

# Islamic Finance and Women Entrepreneurs in Nigeria: Behavioral and Revenue Analysis

Sumayya Adam Ahmad, Professor Ganiyat Adejoke Adesina-Uthman, Musa Mohammed Auwal

Doctoral Student at Nile University; a Banker at Jaiz Bank Plc

Department of Economics, Nile University of Nigeria

sumyadam2011@gmail.com

Lecturer, Department of Economics, National Open University of Nigeria.

Email Address: gadesina-uthman@noun.edu.ng

Lecturer, Department of Economics

Federal University Wukari, Taraba State, Nigeria

mohammedauwalmusah@gmail.com

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## ARTICLE INFO

## ABSTRACT

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This study examines how women entrepreneurs in Nigeria use Islamic banking and finance services, and whether these services help them make money and feel satisfied with their business operations. The research uses data from 357 women entrepreneurs across five major cities in Nigeria to understand their behavior and financial performance when using Islamic financial products. The study has two main parts. First, it looks at what makes women satisfied or unhappy with Islamic finance services using logit and probit regression models. Second, it examines what factors help women make more profits from their businesses using Tobit regression analysis. The research collected information about the types of Islamic banks women use, the financial products they choose, how often they use these services, and their business characteristics. The findings show that 68.07% of women entrepreneurs prefer to use only Jaiz Bank, while 27.17% use both Jaiz Bank and Taj Bank together. Mudarabah is the most popular Islamic financial product, used by 55.15% of women, followed by Murabahah at 19.85%. Most women (64.69%) use mobile banking apps that follow Islamic rules, and 68.38% rely on mobile phones and smart devices for their financial activities. The behavioral analysis reveals that women's satisfaction with Islamic finance depends strongly on how many times they use the products. Age also matters, with younger women being more satisfied than older one. Location plays a major role, with women in some cities being much more satisfied than others. The models explain 76.4% of what determines women's satisfaction levels. The revenue analysis shows that Islamic financial products help women make profits, but success varies by several factors. Women who use products more frequently earn about ₦5,905 more in profits. However, switching between different banks reduces profits by about ₦2,929. The average profit made by women entrepreneurs is ₦17,183. The study concludes that Islamic finance can help women entrepreneurs in Nigeria, but success requires regular use of services, staying with trusted banks, and maintaining simple business structures. Location and age are important factors that affect both satisfaction and profits. The research shows that 69.84% of women have made sales through fintech platforms, proving that these services can support business growth. The study provides important information for improving Islamic finance services for women in Nigeria and other developing countries.

**Keywords:** Islamic finance, women entrepreneurs, behavioral analysis, revenue analysis, Nigeria

JEL Classification: G21, L26, O16, Z12, G23

## INTRODUCTION

Islamic finance has become more important in today's world as many people look for financial systems that follow religious values and fairness. There has been growing recognition of the important role that Islamic finance can play in promoting economic development and reducing poverty around the world (Raimi & Bamiro, 2025). Islamic finance operates according to Sharia principles that forbid interest (riba) and promote risk-sharing, ethical investment, and social justice (Muhammad Al Berto et al., 2025). This financial system has become more popular because it offers alternatives to conventional banking that many people find more acceptable, especially in Muslim communities (Sohail & Arshed, 2024).

Across the globe, women entrepreneurs face many challenges in accessing financial services and growing their businesses (Mboutchouang Kountchou et al., 2025). These challenges are even bigger in developing countries where traditional banking systems often do not serve women well (Muhammad Al Berto et al., 2025). Women entrepreneurs typically have less access to credit, fewer business networks, and face cultural barriers that limit their business activities (Barqawi et al., 2025). Research shows that women-owned businesses receive less funding compared to men-owned businesses, which limits their ability to grow and create jobs (Ali et al., 2024).

In Nigeria specifically, women entrepreneurs face unique challenges that make it difficult for them to succeed in business (Oseni Assayouti et al., 2024). Many Muslim women avoid interest-based loans because they believe it goes against their religious beliefs, which means they miss out on important funding opportunities for their businesses (Omor Faruk et al., 2025).

Nigeria currently has two full-fledged Islamic banks - Jaiz Bank established in 2012 and Taj Bank launched in 2019. These banks offer various Islamic financial products such as Murabaha, Musharaka, Mudaraba, and other Sharia-compliant financing options. However, despite the presence of these Islamic banks, there is limited information about how well they are serving women entrepreneurs and whether these services are actually helping women grow their businesses and increase their profits.

Research on Islamic finance and women entrepreneurship has produced mixed and sometimes contradictory results that make it difficult to understand the real impact. For example, Mboutchouang Kountchou et al. (2025) found that Islamic finance had positive effects on women's political, economic, and social empowerment across 27 African countries. However, Mahadi et al. (2024) studied women-owned small businesses in Malaysia and found no significant effects of Islamic social finance on financial resilience during COVID-19. Similarly, while Haji Johari et al. (2025) reported positive impacts of Islamic social finance on women entrepreneurs in Brunei, their study only included 18 participants, making it difficult to generalize the findings. These contradictory results show that we need more specific research to understand how Islamic finance really affects women entrepreneurs in different settings.

