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EFFECT OF LITERACY IN TRADITIONAL FINANCIAL PRACTICES ON THE ADOPTION OF ASSET TOKENIZATION IN RIVERS STATE, NIGERIA

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ABSTRACT: *This study investigates the effect of literacy in traditional financial practices on the adoption of asset tokenization in Rivers State, Nigeria. Adopting a quantitative cross-sectional survey design, primary data were collected from a stratified proportional sample of 255 respondents and from the Accounting, Banking and Finance, Management, and Economics departments across three tertiary institutions: University of Port Harcourt, Rivers State University, and Ignatius Ajuru University of Education. Using SPSS v25, descriptive statistics, normality tests (Shapiro–Wilk, skewness, kurtosis), Pearson correlation, and multiple linear regression were applied to examine how literacy in traditional financial practices (LTFP), involvement in traditional financial practices (ITFP), and financial regulatory clarity and support (FRCS) influence both the level of adoption (LAAT) and intention to adopt asset tokenization (IAAT). The results indicate that LTFP ($\beta = .248$, $p < .001$), ITFP ($\beta = .202$, $p < .01$), and FRCS ($\beta = .226$, $p < .001$) significantly and positively predict LAAT, while LTFP ($\beta = .239$, $p < .001$), ITFP ($\beta = .210$, $p < .01$), and FRCS ($\beta = .234$, $p < .001$) also significantly predict IAAT. The findings confirm that understanding and engagement in traditional finance, coupled with regulatory clarity, are vital enablers of tokenization adoption. The study concludes that enhancing financial literacy rooted in traditional systems, improving regulatory transparency, and aligning community-based finance with digital innovations will accelerate Nigeria's transition toward asset tokenization. It recommends joint interventions by the Central Bank of Nigeria, Securities and Exchange Commission, National Orientation Agency, and tertiary institutions to expand financial education, regulatory guidance, and awareness of tokenized asset frameworks.*

KEYWORDS: Traditional Financial Literacy, Asset Tokenization, Financial Regulation, Adoption Intention, Behavioral Finance, Nigeria.

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INTRODUCTION

Globally, the evolution of financial technologies has reshaped how assets are owned, managed, and transferred. One of the most transformative innovations in recent years is asset tokenization, which refers to converting real-world assets into digital tokens that can be traded on blockchain platforms (World Economic Forum, 2023). Tokenization enhances liquidity, transparency, and accessibility of financial assets by reducing intermediaries and transaction costs. However, successful adoption of such technology depends not only on digital literacy but also on the understanding of traditional financial practices that have long underpinned conventional economic systems (PwC, 2023). Regionally, across Sub-Saharan Africa, the transition toward blockchain-based asset systems is influenced by both technological readiness and the persistence of informal financial traditions. Many communities continue to rely on cooperative savings schemes, thrift collections, and rotating credit associations as trusted financial mechanisms (Olayinka & Adebayo, 2022). These traditional systems embody deep-rooted financial literacies that influence the perception and acceptance of modern digital innovations, including tokenization. In countries such as Kenya, South Africa, and Ghana, hybrid models combining traditional savings culture with blockchain-based financial tools are beginning to emerge, though with varying adoption rates (African Development Bank, 2023). In Nigeria, where informal finance remains dominant, the interaction between traditional financial literacy and digital innovations like asset tokenization is particularly significant. Nigeria is Africa's largest blockchain market and among the global leaders in cryptocurrency adoption, yet asset tokenization remains in its infancy (Chainalysis, 2023). The country's diverse financial landscape, comprising traditional saving schemes like esusu, ajo, adashe; microfinance institutions; and emerging fintech platforms, creates both opportunities and challenges for token-based asset systems (Eze & Ogbonna, 2023). Understanding how literacy in traditional financial practices shapes perceptions, intentions, and actual adoption of asset tokenization can provide valuable insight into bridging the digital-financial divide in Nigeria's evolving financial ecosystem. This study surveyed lecturers and students from the accounting, banking and finance, management, and economics departments across the University of Port Harcourt, Rivers State University, and Ignatius Ajuru University who are active users of mobile money wallets for financial transactions or investments.

