

## Modeling the Socio-Economic Factors Affecting Islamic Insurance Adoption: A Structural Equation Modeling Analysis

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### ABSTRACT

While Islamic banking products have exhibited substantial growth in a number of Muslim countries, their market share remains restricted in others (i.e., Morocco). The current research aims to elucidate the key drivers of Islamic insurance (Takaful) adoption among Moroccan banking consumers. To achieve this goal, we propose and assess an integrated conceptual framework combining the theory of planned behavior (TPB), the diffusion of innovation theory, and other constructs borrowed from prior literature (i.e., Religiosity). Through an online self-administered questionnaire, data was collected from 204 Moroccan respondents and analyzed using partial least squares Structural Equation Modeling. Our findings reveal that while comparative advantage, religiosity and attitude positively influence respondents' behavioral intention toward Takaful adoption, perceived complexity had a negative impact on takaful adoption. This research is among the first to evaluate the antecedents of behavioral intention towards Islamic insurance (Takaful) following its recent introduction to the Moroccan Market. Ultimately, it presents an important contribution to the limited literature on banking consumers' perceptions of Islamic banking products in a market where Islamic banks are still at an infancy stage.

**Keywords:** Takaful, Insurance, Islamic Finance, SEM, Morocco

**JEL Classifications:** G41, G52

### 1. INTRODUCTION

Insurance refers to a contractual agreement that offers financial security to the policyholder against the risk of undergoing financial loss (Torraca and Fanzeres, 2021). This prospect is identified as a particular approach to dealing with certain occurrences that may happen to a group of individuals and collectively owned or managed assets (Ewald, 1991). Indeed, the foundation of insurance lies on the principle of good faith (Tarr et al., 2002). This means that all parties involved in the insurance contract must be honest and transparent, disclosing all relevant information in the insurance proposal. Moreover, insurance is based on the Law of Large Numbers, which implies that the more homogeneous exposures considered, the more likely the losses reported will match the underlying probability of loss (Smith and Kane, 1994). A larger group of insured people results in lower premiums paid by each

individual. As a case in point, homeowners purchase insurance policies and pay a premium to an insurance company. By the terms of the contract, the insurer is obliged to honor the claim if a covered loss occurs (Ayman et al., 2021). While some policyholders receive insurance benefits that far exceed the cost of premiums paid, others may never receive any benefit or file a claim. To generate a profit, the principle of mutuality mandates that an insurance company must allocate more of the premiums paid by its policyholders towards its operating expenses and investors' return than it pays out in claims. This principle ensures that the average total claims expense is less than the total premiums collected.

Moroccan insurance market is ranked the second giant player in Africa (Booth, 2021). It is well developed compared to regional peers. It is regulated by the Insurance and Social Welfare Supervisory Authority (ACAPS), that was founded in 2016.

The sector is adequately diversified as life insurance premiums represent 45% and non-life insurance ones represent 55%. However, it is a noteworthy point that not all Moroccans are insured against life and non-life risks. This is due to many factors such as economic crisis, income level, beliefs and government regulations.

In order to boost future insurance sector expansion, significant reforms have appeared recently (ACAPAS, 2021). They are expected to develop and expand Moroccan product offering. Takaful segment, introduced as a mandatory product, is expected to uplift the overall insurance premium (Lamsaddak and Mentagui, 2020). Scientists believe that this sector has a significant potential for growth in the forthcoming years, especially in Islamic countries. In Morocco, the regulation of Takaful insurance is carried out by Law No. 87.18, which modifies and supplements Law No. 17-99 relating to the insurance code.

The conventional insurance does not seem to be consistent with Muslims beliefs (Hassan and Abbas, 2020). The reasons are threefold. First, the insurance contract involves and extent of avoidable uncertainty. Secondly, the investments made by insurance companies involve *riba*, rendering all insurance contracts non-compliant with Islamic Law. Thirdly, the excessive level of uncertainty can lead to gambling, which is also against Islamic principles (Lebdaoui and Wild, 2016a). As a result, the majority of Islamic juristic scholars agree that conventional insurance practices are not in accordance with Sharia, the main source of regulation in Islam.