The practical problem facing policymakers, Islamic banks, and women entrepreneurs in Nigeria is the lack of clear information about how Islamic finance affects women's business behavior and financial outcomes. Without this information, Islamic banks cannot design products that truly meet women's needs, policymakers cannot create supportive policies, and women entrepreneurs cannot make informed decisions about which financial services to use. Currently, we do not know whether women entrepreneurs in Nigeria are satisfied with Islamic banking services, which specific Islamic financial products work best for different types of businesses, or how using Islamic finance affects women's business profits and growth.

This problem matters for several important reasons. First, empowering women entrepreneurs is crucial for Nigeria's economic development because women make up a large part of the population but contribute less to economic growth than they could. Second, Islamic finance could help include more Muslim women in the financial system, which would reduce poverty and increase economic participation in northern Nigeria where poverty rates are highest. Third, understanding how Islamic finance affects women's businesses could help improve financial services and make them more effective for supporting entrepreneurship. Finally, with Nigeria having the largest Muslim population in Africa,

research findings could help other African countries develop better Islamic finance systems for women entrepreneurs.

Most previous research either focused on other countries or used simple measures that do not capture the full picture of how Islamic finance affects women's businesses. Barqawi et al. (2025) studied women entrepreneurs in Saudi Arabia but used only qualitative methods with a small sample. Sukarnoto et al. (2025) examined Islamic microfinance in Indonesia but did not specifically focus on behavioral outcomes like satisfaction with services.

This study aims to fill these important gaps by conducting a comprehensive behavioral and revenue analysis of Islamic finance and women entrepreneurs in Nigeria. By using advanced econometric techniques and measuring specific variables related to satisfaction with Islamic banking services and business profitability.

## LITERATURE REVIEW

### CONCEPTUAL REVIEW

#### Islamic Finance

Islamic finance is a banking and financial system that operates according to Islamic religious law called Sharia. This system forbids charging or paying interest (riba) and instead uses profit-sharing and asset-backed financing (Raimi & Bamiro, 2025). The main principles of Islamic finance include avoiding interest, sharing risks and profits, and making sure all transactions follow Islamic teachings (Muhammad Al Berto et al., 2025). Islamic finance offers several products such as Murabaha (cost-plus financing), Musharaka (partnership), Mudaraba (profit-sharing), Ijarah (leasing), and Sukuk (Islamic bonds) (Omor Faruk et al., 2025).

The concept of Islamic finance also includes social finance mechanisms like Zakat (mandatory charity), Waqf (religious endowment), and Qard Hasan (interest-free loans) that help support community development and reduce poverty (Haji Johari et al., 2025). These social finance tools are designed to help vulnerable groups in society, including women entrepreneurs who may not have access to conventional banking services (Oseni Assayouti et al., 2024).

#### Women Entrepreneurship

Women entrepreneurship refers to women who start, organize, and run business enterprises. Women entrepreneurs face many challenges including limited access to finance, lack of business networks, cultural barriers, and discrimination from financial institutions (Barqawi et al., 2025). In many developing countries, women entrepreneurs operate small businesses that contribute to family income and community development (Sukarnoto et al., 2025).

Women's empowerment through entrepreneurship includes several dimensions such as economic empowerment (control over income and assets), social empowerment (participation in community activities), political empowerment (involvement in decision-making), and household empowerment (control over household decisions) (Mboutchouang Kountchou et al., 2025). Research shows that supporting women entrepreneurs can lead to better economic outcomes for families and communities (Haji Johari et al., 2025).

#### Behavioral Analysis

Behavioral analysis in finance studies how people make decisions about financial products and services. This includes examining satisfaction levels, preferences, and factors that influence people's choices (Ali et al., 2024). For women entrepreneurs, behavioral analysis looks at how they choose between different financing options and what makes them satisfied or dissatisfied with financial services (Aziz et al., 2024).

#### Revenue Analysis

Revenue analysis examines how different factors affect business income and profitability. For women entrepreneurs, this includes studying how access to finance affects their business performance, sales growth, and profit levels (Mahadi et al., 2024). Revenue analysis helps understand whether financial services actually help businesses grow and become more successful (Nakanwagi Baina et al., 2025).

## THEORETICAL REVIEW

### Theory of Planned Behavior

The Theory of Planned Behavior explains how people decide to take certain actions based on their attitudes, social pressure from others, and their belief in their ability to perform the action (Ali et al., 2024). This theory suggests that women entrepreneurs' decisions to use Islamic finance depend on three main factors: their attitude toward Islamic finance, what other people think they should do, and whether they believe they can successfully use Islamic financial products.

According to this theory, if women entrepreneurs have positive attitudes toward Islamic finance, receive support from family and community, and feel confident about using these services, they are more likely to adopt Islamic finance (Ali et al., 2024). The theory helps explain why some women choose Islamic finance while others do not, even when both groups have similar business needs.

### Resource-Based Theory

The Resource-Based Theory suggests that businesses succeed when they have access to valuable resources that are difficult for competitors to copy (Mahadi et al., 2024). For women entrepreneurs, access to appropriate financing is a critical resource that can give them advantages over competitors who struggle to get funding.

This theory explains that Islamic finance can provide women entrepreneurs with unique resources such as interest-free loans, partnership arrangements, and social support networks that conventional banks may not offer (Sukarnoto et al., 2025).

## EMPIRICAL REVIEW

### Positive Effects of Islamic Finance on Women Entrepreneurs

Several studies have found positive effects of Islamic finance on women entrepreneurs. Mboutchouang Kountchou et al. (2025) studied 27 African countries and found that Islamic finance had positive and significant effects on women's political, economic, and social empowerment. Their study used quantitative methods and found stronger effects in middle-income countries with higher Islamic finance penetration.

