.5
	500,000 - 1,000,000	36	18.0
	1,000,000 - 2,000,000	41	20.5
	>2,000,000	81	40.5

Source: Field Survey, 2024.

#### 4.2.1 Gender of Respondents

The study examined gender engagement in Islamic banking products and services as a crucial demographic variable. The findings in Table 4.1 show that more than half of the respondents were male, with about four out of ten respondents being female. These propositions imply that men are more likely to be potential users of Islamic banking than women, although the difference was relatively small (59.5% versus 40.5%, respectively). Also, the gender aspects observed in this study indicate that Islamic banking caters to the financial needs and preferences of both men and women.

#### **4.2.2 Age of Respondents**

The study intended to capture the age distribution of respondents based on the inclusion criteria. Table 4.1 reveals that the majority of respondents were aged between 20 and 29 years (32.5%) and 30 to 39 years (32.0%). Together, these age groups represent 64.5% of the sample. Additionally, a quarter of the participants were aged between 40 and 49 years, followed by those aged 50 and above (7.5%) and those less than 20 years (3.0%). The predominance of respondents within the ages of 20 to 39 suggests that Islamic banking institutions have a significant opportunity to target this demographic with tailored products and marketing strategies. This age group is likely more exposed to innovative financial solutions and may prioritise convenience banking options.

#### **4.2.3 Marital Status of Respondents**

The study focused on capturing the marital status of the participants, a demographic factor that could influence their intention to adopt Islamic banking products and services. According to Table 4.1, the majority of respondents (52.5%) were married, followed by 30.5% who were single, 12.0% separated, 3.0% widowed, and 2.0% widowers. The high proportion of married individuals could imply an interest in couples or family financial products and services. This group may prioritize financial services that cater to family needs, such as joint accounts, savings plans for children's education, and home financing options.

#### **4.2.4 Banking Experience of Respondents**

The study was interested in observing the banking experience of participants based on the number of years they had received Islamic banking services and products

before the survey. Table 4.1 shows that a majority (77 respondents, 38.5%) had less than five years of experience. This was followed by respondents with 10 to 15 years (23.0%), 5 to 9 years (22.0%), 20 years or more (9.0%), and 16 to 20 years (7.5%) of experience. These differentials in banking experience reflect variations in participants' interaction with Islamic banking services and products. Additionally, the high proportion of respondents with less than five years' experience underscores the banks' efforts to enrol new customers in Islamic banking.

#### **4.2.5 Education Levels of Respondents**

The study evaluated the educational levels of respondents, as shown in Table 4.1. The majority (26.5%) of the participants had attained secondary education. This was followed by 21.5% with primary education, 19.5% holding bachelor's degrees, 16.5% with diplomas, 14.0% holding postgraduate degrees, and 2.0% having no formal education. The cumulative 66.0% of participants with secondary education and above suggest that education levels may significantly impact awareness and form an informed consumer base.

#### **4.2.6 Employment Status of Respondents**

The study was interested in capturing the status of the employment and other occupations of the participants. The result in Table 4.1 shows that 37.0% of respondents were employed full-time, 32.0% were self-employed, 20.5% were employed part-time, 7.5% were students, 2.5% were retired, and 0.5% was not employed. The majority (69.0%) were actively engaged in work, indicating a stable economic base. This stable economic environment presents an opportunity for Islamic banking institutions to introduce tailored financial products, such as investment accounts and

savings plans, to meet the diverse needs of working individuals. By promoting products that align with their financial goals, these institutions can attract a more engaged customer base and drive higher levels of participation in Islamic banking.

#### **4.2.7 Annual Income of Respondents**

The study was interested in knowing the annual income status of the respondents. The findings in Table 4.1 show that 40.5% of respondents reported earning more than 2,000,000 TZS annually, indicating significant purchasing power. This is followed by 20.5% earning between 1,000,000 and 2,000,000 TZS, 18.0% earning between 500,000 and 1,000,000 TZS, 13.5% earning less than 200,000 TZS, and 7.5% earning between 200,000 and 500,000 TZS. These findings could imply that Islamic banking institutions have a prime opportunity to design and market premium financial products aimed at higher-income individuals, such as investment accounts and wealth management services. Additionally, targeting this economically empowered segment, banks can foster long-term relationships and encourage higher levels of investment in Sharia-compliant financial products.

#### **4.3 Attitudes Towards Islamic Banking**

This study explores consumer attitudes toward Islamic banking products and services, focusing on their perceived benefits and convenience compared to conventional banking. Understanding these attitudes is crucial for the development and promotion of Islamic banking products and services in today's financial landscape. The data was collected through a survey using a Likert scale, with responses ranging from 1 (strongly disagree) to 5 (strongly agree). The results of the six items were analysed, presented in percentage as well as the mean and standard

deviation for each item, which are summarised in Table 4.2 below. A Cronbach's Alpha of 0.864 suggests a high level of internal consistency among the items in the survey. Generally, a Cronbach's Alpha above 0.70 is considered acceptable, while values above 0.80 are deemed good. This indicates that the items effectively measure a unified construct related to attitudes toward Islamic banking.

**Table 4.2: Attitudes towards Islamic Banking**

Items	SD	D	N	A	SA	Mean	Std. deviation
I believe Islamic banking services offer good financial benefits.	0	3	12.5	67	18	3.99	0.65
I feel positive about using Islamic banking products.	1	3.5	7.5	52.5	36	4.18	0.79
Islamic banking services align with my financial goals.	0	1.5	16	66.5	16	3.97	0.62
Islamic banking is a convenient option for me.	0.5	2.5	16	50.5	31	4.08	0.78
I find Islamic banking services to be reliable.	0.5	2.5	8	53.5	36	4.21	0.73
Islamic banking products are beneficial compared to conventional banking.	0.5	3.5	15.5	48.5	32	4.08	0.81

**Source:** Field Survey, 2024.

#### 4.3.1 Financial Benefits

The results in Table 4.2 reveal that 12.5% of respondents remained neutral on whether Islamic Banking offers good financial benefits. The majority of participants, 67% agreeing and 18% strongly agreeing (totaling 85%), believed that Islamic banking services provide good financial benefits. Only 3% disagreed. Furthermore, a mean score of 3.99 indicates that respondents generally agree that Islamic banking services offer good financial benefits, despite a small percentage remaining neutral.

#### 4.3.2 Positive Feelings

The study assessed participants' feelings towards using Islamic banking products and services. Table 4.2 reveals that only 4.5% of respondents disagreed with the

statement, "I feel positive about using Islamic banking products," while 7.5% remained neutral. The majority of respondents (87.5%) agreed that they feel positive about using Islamic banking products. The mean score for this item was 4.18, which implies that the majority of the respondents agreed that they felt positive using Islamic banking products. This indicates that high overall a sense of comfort and optimism among users.

