FACTORS INFLUENCING FARMERS' INTENTION TO USE JAIZAGRO SCHEME (JAS) SALAM FINANCING IN SUMAILA LOCAL GOVERNMENT KANO, NIGERIA

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Abstract

The main objective of this study was to examine the determining factors of farmers' intention to uses Salam mode of financing by Jaiz bank. The study adopted the theory of reasoned action (TRA) to measure the intention by finding out the influence of attitude, social influence, religious obligation and pricing on famers' intention to use Salam financing. The data collected in this study was based on 201 responses; the data was collected from Sumaila Farmers Association. Data was obtained through a face-to-face survey using a structured questionnaire. The adapted and modified questionnaire was designed using 5-point likert scale and the Cronbach coefficient Alpha was used to test the internal consistency of research instruments. Linear simple and multi Regressions were employed to determine the relationship between the variables. A number of relationships were identified in this study. Among others is the positive influence of Attitude, Social influence, and Religious obligation, whereas pricing has negative influences on farmer's intention to use the Salam financing. A set of recommendations were provided to assist Jaiz Agro scheme and future researchers.

Keywords: TRA, Agro Scheme, Farmers, Salam-contract, Nigeria

INTRODUCTION

Islamic Banks compete with the conventional banks on the type of services and products they offer in the society (Haron, 1996). These banks differ in how they mobilize their funds, how they generate their profits, the type of services and products they finance, and even the liabilities they share. Products offered by Islamic banks are different from the conventional ones. Islamic banks provide services and products that are based on *Shari'ah* principle.

Products are essentially interest-free in nature. The products may be categorized as short-term, medium term and long-term according to their specific characteristics (Ahmad, A. Awan, & Malika, 2010). Some of the products include: *Ijarah*, diminishing *Musharakah*, *Salam* Contract *Murabahah*, *Musawamah*and *Muzara'ah*, which provide financing and working capital. These modes of financing increase the asset ownership, yield and income of small enterprises, especially traders and farmers.

Salam Contract is generally used for short-term financing. It could also be employed for a longer term financing. The two types of *Salam* Contract financing, i.e. the classical and parallel *Salam* Contract are effective financing tools available for Islamic banks. These provide micro financing services for small and needy farmers. However, it is an appropriate mode of financing for seasonal agricultural productions where both Contracting parties i.e. the bank and the sellers or farmers benefit from the Contract. The banks may benefit from the *Salam* Contract by entering into a Contract in which payment is made on spot basis. In this type of arrangement, the bank is safe from the deferred Contract of exchange. In essence, it is like bay' *Mu'ajjal* the price is paid later at a higher profit rate.

This is because deferment earns a portion of the price. In this case, the bank can bargain with the small traders or farmers for a price less than the market price or the deferred price. The seller on the other hand, will have the funds to enable him to produce the commodities according to the specified quantity and quality (Mydin Meera & Mohd Ariffin, 2012).

It has been part of Nigeria ambition in diversifying its economic from largely crude oil dependency into Agricultural sector because, the country faces food security crisis in growing population in which the country continue to depend in the importation of foods from abroad (Nwajiuba, Nwoke, & Nwajiuba, 2007), in the same vein (Kaleem & Wajid, 2009) defined agriculture financing as one of the important tool that can be used by developing country to minimize its poverty rate.

In line with above, Jaiz Agro Scheme can play significant role by helping Nigerian citizens and its economy at large more especially the Muslims population that neglected western way of banking system. Therefore, Islamic bank came as a result of Islamic belief which prevents dealing in interest and the philosophy is in line with the Christian thought by the bible

which also prevented eating interest among the people, the thought is in line with the principle of fundamental human right, conscience and religion, the 1999 constitution provide that every person shall entitle to freedom of thought conscience and religion (Nwaolisa & Kasie). Against this background this study examined the determining factors of farmers' intention to use *Salam* mode of financing by *Jaiz* bank.