Similarly, Haji Johari et al. (2025) studied 18 women entrepreneurs in Brunei and found that Islamic social finance improved women's control over assets, decision-making abilities, and self-confidence. Their qualitative study showed that Zakat and charity programs helped women gain more economic independence and psychological well-being.

### Mixed and Contradictory Findings

However, some studies have produced mixed or contradictory results. Mahadi et al. (2024) studied 330 women-owned small businesses in Malaysia during COVID-19 and found no significant effects of Islamic social finance on financial resilience. This surprising result challenged previous assumptions about the effectiveness of Islamic finance for women entrepreneurs.

Aziz et al. (2024) found that while some women entrepreneurs benefited from Islamic microfinance during COVID-19, others still faced severe income losses despite having access to Islamic financial services. This suggests that Islamic finance alone may not be enough to protect women's businesses during economic crises.

### Methodological Differences in Studies

The studies reviewed used different research methods, which may explain some of the contradictory results. Qualitative studies like Barqawi et al. (2025) and Haji Johari et al. (2025) used small samples and in-depth interviews, which provided detailed information but limited generalizability. Quantitative studies like Mboutchouang Kountchou et al. (2025) used large datasets but may have missed important details about how Islamic finance actually

### Research Gaps and Limitations

The literature reviewed above on Islamic finance and women entrepreneurs shows several important gaps that need to be filled. Most studies reviewed were done outside Nigeria with little attention in

current researches done in Nigeria which means we do not have enough knowledge on how Islamic finance really works for women business owners across Nigeria being one of the African countries with high number of Muslims and one of the biggest economies in Africa. For example, Mboutchouang Kountchou et al. (2025) studied 27 African countries but did not focus on Nigeria specifically, while Oseni Assayouti et al. (2024) only looked at Yoruba Muslim women, which is just one group in Nigeria. Other studies focused on different countries like Saudi Arabia (Barqawi et al., 2025), Indonesia (Sukarnoto et al., 2025), Malaysia (Mahadi et al., 2024), and Brunei (Haji Johari et al., 2025), but these results may not apply to Nigeria.

The way researchers have studied this topic also has problems that make it hard to get good answers. No study has used the right statistical methods to understand how satisfied women entrepreneurs are with Islamic banking or how much money they make from using these services. Studies like Ali et al. (2024) looked at whether people use Islamic finance but did not check if they are happy with it or if it helps their business make more money. Also, no research has looked at the different types of Islamic banking products that women use, such as Sukuk, Waqf, Takaful, or Murabahah, or which bank they prefer between Jaiz Bank and Taj Bank.

## **METHODOLOGY**

### **Research Design**

This study used a quantitative survey research design to examine the factors that determine women entrepreneurs' satisfaction and profits when using Islamic financial products. The quantitative approach was chosen because it allows researchers to collect numerical data from many participants and use statistical methods to analyze the relationships between different variables (Creswell & Creswell, 2018). This design follows what other researchers like Mboutchouang Kountchou et al. (2025) and Ali et al. (2024) used when studying Islamic finance and entrepreneurship in African countries.

### **Population for the Study, Sample Size Determination and Sample Procedure**

The population for this study included all women entrepreneurs who use Islamic financial products in Nigeria. This population includes women who run different types of businesses such as hair making, fashion design, farming, food processing, and other small enterprises, and who have used Islamic banking services or Islamic financial products at least once.

A total of 357 women entrepreneurs banking with Jaiz and Taj banks were sampled. However the sample size for the satisfaction analysis was 375 women entrepreneurs, while the revenue analysis included 232 women entrepreneurs. The difference in sample sizes happened because some participants did not provide complete information about their profits, but they still answered questions about their satisfaction with Islamic financial services.

The sampling procedure used was convenience sampling and purposive sampling. Convenience sampling means choosing participants who are easy to reach and willing to participate in the study. Purposive sampling means selecting participants who meet specific requirements, such as being women entrepreneurs who have used Islamic financial products. The researchers contacted women entrepreneurs through management of Jaiz and Taj banks to collect those women entrepreneurs who were willing to answer the research instrument or participant in the survey. This sampling approach is common in studies about Islamic finance because users of these services are not always easy to find in regular population surveys (Aziz et al., 2024).

### **Sources and Method of Data Collection**

The study used primary data collection through structured questionnaires with multiple choice options.

### **Description of Variables**

**Table1: Variable Definition, and Measurement**

Variable Name	Variable Type	Description	Measurement Scale
SAF (Satisfaction)	Dependent Variable	Women's satisfaction with Islamic financial products	Binary (0 = Not Satisfied, 1 = Satisfied)

