ACCEPTANCE OF TAKAFUL AMONG THE MILLENNIALS: A STUDY BASED IN KEDAH

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ABSTRACT

The emergence of takaful in Malaysia has been started since 1984, when the legal frameworks for Takaful to be developed were written. According to the department of Statistic Malaysia, Kedah was ranked second last in the household income which make the adopting of takaful maybe consider low. This also can be looked at the capability of millennials in Kedah whether they understand or not about Takaful due to the environment they stayed is most likely to rural area. Thus, this study aim to analyse the factors towards the acceptance of Millennials generation towards the Takaful Product. This study used the method of quantitative approach through the distribution of questionnaires. There are 200 respondents around Kedah that has been chosen to answer the questionnaires. Their answers were analysed using SPSS version 27.The results shows that attitude, subjective norms, perceive behavioural control, religious obligation and pricing of product is significant and have positive relationship towards the acceptance of takaful among millennials in Kedah. This study has empirically contributed towards the understanding factors of acceptance of takaful among millennials towards the takaful. Therefore, this study is expected to contribute towards the academic institution as well as takaful operator companies to understand and develop a better takaful product in the future.

Keywords: Takaful, Millennials acceptance, Theory of Planned Behaviour

ABSTRAK

Kewujudan takaful di Malaysia bermula sejak tahun 1984, ketika rangka kerja undang-undang bagi pembangunan takaful ditulis. Menurut Jabatan Statistik Negara Malaysia, Kedah berada di tangga kedua terakhir dalam pendapatan isi rumah. Keupayaan pemahaman terhadap takaful dari generasi millinial di Kedah juga dapat dilihat kerana persekitaran tempat tinggal mereka juga lebih kepada pedalaman. Kajian ini bertujuan menganalisis faktor-faktor yang mempengaruhi penerimaan produk takaful di kalangan generasi millinnial di Kedah, Malaysia. Kajian ini menggunakan pendekatan kuantitatif melalui penyebaran soal selidik kepada 200 responden di sekitar Kedah. Jawapan mereka dianalisis menggunakan SPSS versi 27. Hasil kajian menunjukkan bahawa sikap, norma subjektif, kawalan tingkah laku yang dirasai, tanggungjawab agama, dan harga produk adalah faktor-faktor yang signifikan dan mempunyai hubungan positif terhadap penerimaan takaful di kalangan generasi millennial di Kedah. Kajian ini memberikan sumbangan secara empirikal dalam memahami faktor-faktor penerimaan takaful di kalangan generasi millennial. Oleh itu, dijangkakan kajian ini akan memberikan sumbangan kepada institusi akademik serta syarikat pengendali takaful untuk memahami dan membangunkan produk takaful yang lebih baik pada masa akan datang.

KATA KUNCI: Takaful, Penerimaan Millennials, Teori Tingkah Laku Terancang

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List of Abbreviations

BNM	Bank Negara Malaysia
GDP	Gross Domestic Product
IDT	Innovation Diffusion Theory
IFSA	Islamic Financial Service Act
IHP	Islamic Hire Purchase
ISRA	International Research Shari'ah Academy
FSMP	Financial Sector Master Plan
KMO	Kaiser Maiyer Olkin
MTA	Malaysia Takaful Association
PRA	Participants Risk Account
SCT	Social Cognitive Theory
SPSS	Statistical Package for the Social Sciences
TAM	Technology Acceptance Model
TO	Takaful Operator
TPB	Theory of Planned Behaviour
TRA	Theory of Reason Action
UTAUT	Unified Theory of Acceptance and Uses of Technology

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Malaysian Takaful Act (1984) defines takaful as a system that is based on the ideals of brotherhood, solidarity, and mutual assistance. This definition can be found in Section 2 of the legislation (Zainuddin, 2013). It seeks to provide members with financial assistance and support when they are in need of it, with the participants making voluntary contributions towards the achievement of this purpose. Based on the article by BNM (2005), it has been said that Tabarru' in general takaful refers to a participant's agreement to donate a certain amount of money to a takaful fund in order to fulfil his duty of mutual assistance and shared guarantee in the event that another participant incurs a loss that meets a certain threshold. Next, takaful also can be relate to one hadith by Ibnu Majah where he said:

حَدَّثَنَا عَلِيُّ بْنُ مُحَمَّدٍ، حَدَّثَنَا وَكِيعٌ، حَدَّثَنَا أَبِي، عَنْ مَنْصُورٍ، عَنْ إِبْرَاهِيمَ، عَنْ عُبَيْدِ بْنِ نَضْلَةَ، عَنِ الْمُغِيرَةِ بْنِ

شُعْبَةَ، قَالَ قَضَى رَسُولُ اللَّهِ صلى الله عليه وسلم بِالدِّيَةِ عَلَى الْعَاقِلَةِ.

"The Messenger of Allah (ﷺ) ruled that the blood money must be paid by the 'Aqilah."

