



## FACTORS INFLUENCING THE PATRONAGE OF INSURANCE COMPANIES

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### ABSTRACT

This research examined factors influencing the patronage of insurance companies in Calabar, Nigeria. Cross-sectional survey research design was adopted, while primary data were obtained from 738 residents of Calabar metropolis with the aid of a structured questionnaire. Data analysis was done using multiple regression in the Statistical Package for the Social Sciences (SPSS 27). The findings of the study revealed that there is a significant effect of religion, income, awareness, subjective norms, and perceived behavioural control on the corporate sustainability of the patronage of insurance companies. Based on the findings of the study, it was concluded that insurance firms should give critical attention to these factors as they play a great role in ensuring patronage of their services from the members of the public. Therefore, the study recommended that insurance firms should engage in periodic awareness to help promote their products and remind the people of the benefits they will enjoy from subscribing to an insurance package.

**Keywords:** Religion, income, awareness, subjective norms, perceived behavioural control, patronage, and insurance companies

**JEL:** D14, G23, Q15, Z12

### INTRODUCTION

The insurance industry in Nigeria since the end of the Second World War has experienced remarkable growth, this has subjected to a dynamic interplay of various factors that influence customer patronage (Ebitu, Ibok & Mbum, 2012). Simultaneously with the growth is the significant dynamics within the insurance industry. These significant growth includes, introduction of package policies, the universal banking, system, grassroots insurance, the variable annuity, growth life insurance, universal life policy, changes in regulatory framework, continued expansion of social security, and the involvement of government as a provider of private insurance (Ebitu et al, 2012). These are most of the dynamics that plays out in the insurance industry. Customer patronage of insurance product is not merely a result of random choice but is influenced by a complex set of factors ranging from socio-economic conditions to strategic marketing efforts by insurance companies (Fofie, 2016). The patronage of insurance companies reflects a society's understanding of risk management and its commitment to safeguarding the future against unanticipated disasters (Mathur & Tripathi, 2014). Insurance firms should be able to know customer's level of understanding of risk management as this will help them comprehend customer's level of patronage towards their service offering (Adamu, 2018). The customer's level of patronage of insurance services can be hinged by several factors like religion, income, awareness, technology, friendly policies, subjective norms, perceived behavioral control, among others.

Economic conditions may directly hinder the customer's willingness to invest in insurance policies, this may be caused by an unstable economy which leads to weak purchasing power of the



customers. When the purchasing power of the customers are weak, in turn its lead to little or no insurance subscription (Dankwah et al, 2022). Awareness and knowledge of insurance products are also critical as customers may not patronize insurance companies for lack of awareness. The authors further mentioned that effective advertising provide substantial platform to educate and inform potential customers about the benefits of insurance, dispel myths, and address misconceptions, thereby influencing their purchasing decisions. Additionally, the availability of tailored insurance products that meet the specific needs of the locals can attract more customers (Maseke & Ipinge, 2021). Insurance firms that understand and factor in the local context and cultural nuances are likely to enjoy greater patronage. Furthermore, the role of religion cannot be overstated. In today's multifaceted religious society, various belief system facilitates acceptance and patronage insurance products and services in totality (Badru et al, 2022). Understanding these factors is crucial for insurance companies aiming to enhance their market presence and for policymakers striving to foster a thriving insurance sector (Akokuwebe, & Idemudia, 2022).

The insurance sector plays a crucial role in the stability and development of economies, serving as a safety cushion for both individuals and enterprises. Nevertheless, the preference for insurance companies varies among different demographic groups and is influenced by a variety of factors (Hossain, 2015). These factors have hampered the success of insurance companies. One of such is income, income stands out as a significant factor in determining insurance patronage. Higher income levels are typically associated with greater insurance coverage, as individuals possess more disposable income to invest in protective measures against potential financial risks (Biswas, 2022). Conversely, the author mentioned that lower income brackets might view insurance as an optional expense, resulting in their underrepresentation in insurance markets. Religion also holds considerable importance, being able to significantly sway an individual's decision-making process. Some religious beliefs may discourage the utilization of traditional insurance products, while others may endorse it as a form of stewardship or communal duty. Awareness represents another crucial element; lacking sufficient knowledge about the advantages and mechanisms of insurance, prospective clients may exhibit apathy or doubt towards acquiring insurance policies. This lack of awareness can lead to a substantial portion of the population remaining uninsured or underinsured. Moreover, perceived behavioral control, which pertains to an individual's belief in their ability to utilize insurance services, also impacts patronage. Therefore, this study is carried out to examine the factors the influencing customers' patronage of insurance companies in Calabar metropolis, Nigeria.