Profit	Dependent Variable	Amount of profit made by women entrepreneurs	Continuous (Nigerian Naira)
ISBanks	Independent Variable	Type of Islamic bank used	Categorical (Jaiz Bank only, Taj Bank only, Both banks)
	Independent Variable	Type of Islamic financial product used	Categorical (Mudarahah, Murabahah, Sukuk, etc.)
NTISP	Independent Variable	Number of times Islamic products were used	Ordinal (Once, Twice, More than twice)
	Independent Variable	Use of Islamic fintech services	Binary (0 = No, 1 = Yes)
salesfintech	Independent Variable	Sales made through fintech platforms	Binary (0 = No, 1 = Yes)
	Independent Variable	Types of fintech devices used	Categorical (Mobile phone, Payment cards, QR codes)
salesfintechdevices	Independent Variable	Sales made using fintech devices	Binary (0 = No, 1 = Yes)
	Independent Variable	Legal status of business	Categorical (Sole proprietorship, Partnership, Company)
TPBUS	Independent Variable	Type of business operated	Categorical (Hair making, Fashion, Farming, Food processing, Others)
	Independent Variable	Age group of women entrepreneurs	Ordinal (18-29, 30-39, 40-49, 50+ years)
MaritalS	Independent Variable	Marital status of participants	Categorical (Single, Married, Others)
	Independent Variable	Geographic location of business	Categorical (Kano, Lagos, Abuja, Others)
Noemp	Independent Variable	Number of employees in business	Ordinal (0-5, 6-10, 11+ employees)
	Independent Variable	Years of work experience	Continuous (Years)

**Source designed by the authors (2025)**

The dependent variables measure the main outcomes the study wants to explain. Satisfaction (SAF) is measured as a yes/no question about whether women are satisfied with Islamic financial services. Profit is measured as the actual amount of money women make from their businesses. The independent variables are the factors that might affect satisfaction and profits. Some variables like age and location are demographic factors, while others like the type of Islamic products used and frequency of use are related to how women interact with Islamic financial services.

**Model Specification and Method of Data Analysis**

The study used two main types of statistical models to analyze the data. For the satisfaction analysis, both Logit and Probit regression models were used because the satisfaction variable is binary (satisfied or not satisfied). These models are designed to handle dependent variables that have only two possible outcomes (Gujarati & Porter, 2009). The Logit model uses the logistic function to predict the probability of being satisfied, while the Probit model uses the normal distribution function. Both models give similar results, but they use slightly different mathematical approaches.

The satisfaction models can be written as:

**Logit And Probit Regression Models**

The general form of the logit model is

$$logit(p) = \ln\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_kX_k + \epsilon \dots \dots \dots (1)$$

The general form of the probit model is

$$P(Y = 1 : X = \Phi(\beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_kX_k + \epsilon)) \dots \dots \dots (2)$$

In this study,

p = probability that the woman successfully uses Islamic finance products (1 = success, 0 = not success)

X<sub>1</sub> = ISBP (Islamic products used)

X<sub>2</sub> = ISBanks (Islamic banks used)

X<sub>3</sub> = NTISP (number of times subscribed)

X<sub>4</sub> = Location

X<sub>5</sub> = Noemp (number of employees)

X<sub>6</sub> = Legalstatus

X<sub>7</sub> = Age

X<sub>8</sub> = MaritalS (marital status)

X<sub>9</sub> = WExperience (working experience)

ε = error term

**Tobit Regression Model**

The general form of the tobit model is:

$$Y_i^* = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_kX_k + \epsilon \dots \dots \dots (3)$$

$$Y_i = \begin{cases} Y_i^* & \text{if } Y_i^* > 0 \\ 0 & \text{if } Y_i^* \leq 0 \end{cases} \dots \dots \dots (4)$$

Where,

Y<sub>i</sub> = profit earned by the woman entrepreneur (revenue outcome)

X<sub>1</sub> = ISBP (Islamic products used)

X<sub>2</sub> = ISBanks (Islamic banks used)

X<sub>3</sub> = NTISP (number of times subscribed)

X<sub>4</sub> = Location

X<sub>5</sub> = Noemp (number of employees)

X<sub>6</sub> = Legalstatus

X<sub>7</sub> = Age

X<sub>8</sub> = MaritalS (marital status)

X<sub>9</sub> = WExperience (working experience)

ε<sub>i</sub> = error term

The tobit model is used because profit cannot be less than zero (it is censored at zero).

The method of data analysis included both descriptive and inferential statistics. Descriptive statistics were used to summarize the basic characteristics of the data, including frequency counts and simple percentages for demographic variables like age, marital status, and location of participants. These statistics help readers understand what types of women entrepreneurs participated in the study and what their basic characteristics are.

The statistical analysis was conducted using STATA 17 software, which is commonly used for this type of econometric analysis (StataCorp, 2021). The significance levels used were 1%, 5%, and 10%, which are standard in social science research for determining whether relationships between variables are statistically meaningful.

**RESULTS AND DISCUSSION**

**4.1 Demographic and Socio-economic Analysis**

The table shows the details of the women entrepreneurs who use Islamic finance products in Nigeria

**Table 2 Demographic analysis of the respondents**

	Frequency .	Percent
<b>Age of the respondents</b>		
18 to 29 years	91	25.49
30 to 39 years	155	43.42

40 to 49 years	77	21.57
50 to 59 years	34	9.52
Total	357	100.00
<b>Marital Status</b>		
Single	126	35.29
Married	229	64.15
Others	2	0.56
Total	357	100.00
<b>Working Experience</b>		
1 to 10 years	162	45.38
11 to 20 years	100	28.01
21 to 30 years	63	17.65
31 years and above	32	8.96
Total	357	100.00
<b>Location of the respondents</b>		
Kano	148	41.46
Katsina	49	13.73
Gombe	50	14.01
Abuja	77	21.57
Lagos	33	9.24
Total	357	100.00

**Source: Field Survey (2025)**

The study reveals that most women entrepreneurs in Nigeria are between 30 to 39 years old, making up 43.42% of the sample. Younger women, aged 18 to 29, also show strong interest in business, while older women above 50 are the smallest group. In terms of marital status, 64.15% are married, and 35.29% are single. Many women entrepreneurs are still new to business, with nearly half having less than 10 years of experience. Kano state has the highest number of women entrepreneurs at 41.46%, followed by Abuja and other states, showing that women-led businesses are spread across the country and not limited to major commercial centers. The findings highlight the need for more support, especially for new entrepreneurs.