Takaful derives from *takafala*, which translates to “looking for one another.” It refers to an agreement that involves a group of members who collectively pledge to afford mutual support and protection in case of loss or damage incurred by any member, as specified in the contract (Yusof, 1996).

In Morocco, a Wakala-based Takaful mode is adopted: Contributions are received from different customers and managed by the Takaful company for fees. Based on Wakala (agency contract), Takaful contracts offer mainly three types of contracts, namely: Family Takaful, general Takaful, and investment Takaful (Poan et al., 2022). The adoption of Takaful insurance is still below expectations in Morocco, as the majority of Moroccan Muslims ignore its existence (Razak et al., 2013). Many studies have been investigating the impact of Islamic finance in boosting growth (Lebdaoui and Wild, 2016b), the adoption of Islamic banks (Aziz et al., 2015) and Islamic banking stock market (Echchabi et al., 2015). Takaful adoption has also caught the interest of research although limited to the demand and risk management in few countries like: Pakistan (Ali et al., 2019), Tunisia (Echchabi et al., 2014) and Malaysia (Shah et al., 2011). To the best of our knowledge, no study has explored the driving factors of the adoption of Islamic insurance using theory of planned behavior and diffusion of innovation diffusion of innovation (DOI) frameworks. Our study highlights the lack of awareness of Takaful among the majority of our respondents, which represents a significant barrier to its adoption.

The aim of this research is to investigate the factors that impact the intention of investors to adopt Takaful insurance in Morocco, with the goal of raising awareness of this new Islamic financial product and attracting consumers to invest in Islamic financial services. In addition, this study seeks to identify the key factors that influence the adoption process among Moroccans, which would assist Takaful operators in promoting their services. The rest of this paper is structured as follows: Section 2 outlines the theoretical framework, Section 3 details the research methodology, Section 4 presents the findings and Section 5 closes the study with a discussion and conclusion.

## 2. LITERATURE REVIEW

### 2.1. Theoretical Foundations

As research on Takaful services adoption is still recent, the current study proposes a comprehensive framework that combines models used in various contexts to analyze the factors that influence investors' intention toward Takaful adoption in Morocco. This framework combines the theory of planned behavior (TPB) and the DOI theory to cover aspects of the new product on top of human behavioral aspects such as attitude, social influence, awareness as well as innovation.

#### 2.1.1. The TBP

The TPB theory, introduced by Icek Ajzen in 1985, explains how intentions and beliefs influence human behavior (Lamsaddak and Mentagui, 2020). According to Ajzen (1991), intentions are a representation of the motivational forces that impact behavior. They serve as an indicator of the level of effort an individual is willing to invest in performing a behavior, reflecting how hard they are prepared to try and how much effort they are planning to expend. Generally, the intention to behave in a certain manner and the actual behavior are positively related (Norberg et al., 2007). For instance, if an individual has a high level of perceived behavioral control, it is more probable that he will engage in the actual behavior. The TPB is widely utilized to predict consumer behavior across a variety of situations (Lebdaoui and Chetioui, 2021). Our proposed framework makes use of the Subjective norms construct.

#### 2.1.2. The DOI theory

The DOI focuses on both human behavior and new technology adoption (Rogers, 2003). It defines innovation as an idea, object or practice perceived by an individual. It also views diffusion as the process of communicating the innovation to the society (Ali et al., 2019). In this study, Takaful is considered as a new idea in the context of conventional insurance recently introduced to Moroccan costumers. Two constructs of our suggested model are sources from the DOI theory, namely the perceived compatibility, as a proxy of the potential user's values and needs fulfillment, and the Perceived complexity of Takaful insurance. In addition to the mentioned theories and based on prior literature about Islamic banking products in general, this study adds to the suggested framework religiosity and awareness.