## LITERATURE REVIEW

Integrative theory of patronage preference and behaviour

The integrative theory of patronage preference and behavior was propounded by Jagdish Sheth (1981). The theory aims to understand why consumers choose to patronize certain brands or businesses over others and complex decision-making processes that influence consumers' choices. The central notion of this theory holds that consumer choices are influenced by a combination of rational and emotional factors, as well as social and situational influences. According to this theory, consumers weigh the perceived benefits of a product or service against its perceived costs, including both monetary and non-monetary factors. Additionally, consumers' emotions and attitudes play a crucial role in shaping their preferences and behavior, as they are likely to choose brands that align with their values and identity (Darden & Dorsch, 1990). One of the key tenets of the integrative theory of patronage preference and behavior is the concept of consumer



involvement. This refers to the extent to which consumers are emotionally invested in a product or service, and the level of importance they attach to their purchase decisions (Singh & Kohade, 2022). Highly involved consumers are more likely to engage in extensive information search and evaluation processes before making a purchase, whereas those with low involvement may rely more on heuristics or shortcuts (Padhey & Sangvikar, 2016).

Another important aspect of the integrative theory of patronage preference and behavior is the notion of social influence. Consumers are not isolated individuals making decisions in a vacuum, but rather are influenced by their social networks, including family, friends, and peers (Sackmary, 2018). Social norms and values can significantly impact patronage preferences and behavior, as consumers seek to conform to the expectations of their social group or reference group. Furthermore, the theory emphasizes the role of situational factors in shaping consumer choices. These could include environmental cues, such as store layout and design, as well as marketing stimuli, such as advertising and promotions. Consumers' choices are often influenced by the context in which they find themselves, as well as their immediate needs and desires (Blut et al, 2018).

The theory of integrative theory of patronage preference and behavior is fit for this study because the theorist position is that which clearly shows that consumer choices are influenced by a combination of rational and emotional factors, as well as social and situational influences. Considering the purchase of insurance services, the basic components that makes up the theory are the primary elements that triggers a consumer to want to purchase an insurance service. This theory further aligns with the study as it helps insurance firms to gain in-depth and valuable insight into how to effectively target and engage consumer to subscribe to their various insurance offers. The adequate knowledge of the consumers' rational behaviour will enable the insurance firms to strategically promote their service offering. This information will further help them to know the substantive income level of their potential customers there knowing the people that are likely to subscribe to their offer. The social status of a potential customer also helps the companies to know who potential customer as those in the elite class may intend to get an insurance offer for their businesses, properties or family members. Lastly, the theorist also addresses the awareness, subjective norm, and perceived behaviour of the customers, by mentioning that emotional factors and situational influence contribute significantly to the consumer choice of the service offered by the insurance firms. In conclusion, the integrative theory of patronage preference and behavior offers a comprehensive framework for understanding the complex processes that underlie consumer choices.