#### **4.2 Business Profile of Women Entrepreneurs in Nigeria**

This section explains and talks about the numbers from Table 3, which looks at the types of businesses, number of workers, and legal setup of women entrepreneurs in Nigeria.

**Table 3 Business Characteristics of Women Entrepreneurs in Nigeria**

	Freq.	Percent
<b>Legal Status</b>		
Sole proprietorship	267	74.79
Partnership	83	23.25
Limited Liability Company (private or public)	7	1.96
Total	357	100.00
<b>Number of employees</b>		
0-5 persons	221	61.90
6-10 persons	81	22.69
11-15 persons	28	7.84
16-20 persons	14	3.92
Above 20 persons	13	3.64
Total	357	100.00
<b>Type of business</b>		



Hair making	36	10.29
Fashion and Design	68	19.43
Livestock farming	45	12.86
Poultry	60	17.14
Food Processing	85	24.29
Petty Business	48	13.71
others	8	2.29
Total	350	100.00

**Source: Field Survey (2025)**

From the table, we can see that most of the women entrepreneurs run sole proprietorships about 267 women, which makes up 74.79% of the total. This shows that most women prefer to work alone or own their business fully, probably because it is easier to set up, needs less paperwork, and they can control everything by themselves. Only 83 women (23.25%) are in a partnership, which means they share the business with others. Very few, just 7 women (1.96%), have a limited liability company. This tells us that most women are running small personal businesses and might not be ready or able to start bigger, formal companies.

The types of businesses these women run are also important. From the table, we see that food processing is the most common, with 85 women (24.29%) involved. Next is fashion and design with 68 women (19.43%), followed by poultry farming with 60 women (17.14%), petty business (small trading) with 48 women (13.71%), livestock farming with 45 women (12.86%), and hair making with 36 women (10.29%). Only 8 women (2.29%) are in the other category.

**4.3 Islamic Finance Usage Patterns Among Women Entrepreneurs in Nigeria**

This section talks about what is shown in Table 4, explaining the numbers and what they mean for.

The study shows that most women entrepreneurs in Nigeria prefer using Jaiz Bank for their Islamic banking needs. Out of 357 women who use Islamic banks, 243 women (68.07%) only use Jaiz Bank. This means more than two-thirds of these women trust Jaiz Bank alone for their business banking. Only 17 women (4.76%) use Taj Bank alone, which shows that Taj Bank is not very popular among women entrepreneurs. However, 97 women (27.17%) use both banks together. This tells us that Jaiz Bank is the main choice for women entrepreneurs, but some still want to try both banks to get better services.

When we look at the Islamic financial products that women entrepreneurs use, Out of 272 total responses, 150 women (55.15%) use Mudarabah products. This makes sense because Mudarabah is a profit-sharing system that works well for business partnerships. The second most used product is Murabahah with 54 users (19.85%), which is good for buying goods and equipment for business. Musharakah comes third with 30 users (11.03%), and this is also a partnership-based product. Ijarah, which is like renting or leasing, has 17 users (6.25%). The other products like Takaful (7 users), Waqf (2 users), Sukuk (1 user), and others have very few users. This shows that women entrepreneurs mostly prefer products that help them share profits and buy things for their business.

**Table 4 Use of Islamic Finance and Fintech by Women Entrepreneurs**

	Frequency	Percent
<b>Islamic Banks</b>		
<b>Patronize</b>		
Jaiz Bank only	243	68.07
Taj Bank only	17	4.76
Both	97	27.17
Total	357	100.00
<b>Type of Islamic Products</b>		
Sukuk	1	0.37
Waqf	2	0.74

Takaful	7	2.57
Ijarah	17	6.25
Mudarabah	150	55.15
Murabahah	54	19.85
Musharakah	30	11.03
Wadiah	3	1.10
Bai' Bithaman Ajil	1	0.37
Wakalah	1	0.37
Qard	1	0.37
Hibah	1	0.37
Salam	4	1.47
Total	272	100.00
<b>Islamic Fintech</b>		
Shariah-Compliant Banking Apps	196	64.69
Sukuk Platforms	4	1.32
Islamic Payment Gateways	52	17.16
Takaful Tech	51	16.83
Total	303	100.00
<b>Fintech Devices Used</b>		
Mobile Phones and Smart Devices	240	68.38
Payment cards & POS terminals	85	24.22
QR code payments	9	2.56
Crowdfunding portals	17	4.84
Total	351	100.00
<b>Number of Times subscribed to a products</b>		
Once	180	66.91
Twice	84	31.23
Others	5	1.86
Total	269	100.00
<b>Sales made from fintech</b>		
Yes	220	69.84
No	95	30.16
Total	315	100.00
<b>Sales made in fintech devices</b>		
Yes	232	67.05
Not Much	114	32.95
Total	346	100.00

**Source: Field Survey (2025)**

Most women entrepreneurs use mobile banking apps that follow Islamic rules. Out of 303 responses, 196 women (64.69%) use Shariah-compliant banking apps on their phones. This shows that women like to do their banking through mobile apps because it is easy and saves time. Islamic payment gateways are used by 52 women (17.16%), which helps them receive payments from customers online. Takaful tech is used by 51 women (16.83%), showing that some women want Islamic insurance for their

business. Only 4 women (1.32%) use Sukuk platforms, which mean Islamic investment bonds are not very popular among women entrepreneurs.