#### **4.3.3 Alignment with Goals**

The results in Table 4.2 reveal that no respondents strongly disagreed, and only 1.5% disagreed. Meanwhile, 16% remained neutral, 66.5% agreed, and 16% strongly agreed that Islamic banking services align with their financial goals. With a mean score of 3.97, it is evident that most respondents believe Islamic banking aligns with their financial goals, although some might need more information or reassurance. This suggests that most respondents utilize Islamic banking products and services because they align with their financial goals, yet the neutral responses point to some uncertainty that could be addressed through better communication.

#### **4.3.4 Convenience**

The study was interested in examining whether Islamic banking is a convenient option among the participants. The findings in Table 4.2 show that only 3% of respondents disagreed, 16% were neutral, 50.5% agreed, and 31% strongly agreed that Islamic banking is a convenient option for them. A mean of 4.08 indicates that respondents agreed that Islamic banking is a convenient option, which is crucial for consumer adoption. This finding indicates that many respondents find Islamic banking a convenient option for them, but the neutral responses indicate potential for



further improvements in perceived convenience.

#### **4.3.5 Reliability**

The study assessed participants' attitudes with regard to the reliability of Islamic banking services. The results in Table 4.2 reveal that only 3% of respondents disagreed, while 8% remained neutral. In contrast, 53.5% agreed and 36% strongly agreed, resulting in a total of 89.5% of the respondents who agreed that Islamic banking services are reliable. This is supported by a mean score of 4.21, indicating that respondents generally trust the reliability of Islamic banking services, which may be a crucial factor in consumer decision-making.

#### **4.3.6 Comparison to Conventional Banking**

The study intended to examine the attitude of the participant by rating whether Islamic banking products are beneficial compared to conventional banking. The findings in Table 4.2 show that 4% of the respondents disagreed with the item, whereas 15.5% remained neutral. Furthermore, about 80.5% agreed that the products are beneficial, and the percentage includes those who agree and strongly agree. A mean of 4.08 indicates that a substantial portion of respondents agree that Islamic banking products are beneficial when compared to conventional banking, though the neutral responses suggest some individuals are still evaluating their options.

#### **4.4 Subjective Norms**

This study examined subjective norms influencing the attitudes of respondents toward Islamic banking products and services. Subjective norms refer to the perceived social pressures to perform or not perform a behavior, which can

significantly impact decision-making. Understanding these subjective norms is crucial for the development and promotion of Islamic banking products and services in today's competitive commercial banks. The data was collected through a survey using a Likert scale, with responses ranging from 1 (strongly disagree) to 5 (strongly agree).

The results of the six items were analysed, presented in percentage as well as the mean and standard deviation for each item, which are summarised in Table 4.3. The test of the internal consistency of the items was done and the test results revealed a Cronbach's Alpha of 0.849 suggests a high level of internal consistency among the items in the survey with regard to the threshold of Cronbach's Alpha 0.70. This indicates that the items effectively measure a unified construct related to attitudes toward Islamic banking.

**Table 4.3: The Subjective Norms of the Respondents**

Items	SD	D	N	A	SA	Mean	Std. deviation
My family supports my decision to use Islamic banking services.	1.5	7	14.5	50	27	3.94	0.91
My friends think that using Islamic banking is a good idea.	1	4	13	63	19	3.95	0.75
Religious leaders in my community encourage the use of Islamic banking.	0	7	13	49.5	30.5	4.04	0.85
I feel social pressure to adopt Islamic banking services.	3	9.5	15.5	45	27	3.84	1.03
People whose opinions I value approve of Islamic banking.	1	4	18.5	52.5	24	3.95	0.82
There is a general expectation in my social circle to use Islamic banking products.	0.5	6.5	12.5	54.5	26	3.99	0.83

**Source:** Field Survey, 2024.

#### 4.4.1 Family Support for Islamic Banking Decisions

Family support played a significant role in the decision to adopt Islamic banking, as highlighted under subjective norms. Table 4.3 shows that 77% of participants agreed

that their family supported their decision to adopt Islamic banking products and services, while 8.5% disagreed and 14.5% remained neutral. With a mean score of 3.94, it is evident that the majority of participants acknowledged the importance of family support in their decision to adopt Islamic banking.

#### **4.4.2 Perceptions of Friends Regarding Islamic Banking**

The study explored the perception of friends with regard to adoption of Islamic banking products and services. The findings in Table 4.3 show that only 5% of respondents disagreed, while 13% remained neutral. In contrast, a majority of 82% of the respondents agreed that their friends consider using Islamic banking a good idea. The mean score of 3.95 reflects a robust social endorsement of Islamic banking among friends.

#### **4.4.3 Encouragement from Religious Leaders in the Community**

The study explored the influence of religious leaders on participants' decisions to adopt Islamic banking, as highlighted under subjective norms. According to Table 4.3, 80% of respondents agreed that religious leaders encourage the use of Islamic banking products and services, while 7% disagreed and 13% remained neutral. The mean score of 4.04 further indicates that the majority of respondents feel that religious leaders support Islamic banking products and services.

#### **4.4.4 Perceived Social Pressure to Adopt Islamic Banking**

The study explored the perceived social pressure associated with adopting Islamic banking products and services. The findings presented in Table 4.3 indicate that a significant majority (72%) of respondents agreed that social pressure significantly

influences the adoption of Islamic banking. In contrast, 12.5% disagreed, while 15.5% remained neutral. The mean score of 3.84 further supports the conclusion that social expectations or pressures play a critical role in decision-making regarding the adoption of Islamic banking products and services.

#### **4.4.5 Approval of Islamic Banking by Valued Individuals**

The findings in Table 4.3 reveal that over three-quarters (76.5%) of respondents believe that influential individuals in their lives support the adoption of Islamic banking products and services. In contrast, only 5% disagreed, while 18.5% remained neutral. The mean score of 3.95 suggests that most participants agreed that certain individuals play a significant role in approving the use of Islamic banking products and services.

#### **4.4.6 Expectations within the Social Circle Regarding Islamic Banking Products**

The study explored participants' perceptions of social expectations surrounding the use of Islamic banking products and services. A significant majority (80.5%) felt that there is a social expectation to adopt these products. In contrast, 7% disagreed, while 12.5% remained neutral. Additionally, the descriptive analysis showed a mean score of 3.99, indicating that most respondents believe there are social expectations regarding the use of Islamic banking products and services.

The study examined respondents' perceived behavioral control concerning Islamic banking products and services. Perceived behavioral control refers to an individual's belief in their capability to perform a specific behavior, in this case is utilizing Islamic banking products and services. Understanding these perceptions is essential,

as they can significantly influence the intention to adopt such products and services. The test of the internal consistency of the items in this objective was done and the test results revealed a Cronbach's Alpha of 0.813 suggests a high level of internal consistency among the items in the survey with regard to the threshold of Cronbach's Alpha 0.70. This indicates that the items effectively measure a unified construct related to attitudes toward Islamic banking.