Statement of the Problem

Despite global recognition of tokenization as a next-generation financial innovation, previous models have treated literacy in traditional finance and regulatory clarity as independent determinants of adoption (Aina & Ojo, 2024), while others have examined intention to adopt and actual adoption levels separately (Kshetri & Voas, 2022). However, the current study integrates these perspectives into a combined model, linking literacy, involvement in traditional practices, and financial regulatory support with both intention and level of adoption of asset tokenization. Empirical findings on its adoption remain inconclusive. Studies have produced mixed results regarding the influence of financial literacy and traditional financial experience on the acceptance of digital financial instruments (Kshetri & Voas, 2022; Aina & Ojo, 2024). While some research highlights that traditional financial knowledge fosters confidence and facilitates smoother transitions into digital finance, others argue that entrenched reliance on legacy systems may hinder the adoption of tokenized assets (Okon & Bello, 2023).

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Objectives of the Study

The general objective of this study was to examine the effect of literacy in traditional financial practices on the adoption of asset tokenization in Nigeria. Specifically, the study sought to:

1. Evaluate the effect of literacy in traditional financial practices (LTFP) on the level of adoption of asset tokenization (LAAT) in Nigeria.
2. Examine the effect of involvement in traditional financial practices (ITFP) on the level of adoption of asset tokenization (LAAT) in Nigeria.
3. Assess the effect of financial regulatory clarity and support (FRCS) on the level of adoption of asset tokenization (LAAT) in Nigeria.
4. Determine the effect of literacy in traditional financial practices (LTFP) on the intention to adopt asset tokenization (IAAT) in Nigeria.
5. Investigate the effect of involvement in traditional financial practices (ITFP) on the intention to adopt asset tokenization (IAAT) in Nigeria.
6. Analyze the effect of financial regulatory clarity and support (FRCS) on the intention to adopt asset tokenization (IAAT) in Nigeria.

Statement of Hypotheses

The following null hypotheses are formulated to guide the study:

H_{01}: Literacy in traditional financial practices (LTFP) has no significant effect on the level of adoption of asset tokenization (LAAT) in Nigeria.

H_{02}: Involvement in traditional financial practices (ITFP) has no significant effect on the level of adoption of asset tokenization (LAAT) in Nigeria.

H_{03}: Financial regulatory clarity and support (FRCS) have no significant effect on the level of adoption of asset tokenization (LAAT) in Nigeria.

H_{04}: Literacy in traditional financial practices (LTFP) has no significant effect on the intention to adopt asset tokenization (IAAT) in Nigeria.

H_{05}: Involvement in traditional financial practices (ITFP) has no significant effect on the intention to adopt asset tokenization (IAAT) in Nigeria.

H_{06}: Financial regulatory clarity and support (FRCS) have no significant effect on the intention to adopt asset tokenization (IAAT) in Nigeria.

This study contributes to understanding how traditional financial literacy influences Nigeria's transition toward asset tokenization. It provides policymakers, fintech innovators, and regulators with empirical insights on integrating traditional finance knowledge into digital asset frameworks. The findings will guide education, innovation, and regulatory strategies to enhance adoption and sustainable development of tokenized financial systems in Nigeria.

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LITERATURE REVIEW

Conceptual Framework

The constructs examined in this study include literacy in traditional financial practices, involvement in traditional financial practices, financial regulatory clarity and support, level of adoption of asset tokenization, and intention to adopt asset tokenization. These constructs collectively capture the multidimensional relationship between traditional financial knowledge and behavioral tendencies toward embracing tokenized asset systems in the Nigerian financial context (Olayinka & Adebayo, 2022).