Most women entrepreneurs try Islamic financial products only once. Out of 269 responses, 180 women (66.91%) have subscribed to products once. This could mean that either they are satisfied with one product, or they are still testing these services. 84 women (31.23%) have used products twice, which shows they are getting more comfortable with Islamic finance. Only 5 women (1.86%) have used products more than twice. This pattern suggests that many women are still new to Islamic financial products and are taking their time to explore different options.

The study shows that Islamic fintech is helping women entrepreneurs make sales. Out of 315 responses, 220 women (69.84%) said they have made sales through fintech platforms. This is a good sign because it means Islamic fintech is actually helping women grow their businesses and make money. However, 95 women (30.16%) said they have not made sales through fintech yet. This group might need more support or training to use these tools better for their business.

The overall picture shows that women entrepreneurs in Nigeria are slowly accepting Islamic finance and fintech solutions. They prefer simple, mobile-based solutions and profit-sharing products that match their business needs. However, there is still work to be done to help more women fully benefit from these financial tools.

**4.4 Factors Determining Women’s Satisfaction Using Islamic Financial Products**

This table uses two different math methods (Logit and Probit) to find out what makes women entrepreneurs happy or unhappy with Islamic banking and finance services.

**Table 5: Factors that determine women satisfaction using Islamic financial product**

SAF=DV

Variables	Logit regression			Odd ratios			Probit regression		
	Coef.	t-value	p-value	Odds ratio.	t-value	p-value	Coef.	t-value	p-value
ISBanks	-1.75**	-2.22	.027	.174	-2.2	.027	-.847**	-2.14	.033
ISBP	.013	0.03	.977	1.013	0.0	.977	-.081	-0.35	.724
NTISP	6.075**	2.94	.003	434.684	2.9	.003	3.197*	2.88	.004
Islamfintech	-.383	-0.48	.628	.682	-0.4	.628	-.223	-0.54	.592
salesfintech	1.245	0.67	.501	3.472	0.6	.501	.753	0.74	.46
fintechdevices	-2.95*	-3.24	.001	.052	-3.2	.001	-1.56**	-3.30	.001
salesfintechdevices	.836	0.85	.396	2.306	0.8	.396	.177	0.38	.707
legalstatus	-4.39*	-2.60	.009	.012	-2.6	.009	-2.26**	-2.59	.01
TPBUS	.023	0.05	.958	1.023	0.0	.958	.048	0.21	.837
age	-	-2.19	.028	.192	-	.028	-	-2.31	.021

MaritalS	1.65**				2.19			.915**		
	-1.334	-1.10	.271	.263	-	.271		-.594	-0.92	.359
Location					1.10					
	-	-3.96	0	.123	-	0		-	-4.29	0
	2.09*				3.9			1.106*		
	**				6			**		
Logit model of fit						Probit Model of fit				
Mean dependent var	0.754	SD	0.432	Mean	0.754	SD	0.432	Mean dependent var		
Pseudo r-squared	0.764	Number of obs	175	Pseudo r-squared	0.758	Number of obs	175			
Chi-square	149.025	Prob > chi2	0.000	Chi-square	147.950	Prob > chi2	0.000			
Akaike crit. (AIC)	72.127	Bayesian crit. (BIC)	113.269	Akaike crit. (AIC)	73.202	Bayesian crit. (BIC)	114.345			

Note: the asterisks \*\*\*, \*\* and \* indicate significance at 1%, 5% and 10% respectively.

Source computed by the researcher using STATA 17 (2025)

**Islamic Banks Used (ISBanks):-**The results show that the type of Islamic bank women use affects their satisfaction in a negative way. The coefficient is -1.751 in the Logit model and -0.847 in the Probit model, both with p-values less than 0.05 (0.027 and 0.033). This means women who use different banks (like switching from Jaiz Bank only to Taj Bank only, or using both banks) are less satisfied. The odds ratio of 0.174 means women are much less likely to be satisfied when they change their banking choice. This could be because women prefer to stick with one bank they trust rather than trying different ones. This finding makes sense when we look at the Resource-Based Theory, which says that businesses work better when they focus their resources on building strong relationships with fewer partners. This result matches what Sukarnoto et al. (2025) found in Indonesia.

**Type of Islamic Products (ISBP):-**The type of Islamic financial products women use does not really affect their satisfaction. The coefficient is 0.013 in Logit and -0.081 in Probit, but both have high p-values (0.977 and 0.724), which means this factor is not important. The odds ratio is 1.013, which is very close to 1, showing almost no effect. This suggests that whether women use Mudarabah, Murabahah, or other Islamic products, their satisfaction level stays about the same.