#### 4.5 Perceived Behavioural Control in Relation to Islamic Banking

**Table 4.4: Perceived Behavioural Control**

Items	SD	D	N	A	SA	Mean	Std. deviation
I feel confident in my ability to access Islamic banking services easily.	2	2	12.5	64.5	19	3.96	0.76
I believe I have the necessary resources to use Islamic banking products.	0.5	3	9.5	66	21	4.04	0.69
I find it easy to understand Islamic banking services.	0.5	2.5	9.5	62	25.5	4.09	0.70
I am confident in my ability to manage Islamic banking products effectively.	0.5	1.5	15	57	25.5	4.06	0.71
There are no significant barriers preventing me from using Islamic banking services.	0.5	3	8.5	71	17	4.01	0.65
I feel in control of my decision to adopt Islamic banking products.	0	1	16	56	27	4.09	0.68

**Source:** Field Survey, 2024.

##### 4.5.1 Confidence in Accessing Islamic Banking Services

The study examined the feelings of respondents with regard to their confidence in accessing Islamic banking products and services. The findings in Table 4.4 reveal that the majority (83.5%) of the respondents felt confident in accessing Islamic banking products and services. However, 4% disagreed, while 12.5% remained neutral. Furthermore, a descriptive analysis revealed a mean score of 3.96, which indicates that the majority agreed that they were confident in accessing Islamic banking products and services.

#### **4.5.2 Availability of Necessary Resources**

The study also observed the availability of necessary resources for adopting Islamic banking products and services among the respondents. The findings in Table 4.5 show that the majority (66%) had necessary resources that influenced them to adopt Islamic banking products and services. However, 3.5% disagreed, with 9.5% remaining neutral. Moreover, a descriptive analysis also revealed a mean score of 4.04, which indicates that the majority of the respondents agreed to have available resources for adopting Islamic banking products and services.

#### **4.5.3 Ease of Understanding Islamic Banking Services**

The study also examined the flexibility in understanding various Islamic banking products and services. According to Table 4.4 show that majority (87.5%) of the respondents agreed (62%) or strongly agreed (25.5%) that they find it easy to understand Islamic banking services. In contrast 3.5% of respondents disagreed, while 9.5% remained neutral. Additionally, the mean score of 4.09 indicates a high level of comfort in understanding the Islamic banking products and services.

#### **4.5.4 Confidence in Managing Islamic Banking Products**

The study assessed respondents' confidence in managing Islamic banking products. The results in Table 4.4 show that a substantial majority (82.5%) expressed confidence in handling the products and services offered by Islamic banking. In contrast, only 1.5% disagreed, while 15% remained neutral. Additionally, the mean score of 4.06 indicates a high level of confidence in managing these products. This suggests that respondents feel well-equipped to navigate Islamic banking offerings. Factors such as educational background and familiarity with Islamic finance may

have influenced this confidence. Overall, these findings reflect a readiness among consumers to effectively engage with Islamic banking products and services.

#### **4.5.5 Perception of Barriers to using Islamic Banking Services**

The study examined whether respondents face obstacles in adopting Islamic banking products and services. According to the findings in Table 4.4, a significant majority (88%) reported that they do not perceive any major barriers. Specifically, 71% agreed and 17% strongly agreed that they feel no barriers to using these products. In contrast, only 3.5% disagreed, and 8.5% were neutral on the item. The mean score of 4.01 further underscores this positive perspective. This suggests that most respondents are comfortable accessing Islamic banking products and services, and the lack of perceived barriers may lead to increased engagement with these financial offerings. Additionally, the findings reflect strong consumer confidence in the availability and accessibility of Islamic banking options.

#### **4.5.6 Feeling in Control of Adoption Decisions**

The findings in Table 4.4 shows that a significant majority (83%) of the respondents agreed that they feel in control of their decision to adopt Islamic banking products and services, specifically 56% agreeing and 27% strongly agreeing. However, only 1% disagreed and 16% remained neutral. The mean score of 4.09 indicates a strong sense of autonomy in decision-making among respondents. This high level of agreement suggests that individuals feel empowered and confident in their choices regarding Islamic banking. The findings highlight a positive attitude toward adopting these financial products, reflecting a readiness to engage with Islamic banking services on their own terms. Overall, the results point to a strong belief in personal

agency when it comes to financial decisions

#### 4.6 Influence of Religiosity on Attitudes toward Islamic Banking

This section explores the extent of religiosity influences attitudes toward Islamic banking. Since religiosity affects financial decisions, understanding its role is crucial for tailoring Sharia-compliant services. The test of the internal consistency of the items was done and the test results revealed a Cronbach's Alpha of 0.739 indicates an acceptable level of internal consistency among the religiosity items with regard to the threshold of Cronbach's Alpha 0.70, suggesting that the items are reliably measuring the construct of religiosity in relation to Islamic banking products and services.

**Table 4.5: The Religiosity**

Items	SD	D	N	A	SA	Mean	Std. deviation
My religious beliefs strongly influence my decision to use Islamic banking.	11.5	13.5	10	47	18	3.46	1.26
I consider Islamic banking to be in line with my religious values.	3.5	10.5	12	54	20	3.76	1
Religious teachings play a significant role in my financial decisions.	5.5	5	15.5	44	30	3.88	1.07
I believe using Islamic banking is a way to fulfill my religious obligations.	4	3	15.5	57	20.5	3.87	0.91
My faith encourages me to use financial products that comply with Islamic principles.	2	6.5	11	48	32.5	4.03	0.94
I prioritize religious guidelines when choosing financial services.	0.5	9	14	48.5	28	3.95	0.91

**Source:** Field Survey, 2024.

##### 4.6.1 Influence of Religious Beliefs on Banking Decisions

The study examined the influence of religious beliefs on the decision to adopt Islamic banking. The results in Table 4.5 show that 65% of respondents agreed that their beliefs strongly influence their decisions regarding Islamic banking products



and services. In contrast, 25% of respondents disagreed, while 10% remained neutral about the impact of religious beliefs on their banking choices. Additionally, a mean score of 3.46 reflects the level of agreement among respondents on this issue. This finding suggests that the majority of consumers recognize the influence of their religious beliefs when deciding to adopt various Islamic banking products and services, although a notable minority does not feel this influence.

#### **4.6.2 Alignment of Islamic Banking with Religious Values**

The study assessed the respondents' alignment of Islamic banking with their religious values. The findings in Table 4.5 show that a significant majority (74%) of the respondents agreed, 14% disagreed, and 12% remained neutral regarding the alignment of Islamic banking with their religious beliefs. Additionally, the mean score of 3.76 indicates the majority of the consumers agreed that Islamic banks are aligned with religious beliefs. These findings suggest that most respondents view Islamic banking as compatible with religious considerations in their financial decisions. Moreover, the findings highlight the importance of aligning financial products with consumers' ethical and religious beliefs.