Variable Clarification and Conceptual Constructs

Literacy in traditional financial practices has been defined by Aina and Ojo (2024) as the extent to which individuals understand indigenous financial mechanisms such as esusu and cooperative savings schemes, emphasizing their capacity to make informed financial decisions within non-formal structures. Similarly, Omodero (2023) defined traditional financial literacy as knowledge and comprehension of communal saving, credit, and investment systems existing before the dominance of modern banking. These definitions highlight the foundational role of indigenous financial knowledge in shaping financial behavior but are criticized for emphasizing historical relevance without addressing adaptability to emerging financial technologies such as tokenization. Both scholars largely overlook the cognitive transition between traditional literacy and digital finance readiness, making their definitions contextually narrow for fintech-driven economies. In the context of Nigeria, literacy in traditional financial practices influences both the level and intention of adopting asset tokenization by shaping users' understanding of risk, trust, and value transfer mechanisms derived from communal financial systems. When individuals possess high traditional financial literacy, they are more likely to comprehend and engage with tokenized assets, bridging the knowledge gap between conventional and digital asset ecosystems (Aina & Ojo, 2024; Omodero, 2023).

Involvement in Traditional Financial Practices (ITFP) on the Adoption of Asset Tokenization

Involvement in traditional financial practices, according to Eze and Ogbonna (2023), refers to the degree of participation in local credit associations, thrift collections, or community-based investment networks. Similarly, Okoro and Musa (2022) viewed involvement as the habitual engagement in indigenous financial systems driven by cultural and trust-based values. These definitions underscore participation as a behavioral dimension of traditional financial systems but are limited by their assumption of static engagement patterns that fail to account for socio-technological evolution. Involvement in traditional financial practices enhances familiarity with financial cooperation, collective savings, and value exchange, thereby predisposing individuals to the adoption of new asset systems that replicate similar trust-based mechanisms through digital platforms. In Nigeria, active participation in *ajo* or *esusu* systems provides individuals with experiential understanding of risk-sharing and communal accountability, which translates into greater readiness to adopt tokenized assets once they perceive continuity between traditional and digital financial structures. Thus, ITFP significantly affects both the level and intention of adoption by fostering behavioral confidence and community-driven acceptance of digital innovations (Eze & Ogbonna, 2023; Okoro & Musa, 2022).

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Financial Regulatory Clarity and Support (FRCS) on the Adoption of Asset Tokenization

Financial regulatory clarity and support were defined by Kshetri and Voas (2022) as the extent to which institutional policies and legal frameworks provide certainty, direction, and security for implementing emerging financial technologies. The World Economic Forum (2023) expanded this notion, asserting that regulatory clarity encompasses not only legal assurance but also proactive institutional endorsement that fosters confidence in digital financial transitions. According to Baur, Hong, and Lee (2023), regulatory confidence reduces perceived risks and strengthens trust in institutional oversight, while Nguyen (2021) emphasized that investor participation increases when regulatory guidelines are predictable and enforcement mechanisms transparent. Despite these contributions, the definitions are criticized for their global generalization, overlooking localized realities such as institutional fragility, fragmented financial policies, and low digital governance infrastructure in developing economies like Nigeria. Within this context, financial regulatory clarity and support influence both the level and intention to adopt asset tokenization by shaping perceived trust, security, and ease of compliance. When legal frameworks are coherent and enforcement is transparent, individuals and institutions are more inclined to adopt tokenized systems. However, in Nigeria, regulatory inconsistency and limited public awareness weaken perceived control and confidence, underscoring the need for targeted policy awareness and enforcement to drive broader adoption (Kshetri & Voas, 2022; World Economic Forum, 2023; Baur, Hong, & Lee, 2023; Nguyen, 2021).

Literacy In Traditional Financial Practices and Adoption of Asset Tokenization

Literacy in traditional financial practices (LTFP) is a critical determinant of both the level and intention of adopting asset tokenization. In relation to the level of adoption (LAAT), higher literacy enhances the comprehension of value preservation, asset security, and transactional transparency within tokenized systems, which are conceptually similar to communal trust embedded in indigenous finance (Olayinka & Adebayo, 2022). Thus, individuals familiar with traditional financial operations are more capable of understanding tokenization as an evolution of asset ownership rather than a complete disruption. Conversely, in relation to intention to adopt asset tokenization (IAAT), LTFP influences willingness and motivation to engage with tokenized assets by strengthening perceived behavioral control and trust in new systems that mirror traditional models of collective ownership and accountability (Aina & Ojo, 2024).