**Number of Times Using Products (NTISP):-**This is one of the strongest factors that affect satisfaction. The coefficient is 6.075 in Logit and 3.197 in Probit, both with very low p-values (0.003 and 0.004). The odds ratio is 434.684, which is very high. This means Women who use Islamic financial products more often are much more satisfied with these services. This is the strongest positive factor affecting satisfaction. The Resource-Based Theory supports this finding because repeated use helps women build better skills and knowledge about Islamic finance, making these capabilities valuable resources for their businesses. The finding strongly matches what Haji Johari et al. (2025) discovered in Brunei, where regular use of Islamic social finance led to better empowerment outcomes for women entrepreneurs. Similarly, Nakanwagi Baina et al. (2025) found that consistent use of Islamic finance mechanisms improved business performance across different countries.

**Islamic Fintech Usage (Islamfintech):-**Using Islamic fintech apps and platforms does not really affect women's satisfaction. The coefficients are -0.383 in Logit and -0.223 in Probit, but the p-values are high (0.628 and 0.592), meaning this factor is not important. The odds ratio is 0.682, showing a

small negative effect, but it's not strong enough to matter. This suggests that whether women use banking apps, payment gateways, or Takaful tech, their satisfaction level doesn't change much.

**Overall Model Performance:-**Both math models work very well in predicting women's satisfaction. The Pseudo R-squared values are 0.764 for Logit and 0.758 for Probit, meaning these models can explain about 76% of what makes women satisfied or not. The Chi-square values are very high (149.025 and 147.950) with p-values of 0.000, showing that these models are very reliable.

**Main Findings:-**The most important factors that determine women's satisfaction with Islamic finance are: how many times they use the products (positive effect), their age (younger women are happier), their location (some cities are better), the type of bank they choose (sticking to one bank is better), the devices they use (simple devices work better), and their business legal status (simple business structures are better). Things like the type of products they use, their marital status, and type of business don't really matter for satisfaction.

#### 4.5 Goodness-of-Fit Test Results (Logistic Regression Model)

The goodness-of-fit test results show how well our logistic regression model works in predicting women's satisfaction with Islamic financial products. This table tells us if our model is doing a good job or if it has problems that we need to fix..

**Table 6 Logistic Model Goodness-of-Fit**

Goodness-of-fit test after logistic model			
Number of observations		175	
Number of groups		10	
Hosmer–Lemeshow chi2(8)		3.44	
Prob > chi2		0.9039	
Log likelihood		-20.955011	
SAF	Coefficient	Z	P> z
_hat	1.156	3.960	0.000
_hatsq	0.099	2.370	0.018
_cons	-0.279	-0.640	0.524

*Source computed by the researcher using STATA 17 (2025)*

**Hosmer-Lemeshow Test Results:-**The most important part of this table is the Hosmer-Lemeshow test, which tells us if our model fits the data well. The chi-square value is 3.44 with 8 degrees of freedom. This number by itself does not tell us much, but we need to look at the probability value to understand what it means.

The probability value (Prob > chi2) is 0.9039, which is much higher than 0.05. This is very good news for our model. When the probability is higher than 0.05, it means our model fits the data very well. In simple terms, our model does a good job of predicting which women will be satisfied and which women will not be satisfied with Islamic financial products. If this number was less than 0.05, it would mean our model has serious problems and we cannot trust its results.

**Log Likelihood Value:-**The log likelihood value is -20.955011. This number tells us about the overall quality of our model. Log likelihood values are always negative, and numbers closer to zero are better. Our value of -20.955011 shows that our model has good quality. This number is used to compare different models, and it helps us know that our current model is working well compared to a model with no variables.

**Model Specification Tests:-**The bottom part of the table shows three important tests that check if our model is set up correctly. These tests look at something called "\_hat" which represents the predicted values from our model, and "\_hatsq" which is the square of those predicted values. The first test (\_hat) has a coefficient of 1.156 with a z-value of 3.960 and a p-value of 0.000. Since the p-value is less than 0.05, this test is significant. This tells us that there is a relationship between what our model predicts and what actually happens with women's satisfaction. The second test (\_hatsq) has a coefficient of 0.099 with a z-value of 2.370 and a p-value of 0.018. This p-value is also less than 0.05, making it significant. This test checks if there are any curved relationships in our model that we might have

missed. The fact that this test is significant suggests that our model might have some non-linear patterns.

The constant term (\_cons) has a coefficient of -0.279 with a z-value of -0.640 and a p-value of 0.524. Since this p-value is higher than 0.05, this part is not significant. This is normal and does not cause problems for our model.

**4.6 Revenue Analysis of Women Entrepreneurs Using Islamic Finance Products**

This table shows which factors help women entrepreneurs make more money when they use Islamic financial products.

**Table 7 Factors affecting Profit Made by Women Entrepreneurs Using Islamic Financial Products**

Profit=DV	Coef.	t-value	p-value
ISBP	1256.981	2.67	.008
ISBanks	-2929.316	-3.13	.002
NTISP	5904.552	3.31	.001
Location	-2758.49	-3.99	0
Noemp	-779.816	-0.62	.536
legalstatus	-12705.952	-5.07	0
MaritalS	3960.129	2.17	.031
Age	2462.539	2.18	.03
WExperience	-1177.732	-1.01	.312
Constant	3211.414	0.59	.554
Mean dependent var	17182.759	SD dependent var	53125.244
Pseudo r-squared	0.058	Number of obs	232
Chi-square	103.117	Prob > chi2	0.000
Akaike crit. (AIC)	1682.234	Bayesian crit. (BIC)	1720.148

*Note: the asterisks \*\*\*, \*\* and \* indicate significance at 1%, 5% and 10% respectively.*

*Source computed by the researcher using STATA 17 (2025)*

The average profit made by these women is ₦17,182.759, but some women make much more or much less than this amount. When the p-value is less than 0.05, it means that factor really affects how much profit women make.