#### **4.6.3 Role of Religious Teachings in Financial Decisions**

The study examined the role of religious teaching in financial decision with regard of adopting Islamic banking. The findings in Table 4.5 reveal that a substantial majority (74%) of the respondents agreed that religious teachings play a significant role in their financial decisions. However, 10.5% of the respondent agreed, while 15.5% were neutral. Additionally, the mean score of 3.88 in this item indicates that religious teaching influence the intention of adopting various Islamic banking

products and services. This finding implies that consumers may opt for various Islamic banking products and services based on the foundation or knowledge earned through religious education.

#### **4.6.4 Using Islamic Banking to Fulfil Religious Obligations**

The study participants were asked to evaluate the statement, "I believe using Islamic banking is a way to fulfill my religious obligations." The results presented in Table 4.5 indicate that a significant majority (77.5%) of respondents agreed that using Islamic banking products and services meets their religious obligations. In contrast, 7% disagreed, while 15.5% expressed neutrality. Additionally, the mean score of 3.87 suggests that most consumers perceive adopting Islamic banking as a means of fulfilling their religious duties. This finding highlights a notable relationship between the use of Islamic banking and the fulfillment of religious obligations.

#### **4.6.5 Encouragement from Faith to Use Compliant Financial Products**

The study investigated the influence of individual faith on the use of financial products that adhere to Islamic principles. The results presented in Table 4.5 reveal that a significant majority (80.5%) of respondents agreed that their faith encourages them to use compliant financial products and services. In contrast, 8.5% disagreed, while 11% remained neutral. Furthermore, the mean score of 4.03 suggests that consumers are generally motivated by their faith to adopt compliant financial products. These findings indicate that a substantial proportion of consumers of Islamic banking products and services are encouraged by their faith to choose compliant financial options.

#### 4.6.6 Prioritization of Religious Guidelines in Financial Choices

The study participants were also asked to rate the statement, "I prioritize religious guidelines when choosing financial services." The findings in Table 4.5 indicate that a significant majority (76.5%) of respondents agreed that they prioritize religious guidelines in their financial decisions. Conversely, 9.5% disagreed, while 14% remained neutral. Furthermore, the mean score of 3.95 suggests that consumers of Islamic banking products and services are committed to adhering to religious guidelines when making financial choices. This indicates that most customers are more likely to prioritize religious principles in all of their financial decisions.

#### 4.7 Intention to Adopt Islamic Banking Services

The objective of this section was to evaluate respondents' intentions to adopt Islamic banking products and services. Understanding these intentions is essential, as they reflect the outcomes related to various predictors influencing the adoption of such products and services. An internal consistency analysis was conducted, yielding a Cronbach's Alpha of 0.673. This indicates a satisfactory level of internal consistency among the items, suggesting that they reliably measure the construct of intention to adopt Islamic banking services.

**Table 4.6: Intention to Adopt Islamic Banking Services**

Items	SD	D	N	A	SA	Mean	Std. deviation
I plan to use Islamic banking services in the near future.	2	3	6	58.5	31	4.13	0.81
I intend to explore Islamic banking products more deeply.	0.5	8.5	10	53	28	3.99	0.88
I am likely to choose Islamic banking services over conventional banking.	1.5	3.5	14.5	58.5	22	3.96	0.8
I will consider switching to Islamic banking if it meets my needs.	3.5	23	12.5	44	17	3.48	1.13
I am motivated to adopt Islamic banking services.	0.5	5.5	11	63.5	20	3.96	0.76
I am committed to integrating Islamic banking products into my financial planning.	0.5	2.5	11	51.5	35	4.17	0.76

**Source:** Field Survey, 2024.

#### **4.7.1 Planning to Use Islamic Banking Services**

The study participants were examined with regard to plan to keep on using Islamic banking services in the near future. The findings in Table 4.6 show that a significant majority 89.5% of the respondents agreed that the plan to use Islamic banking products and services in the near future. Conversely, 5% of the respondents disagreed, with 6% remaining neutral. Furthermore, the mean score of 4.13 signify that majority of the customers had intention to adopt the Islamic banking products and services in the future. These findings imply that there is a solid demand for Islamic banking services, which may encourage these institutions to enhance their offerings and marketing strategies.

#### **4.7.2 Intention to Explore Islamic Banking Products**

The study assessed the participants' intentions to explore Islamic banking products and services. The findings in Table 4.6 show that majority (81%) of the respondents agreed that they intend to explore Islamic banking products and services more deeply. In contrast, 9% of the respondents disagreed, while 10% remained neutral. Additionally, the mean score of 3.99 suggests a strong interest in exploring more about the products and services. The high level of interest presents an opportunity for banks to enhance their outreach and educational initiatives, potentially through workshops, informational campaigns, or tailored financial advice.

#### **4.7.3 Likelihood of Choosing Islamic Banking over Conventional Banking**

The study participants were assessed regarding their likelihood of choosing Islamic banking over conventional banking. The findings presented in Table 4.6 indicate that a significant majority (81.5%) agreed that they are inclined to choose Islamic

banking services over conventional options. In contrast, a small percentage (5%) disagreed, while 14.5% remained neutral. Additionally, the mean score of 3.96 suggests that most participants have a favorable inclination toward non-conventional banking compared to conventional banking. The findings may prompt conventional banks to re-evaluate their offerings and consider integrating elements of Islamic finance to retain customers who are increasingly inclined toward ethical banking options.

#### **4.7.4 Considering Switching to Islamic Banking**

The study assessed participants' intentions to switch to Islamic banking if it meets their needs. The findings presented in Table 4.6 indicate that about 6 of the 10 respondents expressed a willingness to consider switching to Islamic banking if the banking products and services meet their needs. In contrast, 26.5% disagreed, while 23% were undecided, and 12.5% remained neutral. The mean score of 3.48 suggests that nearly half of the respondents are inclined to switch if their needs are met. These findings imply that Islamic banks have a significant opportunity to attract new customers by focusing on meeting their needs and enhancing their product offerings and services.

#### **4.7.5 Motivation to Adopt Islamic Banking Services**

The study examined the motivations for adopting Islamic banking products and services among the respondents. The findings presented in Table 4.6 indicate that a significant majority (83.5%) of participants expressed motivation to adopt these products and services. Conversely, only 6% disagreed, while 11% remained neutral. Furthermore, the mean score of 3.96 suggests that most respondents are favorably

inclined towards adopting Islamic banking products and services due to their motivations. These findings imply a favorable environment for Islamic banking institutions to grow and innovate by focusing on customer motivations and aligning their offerings accordingly.

#### **4.7.6 Commitment to Integrating Islamic Banking into Financial Planning**

The study also evaluated participants' commitment to incorporating Islamic banking products into their personal financial planning. The findings presented in Table 4.6 indicate that a significant majority (86.5%) of respondents expressed commitment to integrating Islamic banking products into their financial strategies. In contrast, only 3% disagreed, while 11% remained neutral. Additionally, a substantial mean score of 4.17 reflects a strong commitment to this integration. The findings indicate a significant majority not only plan to use these services but also feel motivated to adopt them and are committed to incorporating them into their financial planning.