### 2.2. Hypotheses Development

Social influence or subjective norms comprises the way in which individuals modify their beliefs, ideas and actions to meet the

demands of a social environment. The behavior of individuals is influenced by the pressure sensed from their social environment including family members and surroundings (Lebdaoui and Chetioui, 2021; Cheikh, 2013). Fithriah and Hanudin (2011) propose that social influence is responsible for controlling behavior that arises from the desire to conform to others' expectations. Various studies showed the power of social influence on people's opinions and behaviors. Social influence can cause a consumer to switch from conventional to Halal products Ali et al., (2019) and has a positive impact on behavioral intentions in various contexts (Nassir et al., 2023), as the connection between an individual's attitude and the expectations of family or friends may lead to positive behavior change. According to Alam et al., (2011), research on Islamic banking and Takaful insurance sectors, the decision to adopt certain banking products is directly influenced by peer pressure and cultural norms. Moreover, social influence is found to be a key element in predicting consumers' intention to purchase financial products such as credit cards, life insurance and Islamic financing facilities (Hanudin and Rosita, 2011) while it has also a direct positive relationship with the behavioral intention to use internet stock trading (Gopi and Ramayah, 2007) and internet banking (Chetioui et al., 2023a). Based on the above discussion, we hypothesize that:

H1 – Social influence has a positive impact on the attitude towards Takaful insurance.

The term “complexity” refers to the level of difficulty that people perceive in understanding and using an innovation (Rogers, 2003). According to Yusof (1999), innovation is a combination of simplicity and complexity. The later is linked to an individual's assessment of whether Takaful products comply with Sharia law. Previous research supported the idea that perceived complexity has a detrimental impact on customers' decisions to use Islamic banking services (Jamshidi and Hussin, 2013; Thambiah et al., 2012). On the other hand, Chetioui et al. (2023b) found that simplicity is positively influencing the choice of Islamic Products adoption. Building on the findings of earlier studies, we put forth the following hypo paper:

H2 – Perceived complexity has a negative impact on the attitude toward Islamic Takaful.

Another determinant of attitude is the concept of relative advantage which refers to the extent to which an innovation offers benefits that are greater than those of existing alternatives (Roger, 2003). It is also seen as an advantage or an added value to experience new products or services which customers did not use before either by lowering costs or by providing new product advantages. Relative advantage is an important factor in predicting a customer's intention to purchase. Various studies have found a significant positive relationship between the two (Hsbollah and Idris, 2009; Rogers, 2003; Loudiyi et al., 2022). According to Aziz et al. (2015) and Rahim and Amin (2011), relative advantage positively affects customer's intention to adopt Islamic Takaful products. We, therefore, expect that:

H3 – Perceived comparative Advantage has a positive impact on the attitude toward Islamic Takaful.

According to Rogers (1995), awareness is a perception and information of customers toward any specific product, service or situation. It is the state of being conscious and informed about any product or service. As soon as customers are aware about the product or service, they are more motivated to buy it Rogers (1995). Several researches indicate that Awareness is a crucial factor in buying any product (Rogers, 1995; Echchabi and Ayedh, 2015). It directly impacts the customer's purchase intention. According to Maysami and Williams (2006), there is a positive relationship between the awareness of Takaful insurance products and the perception of Islamic principles. Similarly, other studies such as Echchabi et al. (2014) and Chetioui et al. (2023c) demonstrated that awareness has a significant and positive influence on purchase intention. Thus, the following hypo paper is proposed:

H4 – Awareness has a positive impact on the attitude toward Islamic Takaful:

Religiosity refers to the effect of religion involvement on a person's preferences and activities. According to Husin and Ab Rahman (2016a; 2016b), religiosity is the level of religious motive involvement behind the consumption of any service. It measures an individual's level of commitment to ones' religion. At the same time, it measures the level of that particular religion's reflection in the attitude and behavior (Chetioui et al., 2023d). Rahim and Amin (2011) state that Islamic societies are influenced by a unique Islamic perspective that is grounded in Sharia. To offer Islamic personal financing, an Islamic bank must conform to Islamic principles, values and objectives. Such adherence by the bank can impact an individuals' decision to opt for Islamic personal financing. The more closely the bank follows Sharia, the higher the likelihood of an individual selecting Islamic personal financing. Religiosity plays an important role in determining a customer's adoption behavior. Lebdaoui et al. (2024) state that religion is the most significant factor in the usage of Islamic bank services. For instance, Lebdaoui and Chetioui (2020) confirm the core reason why Muslim customers in the UK choose Islamic banks is due to their religious beliefs. As a consequence, we suggest that religiosity positively affects the adoption of Takaful products. Accordingly, we hypothesize that:

H5 – Religiosity has a positive impact on the attitude toward Islamic Takaful.