LITERATURE REVIEW

Operation of Salam in Islamic Banks

Salam financing is a financial arrangement provided by Islamic Banks in which the Banks will offer financing with the condition to buy the products from client, and the client will in totality be committed to deliver the agreed product to the bank. The Bank will recover its financing by trading the products to the third party or new buyer.

History reveals that Salam Financing has been associated with the Agricultural produce because there is case in the Hadith of the prophet Muhammad (S.A.W).

Putri & Dewi, (2011) conducted a study on the practice of *Salam* Contract based financing in Indonesia Islamic Rural Bank. They noted that the practice of *Salam* Contract in a bank called BPRS Dana Mulia has been modified from the actual *Salam* Contract as described in Islamic teachings. In their case there is no handover that is being imposed between the client (i.e. the farmer) and the bank. The bank also entrusts the client to sell the harvest commodities directly to the end buyer (i.e. wholesaler). The reason which underlies the bank to take this decision is because the clients are more experienced in the agricultural sector compared to the bank and are used to selling the harvest directly to wholesalers. Besides, the bank also considers that under the modified *Salam* Contract financing, the scheme is relatively simpler and more feasible to be conducted. The Dana Mulia still gets profits from the Contract such that when the contract commenced, the client will notify the bank about the margin it will receive from the sale of its harvest to the end buyer. After that, it agrees to share some margin to the bank and pay the bank in instalment every month. Basically, the policy of margin payment will be discussed between the bank and the client themselves, whether it will be paid through instalment basis or be paid totally at the settlement of the *Salam* Contract. Though this option is available, as long as the clients agree, the bank prefers to receive the margin to be paid in instalment each month. By this mode of payment, the bank considers that it can obtain some benefits, such as to monitor how client's business has been going, to bind client's commitment, to maintain the banks' cash inflow so that it later can be calculated as basis for profit sharing. The money from the harvest sold will be paid to the bank as to complete the initial debt settlement.

Theory of Reason Action (TRA)

One of the most famous theories that explain human behaviour in terms of attitude and intention was the Theory of Reasoned Action. TRA was introduced by (Fishbein & Ajzen, 1975b), which has been widely used in researches on technology adoption (Yahyapour, 2008a). Sheppard, Hartwick, and Warshaw (1988) asserted that the theory of reasoned action has receives considerable and justifiable attention within the field of consumer behaviour. It predicts consumer's intention and behaviour and also provides a relatively simple basis for identifying where and how to target consumers' behavioural change attempts.

According to the theory, a person's behaviour is determined by his intention to perform the behaviour. The intention depends on two determinants, which are his attitude and the subjective norm. Attitude refers to a person's general feeling of favourableness and un-favourableness towards that behaviour and is formed based on the person's salient beliefs that the behaviour leads to certain outcomes and the evaluation of those outcomes. In essence, this means that it will measure whether the outcome of his/her behaviour will be positive or negative.

Attitude

Attitude means the evaluative effect of positive or negative feelings of individuals in performing particular behaviour (Fishbein & Ajzen, 1975b). Many studies relating attitude to behavior have proved that attitude is a determinant of intention to use.

Amin et al. (2011) found out attitude to be a significant factor of the intention to use Islamic personal financing. (Taib et al., 2008) also found a significant relationship between postgraduate students' attitude towards diminishing partnership home financing. Yahyapour (2008a) noted that attitude has a direct effect on intention to adopt banking recommender system. In a similar vein, Gopi and Ramayah (2007) (as cited in Amin et al. (2011) identified attitude as a key predictor of the use of online trading system. Due to the limited empirical evidence in the area of *Salam* Contract financing in testing whether attitude is a determining factor or not, the following hypothesis has been proposed:

H1: Attitude significantly influences the intention to use *Salam* financing by farmers in Sumaila local government area.