(Narrated by Mughirah bin Syu'bah: 2633)

Based on the Hadith above, it has shown that the principle of the takaful has been used during the time of Prophet Muhammad SAW. From the article wrote by Nazarov and Dhiraj (2019), '*Aqilah* is the practice among Arab tribes that practice the *Kafalah* where they loyal to their tribes. The practices of '*Aqilah* happen when a war occurred and if any people from tribes is deceased, the tribe will collect the blood money for the family of the deceased to help them in the future. This practised also would like to avoid any revenge or unsatisfied happen in the future.

Compare to conventional insurance, takaful offer a contract where it does not contain any element that have been forbid by Islam such as *Riba*, *Maysir* and *Gharar*. This is because commonly all conventional insurance contain the element that have been forbid by Islam. It has been stated by Ali (2016), conventional insurance may be seen of as the exchange of one kind of cash for another, with the amounts and timing of the exchanges being subject to deferred payment. Since that the insurance benefit received by policyholders is often more than the entire payment and is reliant upon a future occurrence, this is doubly true. Second, conventional financial instruments such as treasury bills and term deposits are used to invest the money. Such investments are typical ones. But, the conventional kind of insurance is characterised by uncertainty because both the entitlement to the insurance benefit and its true worth depend on the occurrence of a disaster, the possibility of which cannot be foreseen. This occurs with conventional insurance in the same way it does with gambling because of the underlying uncertainties involved.

Emergence of takaful in Malaysia happen around 1984 where the legal framework for how the takaful would be working in the country has been established. Then, in 1985 the first takaful Company in Malaysia which is Takaful Malaysia has been established. Then, in 2003 government has established Islamic Financial Service Act (IFSA) where this act is to controlled and give the framework of every financial services in Malaysia including the takaful. According to Eldaia (2020), based on a master plan drafted by the Central Bank of Malaysia, the takaful industry of Malaysia was developed in three phases beginning in 1984 (Bank Negara Malaysia, 2005). During the first phase, which ran from 1982 to 1992, the foundations of Malaysia's takaful industry were laid. Efforts were undertaken to improve regional cooperation among takaful businesses during the second phase, which occurred from 1993 to 2000. Beginning in 2001 and continuing to the present day, the Financial Sector Master Plan (FSMP) has worked to improve the legal, Shariah, and regulatory environment and the capacities of takaful operators. With the goal of establishing Malaysia as a global Islamic financial centre, the takaful industry in Malaysia has grown into an essential pillar of the country's economic infrastructure.

In practice, there are some contracts has been involved in operating the takaful. First of all is Tabarru', Tabarru' is the contract that implement the practice of donation where they collect the fund or pool. This fund is used for the people who made claims from their subscription of takaful. According to Ali (2016), Tabarru' concept has been used since the era of the Prophet Muhammad SAW and also it could be said that it has been used even longer past the era Prophet Muhammad SAW.

Next is Wakalah, Wakalah is the partnership contract between Takaful Operator (TO) and the customer. This contract functions as an agency contract where the TO will act as the agent for the participants. The customer will pay their contributions to the TO and then TO will pay for their behalf. Next, the TO will charge the fee services for the customer which is has been agreed during the signing of contract. It has been said by Pasha (2013) where in this structure, the TO offers services for a fixed fee without any participation in the company's profits. When the operator fees is deducted, the net contribution is deposited into the Participants' Risk Account (PRA) and utilised for claims, re-takaful, and reserves adjustments.

Lastly is Mudharabah where this contract is a profit-sharing contract, in which the members' common fund is managed on their behalf by the TO. The TO offers the knowledge and handles the investments, while the participants are responsible for providing the funds. Any gains that are made as a result of the investments are split among the participants and the TO in accordance with the ratio that was decided upon in before. According to Eldaia (2020), in Malaysia they have been using this strategy for the past twenty years. The takaful Company, which was the first and largest firm in Malaysia in 1985, has proved the success of the Mudharabah model as attractive for both clients and stockholders. Its success was demonstrated by the fact that the takaful Company was the largest company in Malaysia. This approach is also used in Brunei, where Takaful firms give 36% of their profits to the people who have contributed to the company.

Then, by looking at the past news, according to Berita Harian (2022), most adult at the age of 25 and above said that, the protection that have been provided by the company is already enough and there is also some bad perception that made people does not want to adopt takaful for their future. It also has been said by Berita Harian (2022), the importance of job of takaful agent is to provide more information to the public so that people willingly to adopt takaful for their future.

Lastly, according to Hussein (2023), there is 40 percent of people in Malaysia has adopt takaful. This is due to the income of people in Malaysia mostly from the rural area is not capable to adopt takaful and make government support them in order to increase the people economy in Malaysia.