#### Concept of patronage

Customer patronage is the heart of any business, as it directly affects the success and sustainability of the organization. Customer patronage refers to the loyalty and consistent support that customers provide to a particular brand, product, or service (Adiele et al, 2015). In today's business environment where there is stiff competition among business organizations, customer patronage is more important than ever because consumers are well-informed about the numerous options available to them and can switch brands at any time. The place of customer patronage in growth and profitability of business organizations cannot be overemphasis. Nijite et al, (2015) axiom that loyal customers are more likely to make repeat purchases, refer others to the business, and provide valuable feedback that can help the company improve its products or services. Research has shown



that acquiring a new customer is far more costly than retaining an existing one, making customer patronage a cost-effective way to increase revenue and build a solid customer base (Almotairi, 2021). Furthermore, the author mentioned that customer patronage plays a significant role in brand reputation and differentiation. Brands that have a loyal following of customers are perceived as trustworthy, reliable, and of high quality (Stella & Ikechukwu, 2015). This positive image can help a business stand out in a competitive marketplace and attract new customers who are endeared to the brand's reputation for excellence.

In contrast, organizations that are look worm about cultivating customer patronage risk losing customers to competitors and endangering their brand's reputation among the customers. In their study, Okolie & Udom (2021) asserted that there are several strategies that businesses can use to encourage customer patronage. One of the most effective approaches is to provide exceptional customer service. When customers feel valued and appreciated by a business, they are more likely to become loyal patrons who return again and again. This can be achieved through personalized interactions, prompt response times, and proactive communication that addresses customer needs and concerns. Another key strategy is to offer incentives and rewards for customer loyalty (Tafamel & Oshodin, 2015). This can take the form of discounts, exclusive offers, or loyalty programs that reward customers for their repeat business. By providing tangible benefits to loyal customers, businesses can incentivize them to continue patronizing the brand and make them feel appreciated for their loyalty. In addition, businesses can foster customer patronage by building strong relationships with their customers. By building trust and rapport with customers, businesses can create a sense of loyalty and affinity that can lead to long-term patronage. In addition, firms that cultivate the habit of maintaining loyal customers increase their revenue base, build brand reputation, and differentiate themselves in a competitive marketplace (Anyadighibe, Ezekiel, Awara & Udeh-Mgbado, 2023). By providing exceptional customer service, offering incentives for loyalty, and fostering strong relationships with customers, businesses can create a loyal customer base that will support their growth and success for years to come

### Religion

Religion is a complex and deeply ingrained aspect of human society that has significant implications for customer patronage. Religion is broadly defined as a set of beliefs, practices, and rituals that guide individual and collective behavior, plays a crucial role in shaping consumer preferences and behaviors. For many people, religion is a central part of their identity and worldview, and it influences their attitudes, values, and priorities (Kusumawati et al, 2020). Religious teachings and principles often inform individuals' ethical and moral standards, which in turn shape their choices as consumers. Moreover, religion can also serve as a powerful motivator for consumer patronage (Sulaiman et al, 2016). Many religions emphasize the importance of communal solidarity, charity, and fellowship, all of which can be translated into consumer behaviors. Religious organizations often encourage their members to support businesses that share their values or are owned and operated by fellow believers (Yahya & Ariffin, 2020). This sense of religious solidarity can create a strong sense of loyalty among customers, leading them to patronize businesses affiliated with their religious community (Ratnasari et al, 2020).

In the same vein, religion can also be a source of tension and conflict in the realm of customer patronage. Different religious beliefs and practices can lead to divergent consumer preferences and behaviors, creating challenges for businesses seeking to cater to a diverse customer base (Sobari



et al, 2022). Some businesses may struggle to navigate the sensitivities and taboos associated with certain religious traditions, potentially alienating some customers while appealing to others. In addition, religious beliefs can also influence how consumers perceive and evaluate products and services (Bernardo, 2023). Studies have shown that individuals from different religious backgrounds may attribute different meanings, values, and symbolism to the same product, leading to variations in their willingness to purchase or engage with it. A product that is considered taboo or sacrilegious in one religious tradition may be embraced and celebrated in another (Nawawi et al, 2017). Hence, religion plays a multifaceted and nuanced role in shaping customer patronage. It influences consumer preferences, behaviors, motivations, and evaluations in ways that are complex and varied. Businesses that seek to leverage the power of religion in marketing and customer relations must be attuned to the diverse and dynamic ways in which religion intersects with consumer behavior (Klein et al, 2016). By understanding and respecting the role of religion in shaping consumer choices, organizations can cultivate a strong cliental relationships with their customers and consumers thereby helping them build brand loyalty that transcends mere transactions. Thus, this study hypothesises that:

H<sub>01</sub>: There is no significant effect of religion on the patronage of insurance companies in Calabar Metropolis.