Social Influence

The term social influence as used in this study refers to subjective norm or normative pressure. This variable has been adopted as in the case of Amin *et al.* (2011). Social norm is defined as one's perception that those who are important to him/her should or should not perform the behaviour in question (Fishbein & Ajzen, 1975b). (Taib et al., 2008) found subjective norm to be

associated with the level of acceptance of diminishing partnership and in fact, the subjective norm was found to be a more influential predictor of intention to use Islamic financing than attitude. This also tallies with (Ali et al., 2005), (Amin et al., 2009; Yahyapour, 2008b), (Amin et al., 2011) found subjective norm to have no direct impact on intention to use information technology. The above literatures revealed a contradictory result, some results revealed a significant relationship between subjective norm and intention to use while some revealed a negative result. The proposed hypothesis to be tested here is:

H2: Social influence has a significant and positive relationship with intention to use *Salam* financing

Religious Obligation

By definition, religious obligation refers to the role of religion in affecting one's choices and activities. According to (Sulaiman, 2003), Islamic society is affected by a distinct Islamic worldview based on Shariah. An Islamic bank needs to adhere to Islamic principles, values and goals when offering its products. This adherence by the bank can in turn affect one's decision to seek *Salam* Contract financing. The greater the adherence to Shariah, the greater is the possibility of an individual using *Salam* Contract financing. This argument is consistent with previous studies in the area of Islamic banking. (Omer, 1992) surveyed 300 Muslims residing in the UK and found that religious reasons were the principle motivations for Muslims in the UK to deal with Islamic financial institutions. (Gait & Worthington, 2008) found that the most important factor in determining attitudes of Muslims towards Islamic banks was "religion", followed by "convenience" and "traditional services". In addition, (Metwally, 1996) asserted that the most important factor for the use of Islamic bank services was "religion", followed by "profitability". These studies have documented the importance of religious factors in affecting bank customers' banking preferences. On the other hand, (Erol & El-Bdour, 1989) claimed otherwise. They found that Islamic personal financing was not the primary motivation for customers dealing with Islamic banks. On the basis of those studies, the following hypothesis is proposed:

H3: Religious Obligation has significant positive relationship with the intention to use *Salam* by famers in Sumaila Local Government Area.

Pricing of Salam Financing

Pricing of contract in Islamic banking and financing refers to selecting the most appropriate price to sell the financing product and striking a balance between the bank and the customers' interest (Ebert Ronald & Griffin Ricky, 2000). Interestingly, (Olson & Zoubi, 2008), maintained that Islamic banks must use profit and loss sharing in charging for the financial transactions

services. Because interest, however, is forbidden in Islamic banks while the concept of profit and loss sharing is allowed. Further, a mark-up for delayed payments and trade-financing commissions is allowed under the Islamic banking model. (Dusuki & Abdullah, 2006) argued that Islamic hire purchase was expensive whereas other systems just seemed confusing. Similarly, (Amin, 2008) found "lower monthly payments" was ranked second behind "transparency practice", implying that lower pricing was one of the motivators for customers to deal with Islamic banks. Thus, this study also viewed pricing to be one of the determinants for the intention to use *Salam* Contract financing. Hence, the following hypothesis is proposed:

H4: Pricing has significant impact on the intention to use *Salam* financing by famers in Sumaila Local Government Area.

Conceptual Frame Work

Following the discussions and review of previous studies on Salam Contract and the Theory of Reasoned Action, the theoretical framework would be built as follows. The dependent variable in this study is intention to use Salam Contract financing, while the independent variables are attitude and social influence which are the factors that will influence the intention to use Salam Contract financing. The study will adopt other two variables, namely price and religiosity as used by (Amin et al., 2011), (Taib et al., 2008). Hence, the proposed framework of the study and relationship between variables is shown in figure 4 below.