**Type of Islamic Products Used (ISBP):-**The type of Islamic financial products women choose has a strong positive effect on their profits. The coefficient is 1256.981 with a p-value of 0.008, which means this factor is very important. This tells us that when women move from using one type of Islamic product to another (like from Sukuk to Mudarabah, or from Murabahah to Musharakah), their profits increase by about ₦1,257 on average. Some Islamic products are better for making money than others. Products like Mudarabah and Musharakah. The Resource-Based Theory supports this finding because partnership-based products often come with additional business advice and support that helps women build better business capabilities. This result matches what Raimi and Bamiro (2025) found about Islamic sustainable finance mechanisms helping SMEs achieve better outcomes through ethical financing arrangements

**Islamic Banks Used (ISBanks):-**The choice of Islamic bank has a strong negative effect on profits. The coefficient is -2929.316 with a p-value of 0.002, which is very important. This means when women switch from using one bank to another (like moving from Jaiz Bank only to Taj Bank only, or using both banks), their profits decrease by about ₦2,929 on average. Women who stick to one bank, especially Jaiz Bank, tend to make more money. This could be because Jaiz Bank offers better services, lower fees, or more business-friendly products. When women try different banks or use multiple banks, they might face higher costs or less efficient services that reduce their profits. This finding aligns with what Sukarnoto et al. (2025) discovered in Indonesia, where women who worked closely with one Islamic microfinance institution received more tailored support and achieved better business results

**Number of Times Using Products (NTISP):-**How often women use Islamic financial products has the strongest positive effect on their profits. The coefficient is 5904.552 with a p-value of 0.001, making this the most important factor. When women increase their usage from once to twice, or from twice to more times, their profits increase by about ₦5,905 on average. This shows that regular use of Islamic financial products helps women build better businesses and make more money. The Resource-Based Theory strongly supports this because repeated use helps women develop financial management skills and build better relationships with Islamic finance providers.

**Overall Model Performance:-**This model is not very strong in predicting women's profits. The Pseudo R-squared is only 0.058, which means the model only explains about 6% of what determines women's profits. This is quite low, suggesting that there are many other important factors not included in this study that affect how much money women make. However, the Chi-square value is 103.117 with a p-value of 0.000, showing that the factors included do have some real effects, even if they don't explain everything.

The study shows that women entrepreneurs make more profits when they use different types of Islamic products regularly, stay with one bank (especially Jaiz Bank), are older and married, and avoid formal business structures. Location also matters a lot, with some cities being much better for profits than others. The most important factor is how often women use Islamic financial products - the more they use them, the more money they make. However, having formal business registration and using multiple banks actually reduces profits, probably because of higher costs and fees. The study suggests that simple business setups with regular use of appropriate Islamic financial products work best for women entrepreneurs in Nigeria.

## CONCLUSIONS

This study looked at how Islamic finance affects women entrepreneurs in Nigeria, focusing on how they behave when using the products and how much profit they make from them. The study had two main parts: the behavioral analysis (using logit regression) and the revenue analysis (using tobit regression). The conclusions are based on the study's objectives and findings.

First, the study wanted to know if women entrepreneurs are really using Islamic finance products and what makes them decide to use them. The findings show that many women use these products because they believe they match their religious values, are fair, and give them good support. Their choices were strongly influenced by the type of Islamic product, how often they use it, and which bank they go to. Women who trust the bank and understand the products well are more likely to use them.

Second, the study checked if women make more profit when they use Islamic finance products. The findings show that some products help increase profit, especially when women subscribe to them many times. But the choice of bank can sometimes reduce profit, maybe because of extra costs or differences in services. Also, Women running simple or sole businesses seem to make more profit compared to those running more formal company types. Where the women live also affects profit, with some locations doing better than others.

Third, the study looked at other personal factors like marital status, age, and work experience. It found that married women and older women tend to make more profit from Islamic finance products. However, how many years they have worked or how many workers they have does not really change the profit much.

## RECOMMENDATIONS

First, since many women use Islamic finance products because they trust them and feel they match their beliefs, it is recommended that Islamic banks and financial institutions should do more to teach women about these products. They can do this by organizing small group talks, training, and simple information sessions in markets and local centers.

Second, because some products increase profit when used many times, banks should encourage women to keep using the products and show them the long-term benefits. Banks can do this by giving loyalty rewards or offering better service to regular users.

Third, since the choice of bank can sometimes lower profits, both Jaiz Bank and Taj Bank should work on improving their services and reducing extra costs for women. They should check what challenges women face when using their services and fix them quickly.

Fourth, because the type of business matters and sole businesses seem to do better, it is recommended that business support groups and government agencies help women in formal companies improve their profits too.

Lastly, since where the women live affects profits, local governments in places like Kano, Katsina, Gombe, Abuja, and Lagos should help create better business environments for women. They can do this by improving roads, markets, and safety, and by bringing banks closer to women's workplaces. This will help women run their businesses better and make good use of Islamic finance, no matter where they live.

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