#### **4.8 Inferential Analysis**

This section presents the results of the inferential analysis expressing the to assess the effect of attitudes, subjective norms, perceived behavioral control, religiosity on the intention to adopt Islamic banking products and services. The predictors are the composite scores of the six items found in each predictor and the dependent variable is the composite score of the six items found in the dependent variable.

The multiple linear regression models indicate a strong correlation (0.748) between the independent variables and the intention to adopt Islamic banking services (dependent variable). Moreover, model summary generated R Square value of 0.559,

which implies that approximately 55.9% of the intention to adopt Islamic banking products and services (dependent variable) can be explained by the independent variables. Moreover, moreover multicollinearity diagnosis was done and the Variance Inflation Factor (VIF) values for all predictors are below 5 which indicate a little significant multicollinearity issue among the independent variables.

**Table 4.7: Analysis of Variance Results for Regression Model**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.529	4	7.882	61.914	<.001 <sup>b</sup>
	Residual	24.826	195	.127		
	Total	56.355	199			

**Source:** Field Survey, 2024.

The analysis of variance (ANOVA) was interested to test the modal fit before attempting further outcomes of the regression model. The model fits the data as evidence by F-value of 61.914 with a significance level  $P < 0.001$  which indicates that the model is statistically significant; meaning that at least one predictor variable significantly predicts the outcome variable. The findings from the multiple linear regression model indicate that respondents' attitudes are not a significant predictor of the community's or consumers' intention to adopt Islamic banking, with a coefficient of 0.024 and a P-value of 0.761 at a 95% confidence interval, despite having a positive impact on adoption.

**Table 4.8: Multiple Linear Regression Model**

Variables	Unstandardized coefficients B	Std Error	Standardized coefficients Beta	t	Sig	VIF
Attitudes	0.024	0.080	0.025	0.305	0.761	2.933
Subjective Norms	-0.063	0.075	-0.078	-0.843	0.400	3.817
Perceived Behavioral Control.	0.680	0.089	0.643	7.612	<0.001	3.156
Religiosity	0.181	0.054	0.228	3.352	<0.001	2.050
Constant	0.657	0.218		3.010	0.003	

**Source:** Field Survey, 2024.

Subjective norms showed a negative impact on the intention to adopt Islamic banking products and services, with a coefficient of -0.063. However, the association between subjective norms and the intention to adopt Islamic banking was not statistically significant, as evidenced by a P-value of 0.400 at a 95% confidence interval. Moreover, religiosity is a significant predictor of consumers' intention to adopt Islamic banking products and services, with a positive impact evidenced by a coefficient of 0.181 and a P-value of  $<0.001$  at a 95% confidence interval. Additionally, perceived behavioural control is another significant predictor, boasting a coefficient of 0.680 and a P-value of  $<0.001$  at a 95% confidence interval. These findings imply that, both religiosity and perceived behavioural control have a substantial influence on consumers' intentions to continue adopting various Islamic banking products and services.

#### **4.9 Discussion of Study Findings**

The data indicated that 67% of respondents agreed that Islamic banking offers good financial benefits, with a mean score of 3.99. However, 12.5% remained neutral. Ahmad and Haron (2019) found similar results, reporting that consumers perceive Islamic banking products as competitive, particularly in profit-sharing arrangements. The neutral responses highlight a need for further education, aligning with recommendations from Rahman (2021) for improved consumer understanding of Islamic finance benefits.

A mean score of 4.18 indicated strong positive feelings towards Islamic banking products, with 88.5% of respondents agreeing or strongly agreeing. Zaman et al. (2021) identified that positive consumer experiences significantly contribute to brand



loyalty in Islamic banking. This underscores the importance of maintaining positive relationships with consumers and reinforces the findings of this study. The study found that 66.5% of respondents felt Islamic banking aligns with their financial goals, though 16% were neutral. Khan and Bhatti (2022) noted that many consumers choose Islamic banking due to its ethical alignment with their values. The neutral responses suggest that some consumers may require more information on how Islamic banking can meet diverse financial objectives, as emphasized by Noor, et al., (2023).

With a mean score of 4.08 for convenience, respondents view Islamic banking as a convenient option; however, the 16% neutral responses indicate potential areas for improvement. The findings concur with Yusof et al. (2022) found that convenience is a key factor influencing banking choices, particularly in competitive markets. The presence of neutral responses suggests an opportunity for Islamic banks to enhance service delivery and accessibility.

The study revealed that 89.5% of respondents trust Islamic banking services, with a mean score of 4.21. These findings align with Ali and Ahmed (2021), who noted that consumer trust in Islamic banks tend to be higher than in conventional banks due to ethical practices. This underscores the importance of reliability in consumer decision-making and confirms strong consumer trust in Islamic banking. A substantial 80.5% of respondents perceived Islamic banking products as more beneficial compared to conventional banking, with a mean score of 4.08. Sadiq and Rahman (2018) noted that consumers often view Islamic banking as offering more ethical alternatives to conventional banks. The neutral responses indicate that some

consumers are still evaluating their options, suggesting that targeted marketing strategies could enhance perceptions.

This section examines the subjective norms influencing respondents' attitudes toward Islamic banking services. Subjective norms encompass perceived social pressures to engage or not engage in specific behaviors, which significantly impact decision-making. A majority of respondents (77%) indicated that their families support their decision to use Islamic banking services, reflected in a mean score of 3.94. This strong familial endorsement enhances individuals' confidence in their banking choices. Recent studies, such as Zaman et al. (2021), have highlighted the importance of family influence in banking decisions, particularly within Islamic finance contexts.

The study found that 82% of respondents felt their friends considered using Islamic banking a good idea, yielding a mean score of 3.95. This indicates a robust social endorsement among peer groups. Research by Ali et al. (2020) supports this, indicating that peer approval significantly impacts consumer attitudes toward Islamic banking. The majority of respondents (80%) agreed or strongly agreed that religious leaders in their communities encourage the use of Islamic banking, resulting in a mean score of 4.04. This reflects strong community support for Islamic banking. Studies by Noor et al. (2023) have noted that religious authority significantly influences consumer behavior in Islamic banking.

Approximately 72% of respondents felt some social pressure to adopt Islamic banking, with a mean score of 3.84. This suggests that societal expectations play a

crucial role in decision-making. Research by Khan and Bhatti (2022) indicates that social pressure is a critical factor in the adoption of Islamic banking services. A significant 76.5% of respondents reported that influential individuals in their lives approve of Islamic banking, reflected in a mean score of 3.95. This perception of social approval is likely to encourage adoption. Ali and Ahmed (2021) found that perceived approval from significant others is a powerful motivator for consumers when choosing banking options.