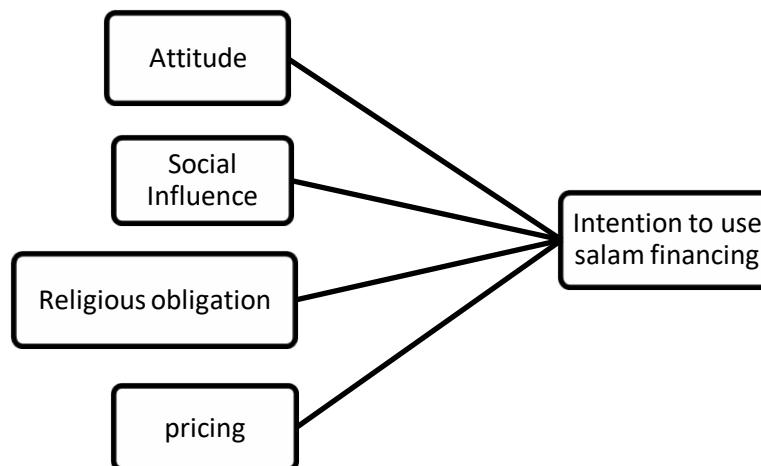Figure 1: conceptual frame work

METHODOLOGY

The objective of the study is to find out the factors that influence the intention of farmers to use *Salam* Contract financing in Nigeria, specifically in Kano state Sumaila L.G.A. The population of

this study therefore involves the entire farmers found in Sumaila Local Government of Kano state, Nigeria. According the Farmers Association of Sumaila Local Government (FASLG), the association has total registered members of 1,427 as at June 2013. These include Animal farmers, poultry farmers, agricultural products farmers as well as fish farmers.

This would be achieved by conducting a hypothesis testing and correlation approach to explain the relationship between the variables employed in the study. The study adopts single research design which is survey. The purpose of using survey is because of its ability to generate valid and reliable data from the study respondents. (Neuman, 2005) opined that survey can provide a research with accurate, reliable and valid data. Survey is also standout to be the most widely research design used for studies on human behaviour.

Questionnaire was used as a single instrument for data collection from the sampled study respondents. The list of the registered members obtained from the Farmers Association serve as sampling frame for obtaining the study respondents. For adequate and equal representation, this study utilized systematic random sample for selecting the study respondents. Therefore an nth number was assigned for the selection of the first respondent from the list, while the rest of the respondents were selected at the interval of four until the required number was obtained. A five point likert- scale ranging from strongly- disagree (1) to strongly-agree (5) was used to measure 25 questions. The questionnaire items were adopted form Taib et al.,(2008) and Amin et al., (2011).

The data collected for this study was analyse by employing Statistical Package for Social Sciences (SPSS). Both descriptive and inferential statistics will be used for the analysis.

ANALYSIS

Reliability Test

A variable is considered reliable and internally consistent when it obtained a Cronbach's alpha of more than .70 as suggested by Hair, Black & Babin, (2010). However, a Cronbach's alpha of .60 and above is also considered acceptable in the literature (Bowling, 2009).

As shown in table 1, the values of Cronbach's alpha in this study ranged from .678 to .943 suggesting that these score are above the recommended values. The highest value of reliability obtained by social influence variable (alpha=.943), followed by pricing (alpha=.935), whereas the lowest alpha goes to religious obligation variable (alpha=.678). Other variables such as attitude (alpha=.726) and intention (alpha=.681) were also reliable and internally consistent. Overall, all the variables in this study obtained the suggested cut-scores for the reliability test. Therefore, it is safe to proceed and use these variables for further analysis.

Table 1: Mean, standard deviation, and Cronbach's alpha for the study variables* (N=201)

No.	Variables	M	SD	Number of items	Items deleted	Cronbach's Alpha
1.	Attitude	4.500	.379	5	-	.726
2.	Social influence	2.632	1.106	5	-	.943
3.	Religious obligation	4.375	.338	5	-	.678
4.	Pricing	2.443	1.109	5	-	.935
5.	Intention	4.409	.318	5	-	.681

Note: *M*= mean, *SD*= standard deviation.

*All these variables were measured with likert scale from 1 strongly disagree to 5 strongly agree.

Descriptive Statistics

Attitude

Table 2 below displays the mean, standard deviation and percentage for the attitude variable. Respondents generally had a positive attitude towards *Salam* financing. Majority of them (M=4.50, SD=.379) expressed a positive attitude. More than ninety per cent of the respondents agreed with the third item "Islamic personal financing is one of the best Islamic Banking products" with a mean of 4.56 (SD=.535). In addition, respondents agreed that choosing Islamic personal financing is useful (M=4.50, SD=.548), Islamic personal financing is positive (M=4.50, SD=.557), Choosing Islamic personal financing is a good idea (M=4.38, SD=.554), as well as they appreciated using Islamic personal financing (M=4.54, SD=.547). Overall, respondents agreed that *Salam* facility is a promising idea, showing a positive attitude toward the service.