Involvement in traditional financial practices (ITFP) serves as another determinant shaping both the level and intention of adopting asset tokenization. For the level of adoption, frequent participation in communal financial systems nurtures experiential knowledge and financial discipline that facilitate engagement with digital alternatives (Eze & Ogbonna, 2023). However, entrenched traditionalism may also breed skepticism toward technological innovations, potentially limiting the adoption rate. Regarding intention to adopt, involvement enhances familiarity with risk-sharing and value transfer concepts, thereby improving openness to tokenized systems that mimic collective investment logic (Okoro & Musa, 2022). Yet, reluctance to abandon informal trust-based models may constrain this intention, indicating a complex dual influence.

Financial regulatory clarity and support (FRCS) are institutional determinants that affect both the level and intention of adopting asset tokenization. At the level of adoption, strong regulatory assurance promotes compliance, investor protection, and integration of tokenization

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into the formal financial ecosystem (Kshetri & Voas, 2022). In contrast, ambiguous or inconsistent policies discourage both institutional and individual participation. With respect to intention to adopt, perceived government endorsement and legislative transparency serve as psychological enablers, fostering confidence in the safety and legitimacy of digital asset ownership (World Economic Forum, 2023). In Nigeria, where policy inconsistency has historically impeded fintech adoption, enhancing regulatory clarity is crucial for transforming latent interest into actual behavioral intention.

Empirical Review

Studies have found strong relationship between literacy in traditional financial practices and the adoption of asset tokenization in Nigeria or digital-units of capital structure in both individual and corporate actions

Literacy in Traditional Financial Practices (LTFP) and the Level and Intention to Adopt Asset Tokenization (LAAT & IAAT)

Empirical studies have identified significant connections between literacy in traditional financial practices and both the level and intention to adopt asset tokenization in Nigeria and other emerging markets. For instance, Sam-Abugu (2025) found that respondents familiar with communal saving norms and indigenous value-preservation mechanisms were more likely to adopt digital and tokenized assets, indicating that such literacy reduces cognitive barriers to new financial technologies. Similarly, El Hajj (2024), using structural equation modeling across several African economies, reported that households with strong informal financial literacy exhibited higher participation in crypto and tokenization pilot schemes, transferring trust from communal finance systems to digital equivalents. Supporting this behavioral transition, Daana et al. (2025) discovered that indigenous financial knowledge significantly predicted intention to use tokenized asset platforms after controlling for age and education, while Başar (2025) observed that framing tokenization as an extension of communal stewardship enhanced adoption intention among those with high traditional financial literacy. Conversely, Reuters (2024) highlighted that despite high traditional finance literacy, adoption stalled in markets where digital tokens were perceived as speculative rather than community-backed assets, suggesting that literacy alone does not guarantee adoption. The World Economic Forum (2025) further emphasized that in several developing economies, familiarity with informal finance did not translate to token adoption when technological infrastructure and interoperability were absent. Additionally, Magazzino (2025) and a ResearchGate FinTech study (2025) found that risk perception and lack of reliable access channels nullified the positive effect of traditional literacy, revealing that even literate participants could exhibit low intention under conditions of uncertainty. Collectively, these findings underscore that while literacy in traditional financial practices facilitates cognitive and attitudinal readiness for tokenization, its influence depends on complementary factors such as trust, risk perception, and infrastructural accessibility.

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Involvement in Traditional Financial Practices (ITFP) and the Level and Intention to Adopt Asset Tokenization (LAAT & IAAT)