#### Income

Income is a key determinant of customer patronage in virtually all industries and sectors of the economy. One of the most obvious ways in which income affects customer patronage is through the purchasing power it provides to consumers. Higher income individuals have more disposable income to spend on goods and services, allowing them to make more frequent and larger purchases (Umeanyika et al, 2021). As a result, businesses tend to target higher income individuals as their primary customer base, as they are more likely to generate higher sales volumes and revenues. Conversely, lower income individuals may have limited purchasing power, leading them to be more selective in their spending habits (Akintola, 2020). These categories of customers are tend to prioritize essential items such as food, shelter, and clothing over luxury goods and experiences. As a result, businesses that cater to lower income customers may need to offer more budget-friendly options in order to attract their patronage (Inyama et al, 2021). Furthermore, income also plays a role in shaping consumer preferences and attitudes towards products and services. Individuals with higher incomes may place a greater emphasis on quality, brand reputation, and the overall customer experience when making purchasing decisions. They may be willing to pay a premium for products and services that are perceived as being higher quality or offering additional value (Adebisi, & Akinruwa, 2015).

On the other hand, lower income individuals may prioritize price and affordability when making purchasing decisions. They may be more willing to sacrifice certain features or amenities in exchange for a lower price point. Businesses that cater to this customer segment may need to focus on offering competitive prices and value-driven propositions in order to attract and retain their patronage (Totanan et al, 2021). In addition to individual income levels, household income can also impact customer patronage. A household's income level can influence the types of products and services that are purchased, as well as the frequency and volume of purchases. Higher income households may be more likely to purchase premium or luxury goods and services, while lower income households may prioritize affordability and practicality (Dabija & Babut, 2019). Also, income inequality can have broader implications for customer patronage and overall market

dynamics. Disparities in income levels can create segmentation within the market, leading businesses to tailor their offerings to specific customer segments based on their income levels. This can result in the proliferation of niche products and services targeted towards different income brackets, as businesses seek to maximize their market share and profitability (Prasad, 2021). Income is a critical factor that influences customer patronage in a variety of ways. From purchasing power to consumer preferences and attitudes, income shapes the behaviour and decisions of consumers across different income brackets. Businesses must understand the nuances of income dynamics within their target market in order to effectively attract and retain customers, drive sales, and ultimately achieve success in an increasingly competitive business environment (Olise et al, 2015). Thus, this study conjectures that:

H<sub>02</sub>: There is no significant effect of income on the patronage of insurance companies.

#### Awareness

In today's highly competitive business landscape, customer awareness plays a vital role in attracting and retaining customers. Customer patronage is essential for the success of any business, as loyal customers not only provide repeat business but also act as brand ambassadors, spreading positive word-of-mouth and driving new customers (Ikpo et al, 2021). Therefore, it is crucial for businesses to focus on raising awareness among their target audience in order to increase customer patronage. Customer awareness refers to the level of knowledge and understanding that customers have about a particular brand, product, or service (Chibuzor & Isibor, 2022). This awareness can be created through various marketing efforts, such as advertising, public relations, social media, and word-of-mouth. One of the key benefits of increasing customer awareness is the ability to build a strong and loyal customer base. When customers are aware of a brand and its offerings, they are more likely to choose that brand over competitors.

Another important aspect of customer awareness is educating customers about the value they can derive from a particular product or service. Customers need to understand how a product or service can solve their problems or meet their needs in order to make a purchase decision. Organizations can achieve this by providing clear and concise information about the features and benefits of their offerings, as well as offering demonstrations, trials, and testimonials to showcase the value they provide. Customers are more likely to trust and support brands that they are familiar with and perceive as reputable and reliable. By consistently communicating their brand message and values to customers through various touchpoints, businesses can build brand recognition and loyalty, leading to increased customer patronage and revenue growth (Okolo et al, 2018). Overall, customer awareness is a critical factor in driving customer patronage and business success. By focusing on educating customers about the value they provide and engaging with them through various marketing channels, businesses can increase customer patronage and achieve long-term success (Feyisayo, 2021). Thus, this study conjectures that:

H<sub>03</sub>: There is no significant effect of awareness on the patronage of insurance companies.

