FACTORS INFLUENCING THE TENDENCY TO SUBSCRIBE WITH TAKAFUL
AMONG MARTIAL ARTS PRACTITIONERS

SITI HAJAR SALWA AHMAD MUSADIK

UNIVERSITI UTARA MALAYSIA

2011
FACTORs INFLUENCING THE TENDENCY TO SUBSCRIBE WITH TAKAFUL AMONG MARTIAL ARTS PRACTITIONERS

A thesis submitted to the Graduate School in partial fulfillment of the requirement for the degree

Master of Science (Management)

By

Siti Hajar Salwa Ahmad Musadik

© Siti Hajar Salwa Ahmad Musadik, 2011. All Rights Reserved
DECLARATION

I certify that the substance of this thesis has not been already been submitted to any degree and is not currently being submitted for and other degree qualification.

I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

Siti Hajar Salwa Ahmad Musadik
806136
Collage of Business (COB)
Universiti Utara Malaysia
06010 Sintok
Kedah

10 February 2011
PERMISSION TO USE

in presenting this thesis impartial fulfillment of the requirement for a postgraduate degree for University Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or in their absence, by the Dean of the Graduate School. It is understood that any copying or publication or use of this thesis or part thereof for financial gain not be allowed without my written permission. It is also understood that due recognition shall be given to me and to University Utara Malaysia for any scholarly use which may be made of any material for my thesis.

Request for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Deputy Vice Chancellor of College of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman
ABSTRACT

The main purpose of this study is to reveal the factors influencing the tendency to subscribe Takaful among martial arts practitioners. Specifically, three objectives established to compare the different in tendency to subscribe Takaful within demographic factors (age, gender, marital status, income, as well as education level). Beside that, this study also tried to clarify the relationship between four factors of knowledge, awareness, performance of Takaful operators, as well as Islamic religious belief with the tendency to subscribe Takaful and sought to determine whether that four factors of knowledge, awareness, performance of operators, as well as Islamic religious belief have a influence or not with the tendency to subscribe Takaful among martial arts practitioners. The study was conducted among 123 martial arts practitioners in Universiti Utara Malaysia (UUM). The finding of this study suggest that there are have significant different between gender, male and female with the tendency to subscribe Takaful, but in term of age, marital status, income, and education level there are no significant difference with the tendency to subscribe Takaful. Findings also reveal that there are have relationship between factors awareness and no relationship between factors of knowledge, performance of Takaful operator, and Islamic religious belief with the tendency to subscribe Takaful. Finally, the finding also found out that factor of performance of Takaful operator has significant influence with the tendency to subscribe Takaful and the rest did not have significant influence with it. As a conclusion, finding of this study clearly demonstrated that factor of awareness and performance of Takaful operator is the foremost factors that have relationship and influence with respect to tendency to subscribe Takaful.
ABSTRAK

ACKNOWLEDGEMENT

With the name of Allah The Most Gracious and The Most Merciful, Praise to Allah S.W.T with His Blessing and Present me the strength, creative and wide ideas, health, peace, and opportunity to complete this study smoothly and successfully.

With love and peaceful, I would like to wish a lots of thank for everybody who always together and be in my side along this project writing process. First and foremost, I would like to pay my thanks and appreciation to my supervisor, En.Mohammad Naim Abd Halim, Lecturer in Universiti Utara Malaysia (UUM) for his greatest support, his kind guidance, constructive comments, positive motivation, as well as encouragement in the whole study writing process as well as for Assoc.Prof Dr.Abdullah Abd Ghani and Dr.Muhammad Nasri Hussain, thanks a lots for your cooperation, advice, and knowledge sharing. May the Mighty Grace and Blessing of Allah be upon both of you and yours family forever.

My special thanks also granted to my beloved father Ahmad Musadik Samsudin and my lovely mother Ros Maini Abd Halim for their supports and loving care and for my siblings (Mustaqeem, Shakirteen, Habeeb, Aina, Muiz, Azeem, Kholili, and Miqdad), friends, lectures, Universiti Utara Malaysia management as well as all martial arts practitioners in Universiti Utara Malaysia, thanks for your cooperation, supports, and guidance given throughout this study writing process.

Last but not least, my greatest thankful to Allah S.W.T for his granted and blessing ever and forever. May all knowledge and output in this study will be usable and spread widely, God Willing.

Siti Hajar Salwa Ahmad Musadik (806136)
Master of Science (Management), UUM
TABLE OF CONTENT

Declaration i
Permission to Use ii
Abstract iii
Abstrak iv
Acknowledgement v
Table of Content vi
List of Table viii
List of Figure ix

CHAPTER ONE INTRODUCTION

1.0 Introduction 1
1.1 Background of Study 4
    1.1.1 The Growing of Takaful in Malaysia 4
    1.1.2 Martial Arts Overview 8
1.2 Problem Statement 12
1.3 Research Question 14
1.4 Research Objective 15
1.5 Hypotheses Statement 16
1.6 Significant of Research 17
1.7 Scope of Research 18
1.8 Organization of the Research Project 19

CHAPTER TWO LITERATURE REVIEW

2.0 Introduction 20
2.1 Customer Buying Behavior 21
2.2 Customer Buying Behavior Model 23
    2.2.1 Types of Customers Buying Behavior 28
2.3 Buying Decision Making Process 29
2.4 Demographic Factors
  2.4.1 Age 34
  2.4.2 Gender 37
  2.4.3 Marital Status 40
  2.4.4 Education Level 43
  2.4.5 Income 46