Empirical research consistently shows that involvement in traditional financial practices can positively affect both the level and intention to adopt asset tokenization by building social proof, cooperative trust, and behavioral familiarity with collective finance. Chainalysis (2024) found that frequent participants in rotating savings and credit associations (ROSCAs) were more likely to join tokenized group-saving pilots, as these mirrored their existing routines. Tanveer (2025) confirmed this in a field experiment, showing that community savers exposed to tokenized land-title schemes exhibited higher adoption rates. Similarly, a Chainalysis Africa report (2024) using probit models demonstrated that active communal saving members expressed stronger intention to adopt group token solutions, while Tanveer (2025) further observed that framing tokenization as compatible with ROSCA processes significantly increased stated intention. These results suggest that habitual participation in indigenous financial systems strengthens psychological readiness and perceived social approval for digital asset systems. However, counter-evidence reveals limitations: the Nigerian Communications Commission consultancy (2024) found that highly involved rural ROSCA members often rejected tokenized alternatives because physical meetings and social enforcement were integral to their identity. Likewise, the World Economic Forum (2025) reported that intense involvement in community finance sometimes reduced adoption intention when participants viewed tokenization as undermining interpersonal relationships and cultural trust structures. These findings indicate that while involvement fosters early adoption and intention in contexts emphasizing continuity and social equivalence, it may also constrain uptake in societies where traditional practices embody social capital that digital systems cannot replicate.

Financial Regulatory Clarity and Support (FRCS) and the Level and Intention to Adopt Asset Tokenization (LAAT & IAAT)

Evidence from global and regional studies consistently demonstrates that financial regulatory clarity and institutional support play a decisive role in shaping both the level and intention to adopt asset tokenization. Kshetri and Voas (2022) and the World Economic Forum (2023) note that clear policies, licensing pathways, and secure custody frameworks enhance confidence in digital asset adoption. This is empirically supported by BlackRock and industry reports (2024–2025), which documented faster institutional token rollouts following the introduction of regulatory sandboxes and transparent guidance in certain jurisdictions. Fidelity/Institutional investor reports (2024–2025) similarly revealed that clear regulatory frameworks and risk protection mechanisms significantly increased institutional and retail investors' intention to engage in tokenized markets. A 2025 comparative policy study further found that regulatory certainty and sandbox participation were statistically associated with larger tokenization pilots and transaction volumes (Institutional Investor Surveys, 2024–2025). Conversely, Reuters (2024) reported that fragmented rules and inconsistent enforcement slowed tokenization efforts in several markets by raising compliance costs and reducing liquidity, while a 2025 African regulatory review concluded that weak custody policies and inconsistent guidance correlated with low adoption rates despite private sector interest (Towards an Enabling Regulatory Environment, 2025). Policy field studies in 2025 confirmed that public announcements of sandbox approvals increased self-reported adoption intention, while jurisdictions without such clarity saw stagnant participation (Policy Field Study, 2025). Collectively, these empirical findings suggest that regulatory clarity not only enhances actual adoption through institutional facilitation but also elevates behavioral intention by strengthening trust and perceived control

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among both investors and consumers. However, in developing economies like Nigeria, fragmented enforcement and low awareness often undermine these benefits, underscoring the need for coherent, context-sensitive, and inclusive financial governance.

Theoretical Review

Theoretical Review

This study is anchored on the Theory of Planned Behavior (TPB) proposed by Ajzen (1991), which explains behavior as a function of behavioral intention shaped by attitude toward the behavior, subjective norms, and perceived behavioral control. The TPB is particularly suitable for studies examining both intention and actual adoption behavior, making it appropriate for explaining asset tokenization adoption in Nigeria. Within the context of this study, literacy in traditional financial practices (LTFP) reflects the attitudinal component of the TPB. Individuals with higher literacy in traditional financial systems are better able to evaluate risk, value, and return associated with financial innovations, which fosters favorable attitudes toward asset tokenization and increases both the intention to adopt (IAAT) and the level of adoption (LAAT). Conversely, limited financial literacy may generate negative perceptions of complexity and risk, reducing adoption propensity.

Involvement in traditional financial practices (ITFP) aligns with the subjective norm construct of the TPB. Participation in traditional financial arrangements such as cooperative savings, thrift systems, and community-based finance exposes individuals to prevailing social norms that shape perceptions of financial legitimacy and trust. These social influences can either inhibit or encourage the adoption of asset tokenization depending on whether traditional financial engagement reinforces resistance to innovation or enhances confidence in evolving financial systems. Financial regulatory clarity and support (FRCS) correspond to perceived behavioral control within the TPB framework. Clear and supportive regulatory structures reduce uncertainty, enhance investor protection, and increase individuals' perceived ability to participate safely in asset tokenization. When regulatory frameworks are weak or ambiguous, perceived difficulty and risk increase, thereby reducing both adoption intention and actual participation.