#### Subjective norm

Subjective norm is a key concept in understanding customer patronage behavior. It refers to an individual's perception of what others think they should do in a given situation. This perception is often shaped by social influences and plays a significant role in influencing consumer decisions (Kokila & Sampathlakshmi, 2020). When it comes to customer patronage, subjective norm can have a profound impact on an individual's decision to patronize a particular business or brand.



Moreso, if customers believe that others have had negative experiences with a particular organization, they may be less likely to shop there. One of the key factors that influence subjective norm is social influence (Al-Nahdi et al, 2015). People tend to look to others for guidance on how to behave in certain situations, especially when they are uncertain or unfamiliar with the options available to them. This can be seen in the way that consumers rely on reviews and recommendations from friends and family members when making purchasing decisions. Another important factor that can shape subjective norm is cultural norms and values (Gamama et al, 2020).

Different cultures have different expectations and norms when it comes to consumer behavior. Understanding these cultural nuances is essential for businesses seeking to attract customers from diverse backgrounds. In addition to social influence and cultural norms, subjective norm can also be influenced by personal beliefs and values. This is when an individual who values sustainability may be more likely to patronize organizations that have strong environmental policies (Diddi & Niehm, 2017). Similarly, someone who prioritizes convenience may be more inclined to shop at stores that offer online shopping options. Despite its importance, subjective norm is not the only factor that influences customer patronage. However, subjective norm can act as a powerful motivator, particularly in situations where other factors are similar or not as easily discernible. Therefore, subjective norm is a crucial concept in understanding customer patronage behavior. It reflects an individual's perception of what others think they should do in a given situation and can be influenced by social influences, cultural norms, and personal beliefs. Organizations that are able to understand and leverage subjective norm in their marketing strategies are more likely to attract and retain loyal customers (Bhatti & Akram, 2020). Thus, this study hypothesises that:

H<sub>04</sub>: There is no significant effect of subjective norms on the patronage of insurance companies.

#### Perceived behavioural control

Perceived behavioural control is a concept that has been widely studied in the field of psychology and marketing to understand and predict customer patronage. It refers to an individual's perception of their ability to perform a certain behavior and the extent to which they believe they have control over that behavior (Sembada & Yeik, 2021). In the context of customer patronage, perceived behavioural control plays a crucial role in influencing a customer's decision to patronize a particular business or brand. When it comes to customer patronage, perceived behavioural control can be seen as the key factor that influences an individual's intention to patronize a particular business or brand (Khan et al, 2015). Customers who perceive that they have control over their purchasing decisions are more likely to engage in repeat purchase with an organization, as they believe that their actions will lead to positive outcomes. On the contrary, customers who feel that they lack control over their purchasing decisions are less likely to patronize a business, as they believe that their actions will not lead to desired outcomes (Wong et al, 2018). One of the main factors that influence perceived behavioural control in the context of customer patronage is the customer's past experience with a particular brand. Customers who have had positive experiences with a business are more likely to perceive that they have control over their purchasing decisions, as they believe that their actions will lead to positive outcomes (Cop et al, 2020).