Attitude refers to the positive or negative emotions an individual associates with engaging in a certain behavior (Fishbein and Ajzen, 1975). It can be either favorable or unfavorable depending on a person's inclinations, feelings and preconceived notions. The attitude is determined by the degree to which a person has a positive or negative evaluation of any behavior (Chetioui et al., 2017). Attitude is a key element in changing the behavior and intention of an individual. Fithriah and Hanudin (2011) suggest that a person is more willing to buy or use a certain product or service when he has a very favorable attitude toward it. Chetioui and El Bouzidi, 2023 demonstrated in their studies that attitude can positively or negatively affect purchase intention. It is also observed that it has a significant positive impact on purchase

intention toward Takaful (Echchabi et al., 2015; Souiden and Jabeur, 2015). In addition, it is identified as a key predictor of the use of online trading system (Gopi and Ramayah, 2007). Therefore:

H6 – Attitude toward Takaful has a positive impact on the behavioral intention to use Islamic Takaful.

Based on the above discussion, the conceptual model, illustrated in Figure 1, was developed:

### 3. METHODS

#### 3.1. Measurement

In order to collect the sample data, the study was based on a quantitative method and used a survey-based questionnaire. Appendix A illustrates that all constructs were adapted from literature and measured by using a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). They aim to measure customer adoption behavior toward takaful. The questionnaire contains two parts. The first part focused on nine variables that impact takaful products adoption. The second part involve demographic variables related to gender, age, educational

level, occupation, city and income level. The survey-based questionnaire was edited in French, as it is considered as the second language in Morocco. As French is considered as the second language in Morocco (Lebdaoui and Chetioui, 2020). A translation technique was adopted in order to convert the questionnaire from English to French (Chetioui and El Bouzidi, 2023).

#### 3.2. Data

Our survey purpose was to study the hypotheses in this research. Various techniques were adopted in order to gain information from the participants and discuss the way to proceed such as phone and Facebook. All the data were collected from smartphone consumers who had experienced What’s up. Respondents answered all questions in the survey even if the majority had claimed that questions were not clear. This is mainly due to their unawareness about takaful products.

In total, 204 participants responded successfully to the questionnaire. As a result, our sample is recognized as satisfactory for our research according to Chetioui et al. (2023c). All the answers were studied and analyzed in order to determine hypo paper reliability and validity.

Figure 1: Conceptual model

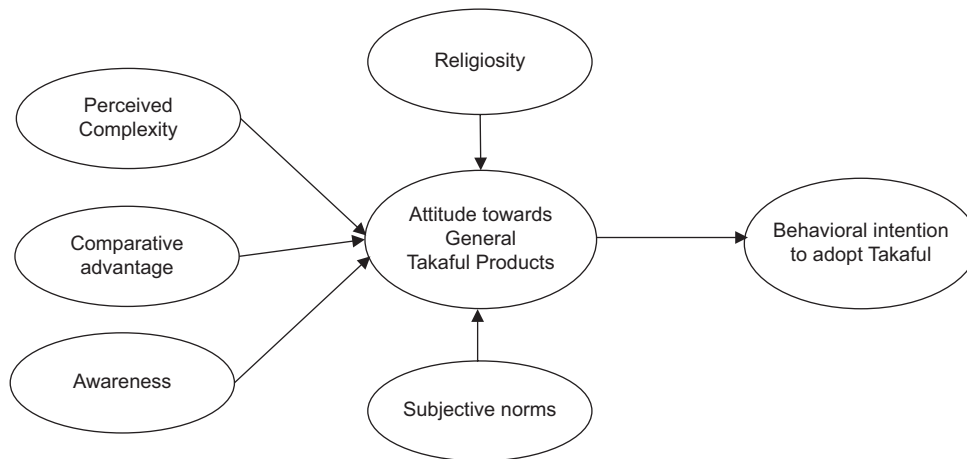


Table 1: Demographics survey respondent profile (n=204)