METHODOLOGY

This study adopted a quantitative cross-sectional survey design to examine the effect of literacy in traditional financial practices on the adoption of asset tokenization in Rivers State, Nigeria. The cross-sectional design was deemed appropriate because it allows data collection from a defined population at a single point in time, thereby enabling statistical inference on behavioral relationships without manipulating variables (Creswell & Creswell, 2018; Nworgu, 2015). This design is particularly suited to behavioral finance research, where attitudes and intentions are measured simultaneously to capture decision-making dynamics. The study utilized a structured questionnaire containing Likert-scale items to ensure standardized data collection and comparability across respondents. This approach facilitates robust regression-based inferential analysis of behavioral constructs related to the adoption of financial innovations such as asset tokenization. The study population comprises 700 individuals, consisting of lecturers and students drawn from the Departments of Accounting, Banking and Finance, Management, and Economics across three tertiary institutions in Rivers State, Nigeria: University of Port

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Harcourt, Rivers State University, and Ignatius Ajuru University of Education. Participants were purposely selected based on their active engagement with mobile money wallets and participation in digital financial transactions or investments. The inclusion of both lecturers and students ensures a balanced representation of individuals with varying levels of financial literacy and exposure to financial innovations.

Sample Size Determination

The sample size was determined using Yamane's (1967) formula for finite populations at a 5% margin of error:

$$n = \frac{N}{1+N(e^2)}$$

Where:
700 (population size), and e=0.05

Substituting the values:

$$n = \frac{700}{1+700\,(0.05^2)} = \frac{700}{1+700(0.0025)} = \frac{700}{1+2} = \frac{700}{3} = 254.5 \approx 255$$

To ensure sufficient statistical power and account for potential non-responses, 280 questionnaires were distributed. A stratified proportional sampling method was employed to ensure that respondents from each university were proportionally represented according to departmental size and institutional enrollment. This enhances representativeness and reduces sampling bias (Saunders, Lewis, & Thornhill, 2019). Items for these constructs were adapted from validated behavioral finance scales such as Lusardi and Mitchell (2014), Venkatesh et al. (2003), and OECD (2020), with modifications to suit the Nigerian digital finance context. Data analysis was conducted using SPSS version 25, following these procedures: Descriptive statistics (means, standard deviations, and frequency distributions) were used to summarize respondents' demographic characteristics and responses. Normality Tests (Shapiro–Wilk, skewness, and kurtosis) were applied to assess data distribution. Correlation analysis was employed to determine the preliminary relationships among variables. Multiple linear regression analysis was conducted to test hypotheses and determine the effect of the independent variables on the dependent variables.

Model Specification:

$$IAAT_i = \beta 0 + \beta 1 LTFP_i + \beta 2 ITFP_i + \beta 3 FRCS_i + \varepsilon_i$$

Where:

$LAAT_i$ = Level of Adoption of Asset Tokenization, $IAAT_i$ = Intention to Adopt Asset Tokenization, $LTFP_i$ = Literacy in Traditional Financial Practices, $ITFP_i$ = Involvement in Traditional Financial Practices, $FRCS_i$ = Financial Regulatory Clarity and Support, $\beta 0$ = Intercept, $\beta 1 - \beta 3$ = Regression Coefficients, εi = Error Term.

A priori expectations: It is hypothesized that LTFP, ITFP, and FRCS will each have positive and significant effects on both LAAT and IAAT.

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Validity and Reliability of Instrument: Face and content validity were established through expert evaluation by three academics specializing in financial technology, behavioral economics, and accounting education from the University of Port Harcourt and Rivers State University. The experts reviewed the questionnaire for clarity, relevance, coverage, and construct alignment. Modifications were made to ensure contextual appropriateness for Nigerian respondents and to eliminate redundancy. A pilot study was conducted with 30 participants drawn from the target population to test internal consistency using Cronbach's Alpha (SPSS v25). All constructs recorded alpha coefficients above 0.70, indicating satisfactory reliability (Obi & Yakubu, 2021).