Conversely, customers who have had negative experiences with a business are less likely to perceive that they have control over their purchasing decisions, as they believe that their actions will not lead to desired outcomes. Another factor that influences perceived behavioural control in customer patronage is the level of trust that a customer has in a business or brand (Pahlavanyali,



2015). Customers who trust a business are more likely to perceive that they have control over their purchasing decisions, as they believe that their actions will lead to positive outcomes. Keke et al (2022) on the contrary mentioned that customers who do not trust an organization are less likely to perceive that they have control over their purchasing decisions, as they believe that their actions will not lead to desired outcomes. In addition to past experience and trust, perceived behavioural control in customer patronage can also be influenced by external factors such as social norms, peer pressure, and marketing strategies. Customers may be more likely to patronize a business if their friends or family members also patronize that business, as they perceive that their actions are in line with social norms (Hayuningardi & Najib, 2021). Similarly, customers may be more likely to patronize a business if they are exposed to persuasive marketing messages that emphasize their control over their purchasing decisions. Therefore, perceived behavioural control plays a significant role in influencing customer patronage. Customers who perceive that they have control over their purchasing decisions are more likely to patronize a business, while customers who feel that they lack control are less likely to patronize a business (Zhuang et al, 2021). The authors further mentioned that organizations and brands can enhance perceived behavioural control by building trust with customers, providing positive experiences, and using persuasive marketing strategies. By understanding and leveraging perceived behavioural control, businesses can increase customer patronage and loyalty, ultimately leading to increased success and profitability. Thus, this study hypothesises that:

H<sub>05</sub>: There is no significant effect of perceived behavioural control on the patronage of insurance companies.

#### Insurance companies

Insurance companies play a crucial role in a modern society by providing financial protection and risk management to individuals and organizations. These companies offer a wide range of insurance products, including life, health, property, and casualty insurance, as well as annuities and pension plans (Curcic et al, 2019). Insurance companies act as intermediaries between individuals and organizations seeking protection against potential risks and the financial resources required to cover those risks. They collect premiums from policyholders and invest the funds in various financial instruments, such as stocks, bonds, and real estate, to generate returns. In return, insurance companies provide compensation to policyholders in the event of covered losses, thereby minimizing the financial impact of unforeseen events (Odinokova et al, 2022). One of the primary functions of insurance companies is risk assessment and risk management.. The further axiom that the process allows insurance companies to price their products effectively and ensure that they remain financially stable and capable of fulfilling their obligations to policyholders. Furthermore, insurance companies also contribute to the overall stability of the economy by spreading and mitigating risks across a large pool of policyholders.

By pooling premium payments from a diverse range of individuals and organizations, insurance companies are able to effectively manage and transfer risk, thus reducing the financial impact of catastrophic events on individual policyholders and the broader economy. In addition to their risk management functions, insurance companies also play a critical role in promoting savings and investment. Life insurance companies offer products that provide a combination of protection and investment returns, encouraging individuals to save for retirement and other long-term financial goals (Marchal, et al, 2019). Similarly, annuities and pension plans offered by insurance companies help individuals generate a reliable income stream in retirement, reducing the burden on



government social welfare systems and promoting overall financial stability. Moreover, insurance companies contribute to economic development by providing coverage for businesses and facilitating investment through various forms of commercial insurance, such as property, liability, and professional indemnity insurance. By protecting organizations from potential losses, insurance companies enable entrepreneurs and corporations to take calculated risks and invest in new ventures, leading to innovation, job creation, and overall economic growth. It is important to note that insurance companies also face numerous challenges and risks, including regulatory compliance, investment volatility, and underwriting losses. Moreover, the industry is constantly evolving in response to technological advancements, changing consumer preferences, and emerging risks, such as cyber threats and climate change.

Hence, insurance companies are essential institutions that play a vital role in the functioning of modern economies and societies. By providing financial protection, risk management, and investment opportunities, insurance companies contribute to economic stability, financial security, and individual well-being. As the insurance industry continues to adapt to new challenges and opportunities, it will remain a cornerstone of the global financial system, serving as a bulwark against uncertainty and ensuring the resilience of individuals, organization, and economies. The insurance industry in Nigeria has evolved significantly, catering to the diverse financial needs of individuals and businesses alike. The following are various insurance companies in Nigeria; Leadway, Cornerstone Insurance Plc, AXA Mansard Insurance, Prestige Assurance PLC, NEM Insurance, Premium African alliance insurance, AIICO insurance, among others. These companies offer a wide range of insurance products, including life insurance, property insurance, health insurance, and liability coverage, among others.