| Measure        | Item       | N     | Percentage      | Measure          | Item               | N    | Percentage |
|----------------|------------|-------|-----------------|------------------|--------------------|------|------------|
| Gender         | Female     | 104   | 50.9            | Education        | High School below  | 43   | 21.13      |
|                | Male       | 100   | 49.1            |                  | High school degree | 39   | 19.1       |
| Age            | 24 or less | 27    | 13.3            |                  | Bachelor           | 60   | 29.4       |
|                | 25–34      | 51    | 25              |                  | Master             | 50   | 24.5       |
|                | 35–49      | 71    | 34.8            |                  | PhD or more        | 15   | 5.9        |
|                | 50 or more | 58    | 26.9            | Monthly revenue  | <3,000 MAD         | 62   | 30.7       |
| City of origin | Agadir     | 8     | 3.98            |                  | 3,001–5,000 MAD    | 20   | 8.4        |
|                | Casablanca | 64    | 31.84           |                  | 5,001–10,000 MAD   | 51   | 25.2       |
|                | Fez        | 5     | 2.49            |                  | 10,001–15,000 MAD  | 23   | 11.4       |
|                | Laayoune   | 25    | 12.44           | Above 15,000 MAD | 45                 | 22.3 |            |
|                | Marrakech  | 8     | 3.98            | Occupation       | Manager            | 106  | 52         |
|                | Rabat      | 14    | 6.97            |                  | Employee           | 67   | 33         |
|                | Tanger     | 27    | 13.43           |                  | Student            | 21   | 10         |
| Others         | 53         | 25.98 | Looking for job |                  | 8                  | 4    |            |



## 4. RESULTS AND ANALYSIS

Table 1 illustrates demographic survey respondent profile using a sample of 204 Moroccan participants. It is equitable for gender (50.9% female and 49.1% male). Participants within the scope of 35–49 years old were the most numerous (34.8%) succeeded by those exceeding 50 years old (26.9%) and then those aged between 25 and 34 years old (25%). Respondents aged <24 years old were the least frequent (13.3%). Most participants had a bachelor degree (29.4%), succeeded by those having a master degree (24.5%) and then those who had studied till high school levels (21.13%). Next, respondents having high school degree represent 19.1% while those with PhD represent only 5.9%.

With regard to monthly income, 30.7% gained <3,000 MAD, 25.2% earned between 5,001 and 10,000 MAD per month, 22.3%

earned more than 15,000 MAD monthly and 11.4% gained between 10,001 and 15,000 MAD. Regarding respondents' occupations, 52% were managers, 33% were employees, 10% were students and last 4% were looking for job.

### 4.1. Assessment of Measurement Model

Partial least squares (PLS) technique was adopted to assess our conceptual model and provide causal explanations. It was the most appropriate technique to determine the causal relationships. The measurement model was first examined to assess composite reliability (CR), convergent validity and discriminant validity. After that, the structural relationships proposed were examined.

Both of Cronbach's alpha and CR were used to test the construct's reliability. Table 2 indicates that the loadings are higher than 0.7, approving that the construct's reliability is achieved (Henseler et al., 2009).

**Table 2: Convergent validity**

|   | Cronbach's alpha | Composite reliability | Average variance extracted |
|---|------------------|-----------------------|----------------------------|
| Attitude towards Takaful products             | 0.949            | 0.967                 | 0.908                      |
| ATT1  | 0.955            |                       |                            |
| ATT2  | 0.951            |                       |                            |
| ATT3  | 0.952            |                       |                            |
| Awareness                                     | 0.923            | 0.951                 | 0.866                      |
| AWR1  | 0.953            |                       |                            |
| AWR2  | 0.900            |                       |                            |
| AWR3  | 0.939            |                       |                            |
| Behavioral intention to adopt General Takaful | 0.965            | 0.977                 | 0.934                      |
| INT1  | 0.957            |                       |                            |
| INT2  | 0.977            |                       |                            |
| INT3  | 0.965            |                       |                            |
| Perceived comparative advantage               | 0.915            | 0.947                 | 0.855                      |
| PCA1  | 0.890            |                       |                            |
| PCA2  | 0.945            |                       |                            |
| PCA3  | 0.938            |                       |                            |
| Perceived complexity                          | 0.773            | 0.836                 | 0.634                      |
| PCOM1   | 0.932            |                       |                            |
| PCOM2   | 0.771            |                       |                            |
| PCOM3   | 0.763            |                       |                            |
| Religiosity                                   | 0.780            | 0.872                 | 0.696                      |
| RLG1  | 0.903            |                       |                            |
| RLG2  | 0.760            |                       |                            |
| RLG3  | 0.833            |                       |                            |
| Subjective norms                              | 0.942            | 0.963                 | 0.895                      |
| SN1   | 0.942            |                       |                            |
| SN2   | 0.955            |                       |                            |
| SN3   | 0.941            |                       |                            |