Table 2: Mean, standard deviation, and percentage for attitude

No.	Label	Statements/items	Level of Agreement**					M*	SD	%
			SD	D	N	A	SA			
1.	Att1	Choosing Islamic personal financing is a good idea	0	0	3.5	54.7	41.8	4.38	.554	87.6
2.	Att2	Choosing Islamic personal financing is useful	0	0	2.5	44.3	53.2	4.50	.548	90.0
3.	Att3	Islamic personal financing is one of the best Islamic Banking products	0	0	2.0	39.3	58.7	4.56	.535	91.2
4.	Att4	I appreciate Islamic personal financing	0	0	2.5	40.8	56.7	4.54	.547	90.8
5.	Att5	Islamic personal financing is positive	0	0	3.0	43.8	53.2	4.50	.557	90.0
	Overall attitude							**4.50**	**.379**	**89.92**
	Cronbach's alpha =.726									

* is measured with five point likert scale of 1= strongly disagree (SD), 2=disagree (D) 3=neither (N), 4= agree (A), 5=strongly agree (SA)   ** is based on percentages.

Social Influence

The second variable in this study is social influence. As shown in the table 3 below, respondents somewhat agreed (M=2.632, SD=1.106) that there is an influence from their surroundings on their perceptions towards *Salam* financing. The highest mean (M=2.69, SD=1.213) goes to the item "Most of my friends feel that *Salam* financing is useful" followed by the item (M=2.67, SD=1.208); "Most of my friend think *Salam* financing is important", whereas the lowest mean (M=2.57, SD=1.306) obtained the first item "My friends think I need to use *Salam* financing". The second (M=2.61, SD=1.240) and third items (M=2.61, SD=1.157) obtained equal means. Briefly, using *Salam* financing among the respondents of this study is not widely influenced by what perceived and thought by their friends.

Table 3: Mean, standard deviation, and percentage for social influence

No.	Label	Statements/items	Level of Agreement**					M*	SD	%
			SD	D	N	A	SA			
1.	Sin1	My friends think I need to use Salam financing	28.4	21.4	24.9	15.9	9.5	2.57	1.306	51.4
2.	Sin2	My friends know I like Islamic finance products	20.9	31.8	21.4	16.9	9.0	2.61	1.240	52.2
3.	Sin3	Most people are assume me familiar with the need of Shariah	18.4	31.3	27.9	15.4	7.0	2.61	1.157	52.2
4.	Sin4	Most of my friend think Salam financing is important	17.9	31.8	24.4	16.9	9.0	2.67	1.208	53.4
5.	Sin5	Most of my friends feel that Salam financing is useful	18.9	27.4	27.9	16.9	9.0	2.69	1.213	53.8
	Overall social influence							**2.632**	**1.106**	**52.6**
	Cronbach's alpha =.943									

* is measured with five point likert scale of 1= strongly disagree (SD), 2=disagree (D) 3=neither (N), 4= agree (A), 5=strongly agree (SA)

** is based on percentages.

Religious Obligation

In table 4 below discussed the description of religious obligation, which is the third variable in this study, based on mean, standard deviation, and percentage. As shown in the table 4, respondents generally agreed that *Salam* financing is in line with the religious obligations set by Islam (M=4.375, SD=.338). Majority of the respondents said that Islamic personal financing is in

line with the philosophy of doing banking business (M=4.532, SD=.510) as well as this kind of banking is based on Islamic principles (M=4.468, SD=.529) and based on al Qur'an and Sunnah (M=4.373, SD=.552). In addition, respondents perceived that Islamic personal financing is free from fraud (M=4.298, SD=.529) as well as it is free from Riba (M=4.204, SD=.428). All in all, this study's respondents thought that *Salam* financing is strictly adhering to Islamic guidelines and principles by avoiding Riba, fraud, cheating, and telling truth about the advantages as well as the shortcomings of the products they are selling or mediating its selling.