About 80.5% of respondents felt there is a social expectation to use Islamic banking products, resulting in a mean score of 3.99. This perception may further encourage adoption among respondents. The findings are supported by Yusof et al. (2022), who emphasized that social expectations can significantly influence consumer behavior in banking. Moreover, the study aimed to examine the relationship between attitude, subjective norms, perceived behavioral control, and religiosity, which are considered independent variables, and their influence on the intention to adopt Islamic banking products and services, which served as the dependent variable. The first hypothesis was that attitude has a positive influence on adoption of intention to adopt Islamic banking products and services.

The findings from the current study indicate that attitudes toward behavior positively influence consumers' intentions to adopt Islamic banking products and services. However, it is important to note that this predictor did not reach statistical significance. This suggests that while attitudes may play a role in shaping intentions, other factors may be more critical in driving the adoption of Islamic banking products. This finding contrasts with previous studies by (Ali, 2021; Bananuka,

Kaawaase, Kasera, & Nalukenge, 2019; Sidi & Kassim, 2023) which identified attitude as a significant determinant of the intention to adopt Islamic banking.

The second hypothesis was that subjective norms have a positive influence and significant influence on the intention to adopt Islamic banking products and services. The study revealed that subjective norms have a negative influence on the intention to adopt Islamic banking and the predictor did not reach statistical significance. The findings indicate that prevailing social norms could discourage individuals from embracing these financial products and services, potentially due to misconceptions or a lack of understanding about their benefits.

The finding in this study contrast with the previous studies by (Ali, 2021; Awn & Azam, 2020; Bananuka et al., 2019; Sudarsono, Afandi, & Perdana, 2023) which supported that subjective norms as significant predictor of the intention to adopt Islamic banking products and services. This finding emphasizes the importance of providing high-quality financial services that foster a positive perception of Islamic banking products and services among consumers.

The third hypothesis was that perceived behavioural control has a positive and significant influence on the intention to adopt Islamic banking products and services. The findings from the present study demonstrate that perceived behavioral control significantly influences consumers' intentions to adopt various Islamic banking products and services. This suggests that marketing strategies and the promotion of Islamic banking products and services should give significant attention to consumers' perceptions of behavioral control. This results concurs with the previous studies

conducted by (Hadji Latif, 2021; Omar & Yusoff, 2019). This underscores the importance of perceived behavioral control as a crucial factor in the adoption of Islamic banking, suggesting that it significantly enhances the likelihood of adoption among consumers in Dar es Salaam, Tanzania.

The fourth hypothesis was that religiosity has a significant influence on the intention to adopt Islamic banking products and services. The result of the present study confirmed that religiosity statistically significant influences consumers' intentions to adopt various Islamic banking products and services. The implication of this finding is that understanding and addressing the role of religiosity is crucial for effectively promoting Islamic banking products and services.

Marketers and financial institutions should tailor their strategies to align with the values and beliefs of religious consumers, ensuring that offerings resonate with their faith-based principles. This can enhance consumer trust and engagement, ultimately leading to increased adoption of Islamic banking solutions. This result is consistent with the previous studies by (Bananuka et al., 2019; Idris, Salleh, Ahmad, Ismail, & Yazid, 2014; Mbawuni & Nimako, 2017; Obeid & Kaabachi, 2016; Sudarsono et al., 2023) which confirmed that religiosity is a significant determinant of the intention to adopt Islamic banking products and services.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Overview**

This chapter discusses the findings from the previous chapter, emphasizing the implications of respondents' attitudes toward Islamic banking. The analysis covers general attitudes, subjective norms, and how these factors influence the intention to adopt Islamic banking services.

#### **5.2 Summary of the Main Findings**

The data indicated that 67% of respondents agreed that Islamic banking offers good financial benefits, with a mean score of 3.99. However, 12.5% remained neutral. A mean score of 4.18 indicated strong positive feelings towards Islamic banking products, with 88.5% of respondents agreeing or strongly agreeing. This underscores the importance of maintaining positive relationships with consumers and reinforces the findings of this study.

The study found that 66.5% of respondents suggest that some consumers may require more information on how Islamic banking can meet diverse financial objectives. With a mean score of 4.08 for convenience, respondents view Islamic banking as a convenient option; however, the 16% neutral responses indicate potential areas for improvement. The presence of neutral responses suggests an opportunity for Islamic banks to enhance service delivery and accessibility. The study revealed that 89.5% of respondents trust Islamic banking services, with a mean score of 4.21. This underscores the importance of reliability in consumer decision-

making and confirms strong consumer trust in Islamic banking. A substantial 80.5% of respondents perceived Islamic banking products as more beneficial compared to conventional banking, with a mean score of 4.08. The neutral responses indicate that some consumers are still evaluating their options, suggesting that targeted marketing strategies could enhance perceptions.

This section examines the subjective norms influencing respondents' attitudes toward Islamic banking services. Subjective norms encompass perceived social pressures to engage or not engage in specific behaviors, which significantly impact decision-making. A majority of respondents (77%) indicated that their families support their decision to use Islamic banking services, reflected in a mean score of 3.94. This strong familial endorsement enhances individuals' confidence in their banking choices. The study found that 82% of respondents felt their friends considered using Islamic banking a good idea, yielding a mean score of 3.95. This indicates a robust social endorsement among peer groups.

The majority of respondents (80%) agreed or strongly agreed that religious leaders in their communities encourage the use of Islamic banking, resulting in a mean score of 4.04. This reflects strong community support for Islamic banking. Approximately 72% of respondents felt some social pressure to adopt Islamic banking, with a mean score of 3.84. This suggests that societal expectations play a crucial role in decision-making. A significant 76.5% of respondents reported that influential individuals in their lives approve of Islamic banking, reflected in a mean score of 3.95. This perception of social approval is likely to encourage adoption. About 80.5% of respondents felt there is a social expectation to use Islamic banking products,

resulting in a mean score of 3.99. This perception may further encourage adoption among respondents.

### **5.3 Implications of the Findings**

The implications of these findings are multifaceted. Firstly, the strong interest in and trust toward Islamic banking services suggest that there is a robust market potential for these products. Islamic banks should capitalize on this sentiment by enhancing their marketing strategies and outreach programs to educate potential customers about the benefits and features of their offerings. Moreover, the findings indicate that Islamic banking institutions should focus on addressing the neutral responses related to financial goal alignment and convenience. Improving service delivery and customer experience can help convert these neutral perceptions into positive ones, thereby increasing customer satisfaction and loyalty. The significant role of subjective norms suggests that Islamic banks can benefit from fostering community engagement and leveraging family and peer influence to encourage wider adoption of their services. Collaborative efforts with religious leaders and community influencers could further enhance the credibility and attractiveness of Islamic banking.