To assess convergent validity, the average variance extracted (AVE) should exceed 0.5 (Henseler et al., 2009). Table 2 indicates that AVE for all constructs are higher than 0.5 approving convergent validity.

Table 3 illustrates The Heterotrait–Monotrait ratio. According to Chin, 1998; Hair et al., 2017, the indicator loading on its assigned latent variable should be above its loadings on all other latent variables. Indeed, all the constructs values in Table 3 are greater than their cross loadings. Moreover, all the values are lower than 0.9 (Henseler et al., 2015). Therefore, all these adequate results demonstrate that all constructs can be adopted while examining the conceptual model.

### 4.2. Assessment of Structural Model

As proposed by Hair et al. (2017), the coefficient of determination (R-square) is a key element in assessing the structural model. According to Cohen (1992), the coefficient of determination should be above 0.26 in order to be considered high. Table 4 illustrates that the coefficient of determination of both attitude toward takaful products and that of behavioral intention to adopt takaful exceed 0.26. Specially, the R-square was 55.1% for attitude toward takaful products and 59.4% for behavioral intention to adopt takaful. These results indicate a high predictive power of the corresponding constructs.

According to Table 5, subjective norms had a positive and a strong significant impact on attitude toward Takaful products ( $\beta = 0.286$ ;  $P = 0.000$ ); supporting H1. Social influence and social environment had a strong power on effecting people's attitude toward Takaful products. On the other hand, perceived complexity

**Table 3: Discriminant validity (heterotrait-monotrait ratio)**

|                                       | 1     | 2     | 3     | 4     | 5     | 6     | 7 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|---|
| 1. Attitude towards Takaful products  |       |       |       |       |       |       |   |
| 2. Awareness                          | 0.423 |       |       |       |       |       |   |
| 3. Intention to adopt General Takaful | 0.801 | 0.461 |       |       |       |       |   |
| 4. Perceived comparative advantage    | 0.710 | 0.315 | 0.590 |       |       |       |   |
| 5. Perceived complexity               | 0.348 | 0.495 | 0.422 | 0.541 |       |       |   |
| 6. Religiosity                        | 0.478 | 0.478 | 0.467 | 0.391 | 0.442 |       |   |
| 7. Subjective norms                   | 0.605 | 0.615 | 0.681 | 0.472 | 0.457 | 0.538 |   |

had a negative and a non-significant impact on attitude towards Takaful products ( $\beta = -0.045$ ;  $P = 0.574$ ); not supporting H2. The misunderstanding of Takaful products impacts negatively their adoption. Perceived comparative advantage had a positive and a strong significant impact on attitude towards Takaful products ( $\beta = 0.506$ ;  $P = 0.000$ ); supporting H3. The added value of Takaful products effects positively the intention to adopt Islamic Takaful products. Awareness had a positive and a non-significant impact on attitude towards Takaful products ( $\beta = 0.065$ ;  $P = 0.290$ ); not supporting H4. The more aware people are about Takaful products, the more they would adopt them. Religiosity had a positive and a significant impact on attitude towards Takaful products ( $\beta = 0.103$ ;  $P = 0.045$ ); supporting H5. The higher is the religiosity degree. The higher would-be Takaful product consumption. Finally, Attitude towards Takaful products had a positive and a strong significant impact on behavioral intention to adopt Takaful ( $\beta = 0.769$ ;  $P = 0.000$ ); supporting H6. Positive attitude towards Takaful products would definitely influence the behavioral intention to adopt them.

In summary, the hypo paper H1. H3. H5 and H6 are supported. Whereas H2 and H4 are not supported (Table 6). Regarding control variables, our findings report that age ( $P = 0.903$ ), education ( $P = 0.776$ ), gender ( $P = 0.925$ ) and income ( $P = 0.241$ ) were not significantly related to the behavioral intention to adopt Takaful.