Table 4: Mean, standard deviation, and percentage for religious obligation

No.	Label	Statements/items	Level of Agreement**					M*	SD	%
			SD	D	N	A	SA			
1.	Rel1	Islamic personal financing is free from Riba	0	0	1.0	77.6	21.4	4.204	.428	84.0
2.	Rel2	Islamic personal financing is free from fraud	0	0	3.5	63.2	33.3	4.298	.529	85.9
3.	Rel3	An introduction of Islamic personal financing is based on al Qur'an and Sunnah	0	0	3.5	55.7	40.8	4.373	.552	87.5
4.	Rel4	Islamic personal financing is based on Islamic principal	0	0	1.5	50.2	48.3	4.468	.529	89.4
5.	Rel5	Islamic personal financing is in line with philosophy of doing banking business	0	0	0.5	45.8	53.7	4.532	.510	90.6
	Overall religious obligation							**4.375**	**.338**	**87.5**
	Cronbach's alpha =.678									

* is measured with five point likert scale of 1= strongly disagree (SD), 2=disagree (D) 3=neither (N), 4= agree (A), 5=strongly agree (SA)** is based on percentages.

Pricing

The fourth variable in this study (pricing) is sought to determine the respondents' opinions about the prices charged on the *Salam* financing. Table 5 shows the mean, standard deviation, percentage and opinions on pricing. Respondents generally disagreed that pricing is a major obstacle towards dealing with salam financing. (M=2.443, SD=1.109). If we look deeply into the individual items, respondents disagreed that the overall charges in salam financing is higher (M=2.512, SD=1.285) and offering unfair pricing (M=2.403, SD=1.238). In addition, respondents disagreed that service charges (M=2.438, SD=1.377), penalty

(M=2.389, SD=1.099) as well as fees obtained from salam financing is higher (M=2.473, SD=1.209). Overall, respondents did not believe that the price, fees, service charges and penalty in salam financing is higher.

Table 5: Mean, standard deviation, and percentage for pricing

No.	Label	Statements/items	Level of Agreement**					M*	SD	%
			SD	D	N	A	SA			
1.	Pri1	Services charges are higher in salam financing	33.3	26.9	13.9	14.4	11.4	2.438	1.377	48.8
2.	Pri2	Salam financing offers unfair pricing	26.4	36.8	14.9	13.9	8.0	2.403	1.238	48.1
3.	Pri3	Penalty for Salam financing are higher	22.4	38.3	21.4	13.9	4.0	2.389	1.099	47.8
4.	Pri4	Fees obtained from Salam financing are higher	22.4	37.8	17.9	13.9	8.0	2.473	1.209	49.5
5.	Pri5	Overall, charges in Salam financing is higher	26.4	30.8	16.4	17.9	8.5	2.512	1.285	50.2
	Overall pricing							**2.443**	**1.109**	**48.9**
	Cronbach's alpha =.935									

* is measured with five point likert scale of 1= strongly disagree (SD), 2=disagree (D) 3=neither (N), 4= agree (A), 5=strongly agree (SA)** is based on percentages.

Intention

The last variable in this study (the only dependent variable) is intention of using *Salam* financing facility. Table 6 below exhibits the mean, standard deviation, and per cent for the intention variable. As it can be seen from this table, respondents expressed that they had intention to use *Salam* financing and recommend it to others (M=4.409, SD=.318). Farmers in this study said that they recommend *Salam* financing to others (M=4.498, SD=.501), *Salam* financing is preferable to them than the other modes of financing (M=4.423, SD=.515), and they had intention to use this service in the future (M=4.438, SD=.507). In addition, farmers who responded to this study also said that they were interested to use *Salam* financing (M=4.239, SD=.439) and will try to use it in the future (M=4.418, SD=.514). In brief, farmers had positive intention towards using *Salam* financing if they were to seek financial support from the banks.