### **5.4 Conclusion**

The findings of this study reveal significant insights into consumer intentions regarding the adoption of Islamic banking services. Four primary factors attitude, subjective norms, perceived behavioral control, and religiosity were examined to understand their impact on consumer behavior. The results indicate that while positive attitudes towards Islamic banking exist, they do not independently guarantee



a higher intention to adopt these services. This suggests that banks must go beyond fostering positive attitudes to effectively drive consumer engagement.

Subjective norms were found to be a critical factor influencing adoption intentions. The strong support from family, peers, and community leaders highlights the importance of social endorsement in banking decisions. This community-driven perspective can be leveraged by Islamic banks to enhance their outreach and marketing strategies. Perceived behavioral control also emerged as a vital predictor. Consumers who feel capable of utilizing Islamic banking services are more inclined to adopt them. Therefore, it is essential for banks to provide clear information and support that empowers consumers, alleviating any concerns about their ability to engage with these services.

Religiosity played a significant role in shaping consumer intentions, aligning with their ethical and spiritual values. This finding emphasizes the necessity for Islamic banks to clearly communicate how their products resonate with consumers' religious beliefs, thereby enhancing the appeal of their offerings. In summary, the study concludes that while there is a positive outlook for Islamic banking, a concerted effort is needed to educate consumers, clarify product benefits, and leverage social influences to foster greater adoption.

## **5.5 Recommendations**

Based on the findings of this study, several strategic recommendations are proposed to enhance the adoption of Islamic banking services and products in Dar es Salaam, Tanzania. These recommendations directly address the study's specific research

objectives: attitudes, subjective norms, perceived behavioral control, and religiosity, all of which were found to significantly influence the intention to adopt Islamic banking.

The study highlighted that positive attitudes toward Islamic banking significantly influence consumers' intentions to adopt its services. Given this, it is crucial for Islamic banks to prioritize consumer education and awareness campaign. These initiatives should aim to educate potential customers about the ethical advantages and operational principles of Islamic banking, such as its focus on profit-sharing and ethical financing, which distinguish it from conventional banking services. Public misconceptions about Islamic banking need to be addressed through targeted informational workshops, media campaigns, and seminars. By improving public knowledge and shifting negative or indifferent attitudes, Islamic banks can foster a more favorable view, ultimately increasing the likelihood of adoption.

Subjective norms social influences from family, peers, and community leaders—were found to play a significant role in consumers' intention to adopt Islamic banking. To leverage this, Islamic banks should focus on strengthening community-based social support. Building partnerships with influential community figures, such as religious leaders, local influencers, and respected members of society, can enhance the social legitimacy of Islamic banking. These leaders can serve as advocates for Islamic banking, endorsing its benefits and encouraging others in their social networks to consider it. Hosting community events, talks, and using social media platforms to amplify endorsements will further support these efforts and increase adoption through social influence. By creating a supportive environment

through social networks, Islamic banks can tap into subjective norms to foster wider adoption.

The study identified perceived behavioral control as a key factor influencing the intention to adopt Islamic banking services. Consumers are more likely to adopt Islamic banking when they feel confident in their ability to access and use the services. As a result, Islamic banks should focus on enhancing accessibility and ease of use of their banking services. This can be achieved by investing in user-friendly digital platforms and mobile banking applications that simplify the process of accessing and managing Islamic banking products. Furthermore, banks should provide educational materials, training programs, and responsive customer support to ensure consumers are comfortable with using these services. By increasing consumers' perceived control over their financial decisions, Islamic banks can make the process more accessible and increase adoption rates.

Religiosity was found to have a significant influence on consumers' intention to adopt Islamic banking, especially among Muslim consumers who prioritize religious principles in their financial decisions. To align with this, Islamic banks should focus on marketing their products in ways that highlight their religious and ethical alignment with Islamic teachings. It is important to emphasize that Islamic banking products adhere to Sharia principles, particularly focusing on features such as profit-sharing models and ethical financing practices. Promoting how Islamic banking complies with religious values will not only attract Muslim customers but also appeal to non-Muslim customers who value ethical and socially responsible financial options. By showcasing their commitment to religious values and ethical business

practices, Islamic banks can deepen their connection with consumers who place a strong emphasis on religiosity.

### **5.6 Limitations of the Study**

While this study provides valuable insights, it is important to acknowledge certain limitations. The sample size may not fully represent the broader population, potentially affecting the generalizability of the findings. Additionally, the study primarily focused on specific geographic regions, which may limit the applicability of the results to other contexts. Future research should aim to include a more diverse demographic and geographic representation to strengthen the validity of the findings.

### **5.7 Recommendations for Future Study**

Future research could explore the long-term impacts of consumer education on the adoption of Islamic banking services. Additionally, studies could examine the influence of cultural factors on consumer attitudes and behaviors toward Islamic banking in different regions. Understanding how digital transformation and fintech innovations are reshaping Islamic banking could also provide valuable insights into future trends and consumer preferences. By addressing these areas, future research can contribute to a more comprehensive understanding of the factors driving the adoption of Islamic banking services.

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## **APPENDICES**

Dear respondent.

The researcher is a student who pursues an MBA-Finance at the Open University of Tanzania. As a valued customer of an Islamic bank in Dar es Salaam City, I kindly ask you to take a few moments no more than 20 minutes to complete this questionnaire. Your responses will be voluntary and will be based on your personal understanding and experience. Your feedback is greatly appreciated and will contribute to our research.

Thank you for your time and if you have further comments, please feel free to comment in the space provided at the end of the questionnaire. Once again, the researcher assures you that identity will remain **STRICTLY CONFIDENTIAL**.

Yours sincerely,

Hassan Abasi

Contact Address: P.O. Box125 Kigoma- Tanzania.

Mobile phone: 0767 538 760

## Appendix 1: Questionnaire

### Section 1: Personal Information (Demographics) and other details

1. Gender: Male ☐ Female ☐ Other (Specify please)
2. Age: Less than 20 years ☐ 20 - 29 years ☐ 30- 39 years ☐ 40 – 49 years ☐ 50 years and above
3. Marital Status: Married ☐ Single ☐ Widow ☐ Widower ☐ Separated ☐
4. Experience with the bank: Less than 5 years ☐ 5 - 9 ☐ 10- 15 years ☐ 16 – 20 years ☐ 20 years and above
5. Highest level of education: No formal education ☐ Primary education ☐ Secondary education ☐ Diploma education ☐ Graduate education ☐ Postgraduate education ☐
6. Employment status: Employed full-time ☐ Employed part-time ☐ Self-employed ☐ Retired ☐ Student ☐ Other (please specify).....
7. Annual household income: Less than 200,000 TZS ☐ 200,000 - 500,000 TZS ☐ 500,000 - 1,000,000 TZS ☐ 1,000,000 - 2,000,000 TZS ☐ More than 2,000,000 TZS ☐

### Section 2: Attitude

Please indicate your level of agreement with each statement by marking the appropriate number on a scale from 1 to 5, where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/N	ITEMS	1	2	3	4	5
1	I believe Islamic banking services offer good financial benefits.					
2	I feel positive about using Islamic banking products.					
3	Islamic banking services align with my financial goals.					
4	Islamic banking is a convenient option for me.					
5	I find Islamic banking services to be reliable.					
6	Islamic banking products are beneficial compared to conventional banking.					