**Table 4: Coefficient of determination (R-square)**

| Endogenous variables                  | R square | Cohen (1992) |
|---------------------------------------|----------|--------------|
| Attitude towards Takaful products     | 0.551    | High         |
| Behavioral intention to adopt Takaful | 0.594    | High         |

**Table 5: Structural model results**

| Relationships   | Beta   | STDEV | T Statistics | P-values |
|---|--------|-------|--------------|----------|
| H1 Subjective norms -> Attitude towards Takaful products                | 0.286  | 0.074 | 3.878        | 0.000    |
| H2 Perceived complexity -> Attitude towards Takaful products            | -0.045 | 0.080 | 0.563        | 0.574    |
| H3 Perceived comparative advantage -> Attitude towards Takaful products | 0.506  | 0.078 | 6.444        | 0.000    |
| H4 Awareness -> Attitude towards Takaful products                       | 0.065  | 0.062 | 1.059        | 0.290    |
| H5 Religiosity -> Attitude towards Takaful products                     | 0.103  | 0.065 | 2.596        | 0.045    |
| H6 Attitude towards Takaful products -> Intention to adopt Takaful      | 0.769  | 0.040 | 19.476       | 0.000    |
| Control variables   |        |       |              |          |
| Age -> Behavioral intention to adopt Takaful                            | 0.006  | 0.047 | 0.121        | 0.903    |
| EDU -> Behavioral intention to adopt General Takaful                    | 0.017  | 0.059 | 0.285        | 0.776    |
| Gender -> Behavioral intention to adopt General Takaful                 | 0.005  | 0.049 | 0.094        | 0.925    |
| Income -> Behavioral intention to adopt General Takaful                 | -0.075 | 0.064 | 1.172        | 0.241    |

**Table 6: Hypotheses conclusion**

| Independent variables                | Dependent variables                 | Findings   | Results       |
|--------------------------------------|-------------------------------------|--|---------------|
| H1 Subjective norms                  | → Attitude towards Takaful products | Positive and statistically significant ( $\beta = 0.286$ ; $P < 0.05$ )      | Supported     |
| H2 Perceived complexity              | → Attitude towards Takaful products | Negative and statistically not significant ( $\beta = -0.045$ ; $P > 0.05$ ) | Not Supported |
| H3 Perceived comparative advantage   | → Attitude towards Takaful products | Positive and statistically significant ( $\beta = 0.506$ ; $P < 0.01$ )      | Supported     |
| H4 Awareness                         | → Attitude towards Takaful products | Positive and statistically not significant ( $\beta = 0.065$ ; $P > 0.05$ )  | Not Supported |
| H5 Religiosity                       | → Attitude towards Takaful products | Positive and statistically significant ( $\beta = 0.103$ ; $P < 0.05$ )      | Supported     |
| H6 Attitude towards Takaful products | → Intention to adopt Takaful        | Positive and statistically significant ( $\beta = 0.769$ ; $P < 0.01$ )      | supported     |

This indicates that Moroccan customer would adopt Takaful products whatever his gender, age, educational level or income.

## 5. DISCUSSION

The research aims to examine the factors that may impact Moroccans' behavioral intention to adopt Takaful products. After data analysis, findings demonstrated that subjective norms and religiosity significantly influence the attitude towards Takaful products. At the same time, attitude has a positive impact on customer's behavioral intention to adopt Takaful. The same results were found in other studies on other countries such as Tunisia, Malaysia and Saudi Arabia. According to Alam et al. (2011), Echchabi and Ayedh (2015) and Husin and Ab Rahman (2016a; 2016b), these factors significantly influence the behavioral intention of Takaful adoption. Besides, the results demonstrate that the surroundings impact the choice of the customer toward takaful products adoption (Venkatesh et al., 2003). In fact, Moroccan customer perceives a pressure from his family, friends and surroundings in adopting Takaful products. According to Alam et al. (2011) and Cheikh (2013), both of Islamic banking and Takaful insurance adoption are impacted by cultural norms and peer pressure.