## METHODOLOGY

Cross-sectional survey research approach was adopted, whereby the researcher will interact with respondents within a specified period to collect data for the study. The target population for this study was all residents of Calabar metropolis who are holders of an insurance policy. The total number of people with an insurance policy was unknown. Since the population of the study is not known, the research adopted the Topman formula. 50 respondents was randomly selected by the researcher for the pilot survey. The topman formula is shown below;

$$n = \frac{Z^2 \cdot PR}{e^2}$$

where:

- Z = level of confidence (1.96%)
- P = Rate of response (95%)
- R = Rate of non-response (5%)
- e = Margin of error (5% or 0.05)

$$n = \frac{1.96^2 (0.95 \cdot 0.05)}{(0.05)^2}$$

$$n = \frac{3.8416 (0.48)}{0.0025}$$



$$n = \frac{1.843968}{0.0025}$$

$$n = 738$$

The study uses primary data, which were obtained from respondents using questionnaire. The instrument was scaled in likert five-point scale of strongly agree (SA), agree (A), undecided (U), disagree (D) and strongly disagree (SD). This study employes a self-administered questionnaire consisting of closed-ended statements. The study adopted face-to-face administration of questionnaire to the respondents. Seven hundred and thirty-eight (738) questionnaires were correctly filled, returned and used for the study. The questionnaire was divided into two parts. Part A was the bio-data of the respondents which include gender, age, academic qualification, marital status. Also, part B included statements developed for independent and dependent variables. For independent variable – religion 6-8; income 9-11; awareness 12-14; subjective norms 15-17 and perceived behavioural control 18-20. Dependent variable – patronage of insurance companies (customer purchase, customer referral and loyalty) 21-23. Multiple regression analysis was employed for data analysis.

## RESULTS AND DISCUSSION OF FINDINGS

Table 1: Model summary showing factors influencing the patronage of insurance companies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 <sup>a</sup>	.568	.565	.317

a. Predictors: (Constant), Perceived control behaviour, Religion, Subjective norm, Awareness, Income

Table 2: ANOVA result showing factors influencing the patronage of insurance companies

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91.412	5	18.282	181.550	.000 <sup>b</sup>
	Residual	69.383	689	.101		
	Total	160.795	694			

a. Dependent Variable: Patronage

b. Predictors: (Constant), Perceived control behaviour, Religion, Subjective norm, Awareness, Income

Table 3: Coefficients<sup>a</sup> result showing factors influencing the patronage of insurance companies in Calabar, Nigeria

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	9.990	.306		32.692	.000
	Religion	.629	.026	1.312	24.270	.000
	Income	.849	.037	1.266	22.857	.000
	Awareness	.388	.017	.682	22.857	.000
	Subjective norm	.236	.021	.416	11.131	.000
	Perceived control behavior	.479	.020	.870	23.400	.000

a. Dependent Variable: Patronage

Source: SPSS, 27 (2023)

#### Interpretation of result

The R-value shows that there is a 75.4% relationship between the independent variable and the dependent variable. The R-squared indicates that 56.8% of the total variation of the dependent variable can be explained by the independent variables and 43.2% of the total variation is left unexplained by the independent variables. This could be attributed to other variables that have not been captured by the model. The adjusted R-square entails that 56.5% of the dependent variable is accounted for by the independent variables. The ANOVA table connotes that the overall P-value of the model shows the significant effect of the independent variables on the dependent variables as seen in the F-statistics (181.550) and the P-value (.001) which is less than .05. Furthermore, the coefficient table limpid the individual significant effect of the independent variables (religion, income, awareness, subjective norms and perceived behavioural control) on the dependent variable (patronage of insurance companies). The result shows that all the independent variables significantly affected the dependent variable positively. This is seen in their respective Probability values and t-statistics values.