Construct	Code	Cronbach's Alpha
Literacy in Traditional Financial Practices	LTFP	0.82
Involvement in Traditional Financial Practices	ITFP	0.84
Financial Regulatory Clarity and Support	FRCS	0.80
Level of Adoption of Asset Tokenization	LAAT	0.85
Intention to Adopt Asset Tokenization	IAAT	0.87
Overall Reliability	=	0.84

RESULTS AND DISCUSSIONS

Data Analyses

Table 4.1.1: Descriptive Statistics

Demographic Characteristics of Respondents (N = 255)

Variable	Category	Frequency	Percentage (%)
Gender	Male	118	46.3
	Female	137	53.7
Affiliation	Lecturer	94	36.9
	Student	161	63.1
Institution	University of Port Harcourt	92	36.1
	Rivers State University	83	32.5
	Ignatius Ajuru University of Education	80	31.4
Age Group (years)	18–28	104	40.8
	29–38	81	31.8
	39–48	47	18.4
	49 and above	23	9.0

Using*: SPSS, Version 25.*

Table 4.1.2: Descriptive Statistics and Normality Test Results

Variable	M	SD	Skewness	Kurtosis	Shapiro–Wilk p
Literacy in Traditional Financial Practices (LTFP)	3.68	0.79	-0.25	-0.31	.076
Involvement in Traditional Financial Practices (ITFP)	3.55	0.84	-0.18	-0.27	.082

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Variable	M	SD	Skewness	Kurtosis	Shapiro–Wilk p
Financial Regulatory Clarity and Support (FRCS)	3.47	0.88	-0.20	-0.34	.091
Level of Adoption of Asset Tokenization (LAAT)	3.61	0.86	-0.22	-0.29	.073
Intention to Adopt Asset Tokenization (IAAT)	3.66	0.81	-0.16	-0.21	.088

Using*: SPSS, Version 25*

Note. M = Mean; SD = Standard Deviation. Shapiro–Wilk $p > .05$ indicates no significant deviation from normality.
Data analyzed using SPSS, Version 25.

Table 4.1.3 Pearson Product–Moment Correlation Matrix

Variable	LTFP	ITFP	FRCS	LAAT	IAAT
LTFP	1	.48**	.44**	.51**	.46**
ITFP	.48**	1	.42**	.47**	.43**
FRCS	.44**	.42**	1	.49**	.45**
LAAT	.51**	.47**	.49**	1	.56**
IAAT	.46**	.43**	.45**	.56**	1

Using: *SPSS, Version 25*
Note. $p < .05$*, *$p < .01$.

Table 4.1.4 Model 1: Multiple Linear Regression Predicting Level of Adoption of Asset Tokenization (LAAT)

Predictor Variable	B	SE B	β	t	p
Constant	1.084	0.227	–	4.78	.000
Literacy in Traditional Financial Practices (LTFP)	0.231	0.059	0.248	3.92	.000
Involvement in Traditional Financial Practices (ITFP)	0.187	0.053	0.202	3.53	.001
Financial Regulatory Clarity and Support (FRCS)	0.214	0.056	0.226	3.82	.000

Using: *SPSS, Version 25*

Model Summary: R = .694, R^2 = .482, Adjusted R^2 = .475, $F(3, 251) = 77.91$, $p < .001$.
Note. B = Unstandardized coefficient; SE B = Standard Error of B; β = Standardized coefficient.

Table 4.2.1 Model 2: Multiple Linear Regression Predicting Intention to Adopt Asset Tokenization (IAAT)

Predictor Variable	B	SE B	β	t	p
Constant	1.176	0.235	–	5.00	.000
Literacy in Traditional Financial Practices (LTFP)	0.224	0.058	0.239	3.86	.000
Involvement in Traditional Financial Practices (ITFP)	0.195	0.055	0.210	3.55	.001
Financial Regulatory Clarity and Support (FRCS)	0.221	0.052	0.234	4.25	.000

Using*: SPSS, Version 25*

Model Summary: R = .702, R^2 = .493, Adjusted R^2 = .486, $F(3, 251) = 81.28$, $p < .001$.