### Section 3: Subjective Norms

Please indicate your level of agreement with each statement by marking the appropriate number on a scale from 1 to 5, where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/N	ITEMS	1	2	3	4	5
7	My family supports my decision to use Islamic banking services.					
8	My friends think that using Islamic banking is a good idea.					
9	Religious leaders in my community encourage the use of Islamic banking.					
10	I feel social pressure to adopt Islamic banking services.					
11	People whose opinions I value approve of Islamic banking.					
12	There is a general expectation in my social circle to use Islamic banking products.					

### Section 4: Perceived Behavioral Control

Please indicate your level of agreement with each statement by marking the appropriate number on a scale from 1 to 5, where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/N	ITEMS	1	2	3	4	5
13	I feel confident in my ability to access Islamic banking services easily.					
14	I believe I have the necessary resources to use Islamic banking products.					
15	I find it easy to understand Islamic banking services.					
16	I am confident in my ability to manage Islamic banking products effectively.					
17	There are no significant barriers preventing me from using Islamic banking services.					
18	I feel in control of my decision to adopt Islamic banking products.					

### Section 5: Religiosity

Please indicate your level of agreement with each statement by marking the appropriate number on a scale from 1 to 5, where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/N	ITEMS	1	2	3	4	5
19	My religious beliefs strongly influence my decision to use Islamic banking.					
20	I consider Islamic banking to be in line with my religious values.					
21	Religious teachings play a significant role in my financial decisions.					
22	I believe using Islamic banking is a way to fulfill my religious obligations.					
23	My faith encourages me to use financial products that comply with Islamic principles.					
24	I prioritize religious guidelines when choosing financial services.					

### Section 6: Intention to Adopt Islamic Banking Services

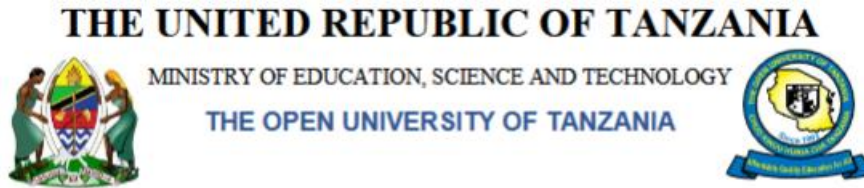
Please indicate your level of agreement with each statement by marking the appropriate number on a scale from 1 to 5, where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/N	ITEMS	1	2	3	4	5
25	I plan to use Islamic banking services in the near future.					
26	I intend to explore Islamic banking products more deeply.					
27	I am likely to choose Islamic banking services over conventional banking.					
28	I will consider switching to Islamic banking if it meets my needs.					
29	I am motivated to adopt Islamic banking services.					
30	I am committed to integrating Islamic banking products into my financial planning..					



## Appendix II: Clearance Letters



Ref. No OUT/PG2022001893

9<sup>th</sup> October, 2024

Regional Manager,

Amana Bank,

P.O.Box 9771,

**DAR ES SALAAM.**

Dear Manager,

**RE: RESEARCH CLEARANCE FOR MR. HASSAN ABASI, REG NO: PG2022001893**

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup> March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup> January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr. Hassan Abasi, Reg.No: PG2022001893**, pursuing **Master of Business Administration (MBA)**. We here by grant this clearance to conduct a research titled "**Determinants of Intention to Adopt**

**Islamic Banking in Tanzania: Empirical Evidence from Dar es Salaam City".** He will collect his data at your office from 10<sup>th</sup> October to 30<sup>th</sup> November 2024.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820. We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

**THE OPEN UNIVERSITY OF TANZANIA**



Prof. Gwahula Raphael Kimamala

**For: VICE CHANCELLOR**

# THE UNITED REPUBLIC OF TANZANIA



MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

THE OPEN UNIVERSITY OF TANZANIA



Ref. No OUT/PG2022001893

9<sup>th</sup> October, 2024

Regional Manager,

C.R.D.B Bank,

P.O.Box 268,

**DAR ES SALAAM.**

Dear Manager,

**RE: RESEARCH CLEARANCE FOR MR. HASSAN ABASI, REG NO: PG2022001893**

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup> March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup> January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

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**Islamic Banking in Tanzania: Empirical Evidence from Dar es Salaam City**". He will collect his data at your office from 10<sup>th</sup> October to 30<sup>th</sup> November 2024.

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Yours sincerely,

**THE OPEN UNIVERSITY OF TANZANIA**



Prof. Gwahula Raphael Kimamala

**For: VICE CHANCELLOR**



Ref: ABL/MD/HR/2024/86

17<sup>th</sup> October 2024

Mr. Hassan Abasi,  
P.O.Box 125  
KIGOMA.

Dear Sir,

**RE: RESEARCH CLEARANCE**

We are pleased to inform you that your request for research has been approved. You are now authorized to collect data with research title **"Determinants of Intention to Adopt Islamic Banking in Tanzania: Empirical Evidence from Dar es Salam City"** via the questionnaire submitted.

Please ensure that you adhere to all ethical guidelines and protocols outlined in your proposal.

We wish you the best of luck with your research.

Yours faithfully,  
**AMANA BANK LIMITED**



**SARAH AMIN**  
**HEAD OF HR & ADMINISTRATION**





**THE PEOPLE'S BANK OF ZANZIBAR LIMITED**  
(Incorporated in Zanzibar, Tanzania)

Mpirani  
P.O. Box 1173  
ZANZIBAR

**Head Office**

Tel. +255 24 2231118/9/20  
Facsimile +255 24 2231121  
E-mail: [info@pbz Ltd.com](mailto:info@pbz Ltd.com)  
Website: [www.pbz Ltd.com](http://www.pbz Ltd.com)

AB. 182/394/23/233

15<sup>th</sup> October 2024

**VICE CHANCELLOR**  
**THE OPEN UNIVERSITY OF TANZANIA**  
**P.O.BOX 23409**  
**DAR-ES-SALAAM**

**RE: RESEACH DATA COLLECTION**

Reference is made to your letter Out/PG2022001893 dated 9<sup>th</sup> October 2024, and the above-mentioned subject.

We are pleased to inform you that the bank has approved Mr. Hassan Abasi's application to conduct research clearance at The People's Bank of Zanzibar Ltd, Dodoma Branch, from 16<sup>th</sup> October 2024 to 30<sup>th</sup> November 2024.

Thank you for your cooperation

**VIWE A. JUMA**  
**/MANAGING DIRECTOR**

**CC: BM (DODOMA BRANCH), Mr. Hassan Abasi.**