Table 6: Mean, standard deviation, and percentage for intention

No.	Label	Statements/items	Level of Agreement**					M*	SD	%
			SD	D	N	A	SA			
1.	Int1	I am interested to use Salam financing.	0	0	0.5	75.1	24.4	4.239	.439	84.8
2.	Int2	I have the intention to use Salam financing in the future.	0	0	0.5	55.2	44.3	4.438	.507	88.8
3.	Int3	I will like to try Salam financing.	0	0	1.0	56.2	42.8	4.418	.514	88.4
4.	Int4	Salam financing is preferable to me than other mode of financing.	0	0	1.0	55.7	43.3	4.423	.515	88.5
5.	Int5	I will recommend Salam financing to others.	0	0	0	50.2	49.8	4.498	.501	90.1
	Overall intention							**4.409**	**.318**	**88.2**
	Cronbach's alpha =.681									

* is measured with five point likert scale of 1= strongly disagree (SD), 2=disagree (D) 3=neither (N), 4= agree (A), 5=strongly agree (SA)

** is based on percentages.

Hypotheses Testing

To test the hypotheses of the study, multiple regression analysis was conducted using centre method. Regression analysis is conducted when the researcher's intention is to investigate the impact of one independent or several independent variables on a dependent variable. There are four major independent variables in this study, namely attitude, social influence, religious obligation, and pricing, whereas intention to use is the only dependent variable in this research.

After checking and achieving all the assumption for the multiple regression analysis, the results were interpreted to test the research hypotheses. Table 7 shows the predictors, Beta (β), t-test, significance value (P-value) and Collinearity statistics (tolerance and VIF). There were significant correlations of the four predictors (attitude, religious obligation, social influence, and pricing) with the criterion variable (intention), R= .380, F (4, 195) = 8.239, p=.000. The fours predictors (R^2= .145) managed to explain 15% of variance in the criterion variable (intention). Attitude ($β$=.148, t=2.082, p=.039), and religious obligation ($β$=.305, t=4.259, p=.000) positively and significantly influenced the farmers' intention to use *Salam* financing, whereas social influence ($β$=-.203, t=-2.098, p=.037) had negative and statistically significant impact on the intention of the farmers to use *Salam* financing. Among the four predictors, only pricing variable

did not exert any influence on the intention of the farmers to use this service (β=.161, t=1.663, p=.098). To determine the best predictor of the intention, the researcher looked at the beta values, the higher the value of the beta, the higher prediction of that variable. Therefore, religious obligation (β=.305) was the best predictor of the farmers' intention to use *Salam* financing.

Table 7: Multiple regression analysis for intention with the four predictors, using enter method

Predictors	β	t	p	Collinearity Statistics	
				Tolerance	VIF
Attitude	.148	2.082	.039	.862	1.159
Religious obligation	.305	4.259	.000	.858	1.166
Social influence	-.203	-2.098	.037	.466	2.144
Pricing	.161	1.663	.098	.468	2.135

Note: R=.380, R^2= .145, adjusted R square= .127, df1= 4; df2= 195, F= 8.239 (sig= .000)

The results of the regression analysis suggested that attitude variable significantly influenced the intention of the Sumaila's local government area farmers, which fully supports the first hypothesis (H1). The second hypothesis suggested that "social influence has significant and positive relationship with intention to use Salam financing by famers in Sumaila local government area". The results suggested partial support for this hypothesis (H2) since there was significant but negative influence on the intention of the farmers.