Additionally, Moroccan customer would adopt Takaful products because of his high religious belief (Janah et al., 2020; Bananuka et al., 2019). It has been noted that Islamic laws are the basis of Takaful insurance studies (Echchabi and Ayedh, 2015; Ali et al., 2019). As a consequence, people with more religious convictions are more attracted by Takaful insurance products than others.

On the other hand, the level of complexity had an insignificant effect on the Moroccan customer attitude toward Takaful and his intention to adopt Takaful products. This implies that Moroccans do not perceive general Takaful as complex and difficult to understand. The same case was found in Pakistan where Shaikh et al. (2019) revealed that complexity was not significant in explaining family Takaful. This finding contradicts some previous studies that have confirmed a negative influence of complexity on Takaful adoption behavior (Ali et al., 2019; Jamshidi et al. 2014; Thambiah et al., 2011; Tornatzky and Klein, 1982). This insignificance can be explained by the fact that complexity is not given much attention in the Moroccan society. The religious labelled products such as Takaful products are seen more favorable in Islamic country such as Morocco.

In addition, our findings demonstrate that awareness was insignificant in Takaful adoption forecast in Morocco. The same results were found in Husin and Ab Rahman (2016a; 2016b). Also, in Tunisia, Ali et al. (2019) dismissed the hypo paper of awareness's positive effect on embracing takaful insurance. In our case, this insignificance is probably due to low awareness in the sampled subjects. As Moroccan customer does not know about Takaful features, he will not be interested in adopting Takaful products. Rogers (1995) and (Boztepe, 2012) proved that the adoption of any innovation or product is based mainly on its awareness. It is considered as the most crucial element in adopting any product.

These findings have great significance for policy makers and insurance specialists. They provide a strong platform for Islamic insurance services to succeed in Morocco. In fact, there is a huge potential for Takaful market to succeed in Morocco with the use of the adequate communication and awareness techniques.

## 6. CONCLUSION

Recently, the Islamic financial market has been growing internationally. It is mainly based on collectivism and cooperation. With the human development and the advancement of technology, the insurance sector has become very important in the world of finance. Conventional insurance has noted many weaknesses over the years because of its monetary gains. In countries such as Morocco, Takaful industry was launched in order to avoid the unlawful elements of conventional insurance such as gambling and usury.

For this reason, the current research focused on analyzing different factors that would influence the Moroccan customer attitude and behavior toward Takaful products adoption. Moroccans can easily switch toward Takaful insurance because of their social values and culture. They do not even consider Takaful products as complex. However, they are unaware of Takaful concept. Consequently, the research effort proposes that Takaful operators should develop advertisement programs in order to promote Takaful products. Furthermore, Policy makers and insurance specialists should enlarge their work by studying other different factors that would have direct or indirect effects on Moroccans attitude toward adopting Takaful products.

From a theoretical point of view, this research is the first try to study the factors influencing the Moroccan behavior adoption toward Takaful in Morocco after its initiation in June 2022. By using the theoretical approach, Roger's DOI theory, the Takaful approach is significantly analyzed. In addition, our study can be considered as an extension of past studies concerning Sharia compliance products.

The study findings would provide Takaful operators with information to promote Takaful products in the country. In addition, they would help in attracting potential customers and in predicting their intention to participate in Takaful. Our results indicate that subjective norms, relative advantage, religiosity and attitude have a positive impact on behavioral intention toward Takaful adoption. These results would help managers and operational marketers in using the adequate promotional tools to communicate to the Moroccan customer the benefits of Takaful. They should also use properly the social media and adopt awareness schedules in order to propagate Takaful concept in Morocco. Moreover, they should focus on the interpersonal communication with satisfied customers to explain Takaful objectives and the sharia compliance of the product.

The research framework aims to explore the behavioral intention and adoption of Takaful products in the Moroccan market. However, there exist some limitations.

First, the study relied on PLS-SEM method that is viewed as less convenient for analyzing latent variables coordination (Marcoulides and Saunders, 2006; Sosik et al., 2009). Second, few and limited variables were used in this study. Therefore, future studies should focus on other relevant factors such as compatibility, corporate image and promotional tools. In spite of these limitations, this study presented an attempt to understand the customer adoption toward Takaful products in Morocco.

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