2.5 Performance 49
2.6 Awareness 51
2.7 Knowledge 52
2.8 Islamic Religious Belief 54
2.9 Theoretical Framework 55

CHAPTER THREE RESEARCH METHODOLOGY

3.0 Introduction 56
3.1 Population and Sampling Procedure 57
3.2 Research Instrument 58
3.3 Data Collection Procedures 59
3.4 Techniques of Data Analysis 60
3.5 Conclusion 66

CHAPTER FOUR DATA ANALYSIS AND INTERPRETATION

4.0 Introduction 67
4.1 Analysis of Respondent's Demographic Characteristics 68
4.2 Cronbach's Alpha 70
4.3 Research Finding and Hypotheses Testing 72
CHAPTER FIVE

CONCLUSION AND DISCUSSION

5.0 Introduction 89
5.1 Discussion 89
5.2 Limitation 94
5.3 Contribution 95
5.4 Recommendation 96
5.5 Conclusion 100

REFERENCES

APPENDIXES

Appendix A: Cover Letter
Appendix B: Questionnaire
LIST OF TABLES

Table 2.5 : Types of Consumer Buying Behavior
Table 3.1 : Reliability result of Pilot and Final Test
Table 3.2 : Interpretation of the Correlation Coefficient by McBurney
Table 4.1 : Respondent's Profile
Table 4.2 : Cronbach's Alpha
Table 4.3 : Result of T-Test on Gender of Respondents
Table 4.4 : Result of One Way ANOVA on Age of Respondents
Table 4.5 : Result of One Way ANOVA on Education Level of Respondents
Table 4.6 : Result of T-Test on Marital Status of Respondents
Table 4.7 : Result of One Way ANOVA on Income of Respondents
Table 4.8 : Result of Correlation on Knowledge of Takaful of the respondents
Table 4.9 : Result of Correlation on Awareness of Takaful of the respondents
Table 4.10 : Result of Correlation on Performance of Takaful of the respondents
Table 4.11 : Result of Correlation on Islamic Belief of Takaful of the respondents
Table 4.12 : Result of Regression
LIST OF FIGURES

Figure 2.2:  Model of Buyer Behavior
Figure 2.3:  Black Box model of Consumer Buying Behavior
Figure 2.4:  Major influences on Industrial Buying Behavior
Figure 2.5:  Types of Consumer Buying Behavior
Figure 2.6:  Five Stage Model of the Consumer Buying Process
Figure 2.7:  Theoretical Framework
CHAPTER 1

INTRODUCTION

Nowadays, Takaful industry has been expanded widely to the entire world. Takaful not only viable and burgeoning in Malaysia but Takaful was booming ground in the Middle East, South East, and South East Asia like in Bahrain, Saudi Arabia, Syria, Indonesia, China, as well as in European and Western countries such as United Kingdom, United State of America and Canada.

Furthermore, forecast total Takaful contribution globally in 2015 estimated about US$7.4 billion who claim that 42% (US$3.1 billion) contribution are from Asia Pacific (Malaysia / Indonesia US$ 1.4 billion), 31% (US$2.3 billion) from Europe, Turkey, China, as well as India, and 27% (US$2 billion) from Gulf Cooperation Council (GCC) countries (Kingdom Saudi Arabia (KSA) $900 million, United Arab Emirates (UAE) $480 million, and Egypt $467 million) (Islamic Finance News, 2007).

This reflects that Takaful operators worldwide have a big change to spread their business in future as well as strive to perform well. Based on data provided by Ernst & Young reported that by the end of 2010, Takaful premiums are expected to grow around $8.8 billion globally contrast with $3.4 billion in 2007 (Ernst & Young, June 28, 2010).
The contents of the thesis is for internal user only
REFERENCES


Isla (2009), Perkembangan Sistem Takaful Di Malaysia: Keprihatinan Di Kalangan Siswazah, Research Paper, Universiti Utara Malaysia


Laroche (2001), Targeting consumer who are willing to pay more for environmentally friendly products, Journal of Consumer Marketing, Vol. 18, No.6, pp. 503-520

Lee (2010), The influence of consumer traits and demographics on intention to use retail self-service checkout, Marketing Intelligent & Planning, Vol. 28, No. 1, pp. 46-58

Lin and Chen (2006), the influence of the country-of-origin image, product knowledge and product involvement on consumer purchase decisions: an empirical study of insurance and catering services in Taiwan, Journal of Consumer Marketing, Vol. 23, No.5, pp. 248-265


McNeal (2007), On Becoming a Consumer: Development of Consumer Behavior Patterns in Childhood, Butterworth-Heinemann (BH), Elsevier

Manab (2004), Awareness and ownership of Family Takaful Scheme among Muslim community in Malaysia, Journal of Muamalat and Islamic Finance Research, Vol. 1, No. 1, pp. 121-136

Martial arts injuries - when males and females take up martial art, who gets hurt? (October 2010), retrieved October 27, 2010 from http://www.sportsinjurybulletin.com/archive/0418.htm


Meneely (2009), Age associated change in older consumes retail behavior, Journal of Retail & Distribution Management, Vol. 37 No. 12, pp. 1041-1056

Moerbeek and Casimir (2005), Gender difference in consumers’ acceptance of genetically modified foods, International Journal of Consumer Studies, Vol. 29, No.4, pp. 308-318

104


Olson (1998) A comparison of parametric and semiparametric estimated of the effect of spousal health insurance coverage on weekly hours worked by wives, *Journal of Applied Econometrics*, 543-565


105
Salleh M.M (2010), Consumer's Perception and Purchase Intention towards Organic Food Products: Exploring Attitude among Academician, Canadian Social Science, Vol.6, No.6, pp. 119-129


Solomon (2009), Consumer Behavior: Buying, Having, and Being, Prentice Hall. Pearson