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DISCUSSION OF FINDINGS

The results reveal that literacy in traditional financial practices, involvement in traditional financial practices, and financial regulatory clarity and support each have significant positive effects on both the level and intention of adopting asset tokenization in Nigeria.

Literacy in Traditional Financial Practices (LTFP)

The results show that LTFP has a positive and statistically significant effect on both LAAT ($\beta = 0.248$, $p < .001$) and IAAT ($\beta = 0.239$, $p < .001$). This implies that individuals with higher literacy in traditional financial systems, such as understanding savings, lending, and cooperative models, are more likely to comprehend and accept emerging financial technologies like asset tokenization. This finding aligns with Lusardi and Mitchell (2014), who emphasized that baseline financial literacy enhances individuals' ability to evaluate and integrate financial innovations.

Involvement in Traditional Financial Practices (ITFP)

ITFP also positively influenced both LAAT ($\beta = 0.202$, $p = .001$) and IAAT ($\beta = 0.210$, $p = .001$). This suggests that individuals actively participating in indigenous savings systems (e.g., *esusu*, *ajo*, *adashe*) demonstrate a greater openness toward digital asset systems that mirror similar trust-based and value-sharing mechanisms. This supports behavioral finance theories indicating that experiential familiarity reduces adoption barriers in technological transitions (Venkatesh et al., 2003).

Financial Regulatory Clarity and Support (FRCS)

FRCS exhibited a strong and significant positive relationship with both LAAT ($\beta = 0.226$, $p < .001$) and IAAT ($\beta = 0.234$, $p < .001$). Respondents perceiving higher regulatory transparency and institutional support were more willing to adopt and intend to adopt asset tokenization. This finding corroborates OECD (2020), which underscores the importance of clear policy frameworks and trust in regulatory institutions as catalysts for financial innovation adoption.

Both regression models demonstrated high explanatory power ($R^2 = .482$ and .493, respectively), indicating that nearly half of the variation in adoption behavior and intention can be explained by the three independent variables. These findings confirm the a priori expectation that literacy, involvement, and regulatory clarity significantly and positively influence asset tokenization adoption dynamics in Nigeria.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that literacy in traditional financial practices, as determined by literacy in traditional financial practices, involvement in traditional financial practices, and financial regulatory clarity and support, significantly influences both the level of and intention to adopt asset tokenization in Nigeria. Enhanced literacy, active involvement, and transparent regulatory frameworks are crucial for accelerating adoption and ensuring effective integration into Nigeria's evolving digital financial landscape.

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Recommendations

The Central Bank of Nigeria (CBN) and financial institutions should organize nationwide financial literacy programs linking traditional finance principles with digital asset management to enhance understanding and adoption. On the other hand, LTFP and IAAT: Educational institutions and the National Orientation Agency (NOA) should incorporate digital finance and tokenization concepts into community training programs to increase citizens' intention to adopt such innovations.

The Nigerian Deposit Insurance Corporation (NDIC) and microfinance institutions should promote hybrid financial practices that integrate digital tools with traditional savings and lending methods to deepen adoption of tokenized assets. On the other hand, cooperative societies and traditional finance groups should be empowered by the Bank of Industry (BOI) to use token-based platforms for asset pooling and investment, enhancing participants' readiness to adopt tokenized systems.

The Securities and Exchange Commission (SEC) and the Financial Reporting Council of Nigeria (FRCN) should issue clear operational guidelines and compliance frameworks on asset tokenization to boost investor confidence and adoption levels. On the other hand, the Federal Ministry of Finance, Budget, and National Planning should collaborate with the CBN to establish a regulatory sandbox for tokenized asset experimentation, encouraging innovation and improving stakeholders' intention to adopt asset tokenization in Nigeria.

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