#### Discussion of findings

The result of hypothesis one revealed that there is a significant effect of religion on the patronage of insurance companies in Calabar metropolis. This result is in tandem with the study of Banjo et al (2022), which studied the perception of consumer towards the purchase of life insurance policy in Lagos State. The study's goal was to look into consumers' attitudes toward purchasing life insurance policies in Nigeria. The authors found out that there is a strong positive correlation between religion and life insurance policy patronage, as implied by the R value (.811) at the 5% significance level, and it is statistically significant at.000, which is lower than (P<0.05). The analysis demonstrated that demographic factors play a significant role in different degrees in Nigerians' perceptions toward insurance services.

The result of the second hypothesis showed that there is a significant effect of income on the patronage of insurance companies. This study aligned with the study of Ackah & Owusu, (2012), titled, assessing the knowledge of and attitude towards insurance in Ghana. The study found out that from the qualitative investigation most Ghanaians, especially those in the informal sector, do not take-up insurance as a way of preparing towards future unforeseen misfortunes. This could be because of the perception among some individuals that planning ahead for a possible misfortune



is like inviting evil. Other reasons given for low insurance uptake were the general lack of insurance knowledge amongst the populace, low income levels and the reliance on God's protection to prevent calamities.

The third hypothesis showed that there is a significant effect of awareness on the patronage of insurance companies. The result was in tandem with the study of Maiyaki & Ayuba, (2015), who examined consumers' attitude toward Islamic insurance services (Takaful) patronage in Kano Metropolis, Nigeria. The research was aimed at examining the factors that influence the consumers' attitude toward Takaful services patronage in Kano Metropolis, Nigeria. The study found that awareness, perception, trust and confidence are significantly related to the consumers' attitude toward insurance services patronage.

The result of the fourth hypothesis revealed that there is a significant effect of subjective norms on the patronage of insurance companies. This result is in support with the findings of Adamu (2018), who examined the acceptance and patronage of insurance service in Northern Nigeria. The interrelationship among the variables (attitude, subjective norms, perceived behavioural control, awareness and religion) was examined to see the extent of influence each has on customers' acceptance and patronage. It was also found that, religious values, subjective norms and behavioural control factors does not account for poor acceptability and patronage.

Lastly, the result of the fifth hypothesis showed that there is a significant effect of perceived behavioural control on the patronage of insurance companies. This result is in tandem with the study of Adamu (2018), who examined the acceptance and patronage of insurance service in Northern Nigeria. The interrelationship among the variables (attitude, subjective norms, perceived behavioural control, awareness and religion) was examined to see the extent of influence each has on customers' acceptance and patronage. It was also found that perceived behavioural control factors significantly affect the acceptability and patronage of insurance services.

### Conclusion

The study examined factors that influence the patronage of insurance company services. The theory of integrative theory of patronage preference and behaviour was used as the based for this study. Relevant empirical articles were reviewed to show what other scholars have done in the direction of patronage of insurance service. This study is important because of the huge advantage that insurance offer. This study considered five factors that influences the patronages of insurance services, these factors are; religion, income, awareness, subjective norm, and perceived control behaviour. After the necessary analysis was conducted and the result interpreted, the study concluded that all the variables were found to have significant effect on the patronage of insurance services. Therefore, insurance firms should give critical attention to these factors as play great role in ensuring patronage of their services from the members of the public.

### Recommendations

1. Insurance firms should conduct a proper sensitization to educate people on the numerous advantages of insurance and dissuade their minds from every anti-religious believe on insurance services.
2. The insurance firms should also review their prices so that the middle- and low-income earners who are interested in patronizing their services will be encourage to do so.



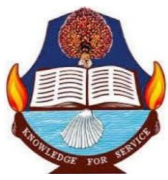
3. Insurance firms should engage in period awareness to help promote their products and remind the people of the benefits they will enjoy from subscribing to an insurance package.
4. Insurance companies can give discount on some of their services to their influential customers to serve as encouragement for them to influence the decisions of the people around them.
5. These companies can also deploy the personal selling strategy to engage customers one on one and encourage them to try out their services.

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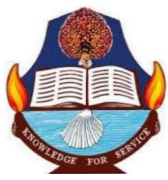
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