Table 8: Summary of the Hypotheses Testing

No.	Label	Hypotheses	Results	Interpretation
1.	H1	Attitude significantly influences the intention to use *Salam* financing by famers in Sumaila Local Government Area.	β=.148, t=2.082, p=.039	Fully supported
2.	H2	Social influence has significant and positive relationship with intention to use *Salam* financing by famers in Sumaila Local Government Area.	β=-.203, t=-2.098, p=.037	Partially supported
3.	H3	Religious Obligation has significant positive relationship with the intention to use *Salam* by famers in Sumaila Local Government Area.	β=.305, t=4.259, p=.000	Fully supported
4.	H4	Pricing has significant impact on the intention to use *Salam* financing by famers in Sumaila Local Government Area.	β=.161, t=1.663, p=.098	Not supported

The third hypotheses (H3) posited that religious obligation would have significant and positive influence on the farmers' intention. This was fully supported by the empirical investigation. In addition, religious obligation was the best predictor among the four predictors on the intention. It means that if the farmers in Sumaila local government area perceived that the *Salam* financing is adhering to Islamic principles and guidelines, they are more likely to adopt the service. As for the last hypothesis (H4), which suggested that pricing has significant impact on the farmers' intention to adopt the *Salam* financing, the results suggested no support for this hypothesis. The farmers did not perceived pricing to be an obstacle to use the *Salam* financing.

DISCUSSION

The study tested a number of hypothesis based on the structure of the proposed model. Details of findings and discuses are presented accordingly.

H1: Attitude significantly influences the intention to use *Salam* financing by famers in Sumaila Local Government Area.

Attitude is as a key determinant of intention to use *salam* financing among Sumaila Local government farmers association the result of the study indicated that attitude significantly influenced the intention of the Famers which, fully supports the first hypothesis (H1). The significance of attitude in this study is consistent with many studies like Gopi and Ramayah (2007), Taib et al. (2008), Amin et al (2011).

H2: Social influence has significant and positive relationship with intention to use *Salam* financing by famers in Sumaila Local Government Area.

The second hypothesis suggested that "social influence has significant and positive relationship with intention to use Salam financing by famers in Sumaila local government area". The results suggested partial support for this hypothesis (H2) since there was significant but negative influence on the intention of the farmers. The following result contradicted the studies like Chau and Hu (2001) and Lewis et al. (2003), who found that social influence was an insignificant predictor of intention, even though the result suggested partial relationship.

H3: Religious Obligation has significant positive relationship with the intention to use *Salam* by famers in Sumaila Local Government Area.

The third hypotheses (H3) posited that religious obligation would have significant and positive influence on the farmers' intention. This was fully supported by the empirical investigation.Religious obligation appeared as the best predictor among the four predictors on the intention. This findings can be related to the studies of sulaiman (2003) According to him

Islamic society is affected by distinct Islamic worldview based on Shariah an Islamic bank needs to adhere to Islamic principles, values and goals when offering its products, therefore, looking at the environment in which the studies took place it is well known that Kano state in Nigeria is a predominantly Muslims majority. Therefore it means that if the farmers in Sumaila local government area perceived that the *Salam* financing is adhering to Islamic principles and guidelines, they are more likely to adopt the service. In the same vein the study supported the findings by Omer (1992) who surveyed 300 Muslims in U.K and found that religious reason were the measure motive for Muslims in UK to deal with Islamic Financial institutions. Similarly it is in concord with Metawally (1996) who found that religion was the most important factor in determining attitudes of Muslims towards Islamic banks.

H4: Pricing has significant impact on the intention to use *Salam* financing by famers in Sumaila Local Government Area.

As for the last hypothesis (H4), which suggested that pricing has significant impact on the farmers' intention to adopt the *Salam* financing, the results suggested no support for this hypothesis. The farmers did not perceived pricing to be an obstacle to use the *Salam* financing .

CONCLUSION

The results have managerial implications for bank managers and theoretical implications for prospective researchers. As the findings imply, the Jaiz banks needs to work on improving bank customers' attitudes, social influence, religious obligation of farmers in particular who are the target customers of *Salam* financing, which may vary and need to be observed over time. To counter this, the bank may be able to improve the customers' attitudes through the promotion of equity and justice in the practice of *Salam* financing. This could be done by the dissemination of the "fair bank customer treatment policy" through cogent brochures and pamphlet. This policy is able to instil one's positive attitude on this mode of financing. Finally, the findings cannot be generalized in a larger context across the culture of other countries or within the country since the data collected was limited to Sumaila local government area Kano state Nigeria.

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