1.2 Problem Statement

First and foremost, attitude is one of the variable that could affect the acceptance of takaful among consumer. Based on one study by Khairi (2020), it has been said that attitude has gave less impact toward the acceptance toward takaful scheme due to the less of knowledge and the lack of education which then could lead to the lack of awareness among the consumer. However, there are also a researcher that agreed that attitude is one of the variable that is significant towards the acceptance of takaful among consumer. Among the researcher that agreed towards attitude as the significant variable is (Maiyaki 2015; Ismail 2022). According to Zarunnaim et al. (2023), there is also some issues about the transperancy of financial among the takaful operator. So, by looking at the issues, it can be tell that there will be some bad perception from people in Kedah where according to Department of Statistic Malaysia (2022), Kedah was ranked second lowest for the income household. When lack of transperancy happen, this will make people think twice to subscribe the takaful.

Secondly is the issue about the subjective norm, based on one analysis by Husin (2015), it has been said that an influence from mouth or through peer pressure does not significant towards the acceptance of takaful among the consumer. This is maybe due to the lack of participant in knowing or want to learn about the goodness of takaful toward the people in the future. In contrast, Khairi (2020) has agreed that subjective norm has become one of the important variable that could lead toward the acceptance of the takaful among consumer. Moreover, based on one research by Aziz et al. (2015), it has been shown that from their study that only perceive behavioural control only significant and the rest which is attitude and subjective norm does not significant for the adopting of takaful among the people in Kedah. This means that people in Kedah still have peer pressure or environment pressure for the adopting of the takaful.

Third issue is coming from the perceived behavioural control which means that the individual belief toward their capability in order to perform the behaviour. This capability term means towards applying takaful for their daily life. According to Maduku (2023), even the attitude and subjective norm is significant toward the acceptance, if the consumer does not have interest towards doing the behavioural due to they not capable to do the behaviour, this will make perceive behavioural control does not significant. However Bhatti (2018) mention that perceive behaviour control could contribute to the acceptance of the takaful among the Takaful due to improve of the understanding about the takaful product among the consumer. According to Hassan et al. (2020), based on their report, it has been said that 50% out of 314 respondents has said that they would subscribe takaful if they have enough capability which is in term of knowledge and resources. By looking at the statistics provided by Depatment of Statistic Malaysia (2022), it has been concern that how can the people of Kedah would be interested with the takaful scheme if their income also lower which would result of lacking of resources to subscribe the takaful.

Another notable concern related to the insufficient level of religious consciousness exhibited by Muslim clientele. Based on the findings of Haron et al. (1994), a significant majority of Muslims, around 63%, possess the ability to identify the differences between Islamic banks and conventional banks. Conversely, a comparatively smaller proportion of Muslims, namely 39%, hold the belief that the primary reason for supporting Islamic banks originates in religious obligations. This implies that the remaining 61% of individuals who identify as Muslims choose for Islamic banks not just due to religious obligations. The findings also indicated that a majority of participants would be inclined to engage with Islamic banks if they had an in-depth understanding of the functioning of Islamic banking. One of the study about the northern region which is including Kedah region about religion by Hassan et al. (2020), it has been shown that there is still 11% people from northern which is including Kedah, that would disagree about the takaful is religiously permissible. This means that they does not care whether it was forbid or not, they will still apply for the takaful. This means also that there is lack of knowledge about the religious among the people in northern region including Kedah.

Last issue is concerning about the pricing of product. Unfortunately, there is lack of research about the pricing of product focusing on takaful in Malaysia. But, there is one research that is related to Islamic Banking concerning more about the Islamic hire purchase (IHP) by Amin et al. (2011). Based on the research, it has been shown that people in Labuan does not have any issue when looking at the price of IHP if they want to use it. However, this research was done in an urban area which is Labuan. By comparing it to Kedah, based Department of Statistic Malaysia (2022), Kedah was ranked second last when looking at the statistic for income. This could be a concerning matter because when an income low, people would like to comparing price in order to make sure they could save their money in the future.

1.3 Research Question

Based on the discussion above, this research has been conducted in order to know and analyse the following question:

i. Are there any relationship between attitude, subjective norm, perceive behavioural control, religious obligation and pricing of product and the acceptance factors that influence Millennials customers to choose the takaful scheme.

ii. What are the significant factors that influence the acceptance of Millennials in order to accept the takaful scheme.

1.4 Research Objective

The general objective of this study is to investigate the factors that could influence the decision of Millennials in order for them to choose the Takaful Scheme. Specifically, this study aim to:

i. To identify the relationship between the attitude, subjective norm, perceived behaviour control, religious obligation and pricing of the product towards the acceptance factors that influence customers to choose the takaful scheme.

ii. To determine factors that affect the decision of consumer in accepting the takaful Scheme.

1.5 Scope of the Study

The objective of this study is to examine the numerous factors that impact Millennials customer decision-making process in accepting takaful. The study focuses on residents residing in the Kedah region who have personal experience with the adoption of takaful products. The rationale for selecting Kedah individuals as participants in this study is based on the findings of a prior investigation done by (Md Husin & Ab Rahman, 2016), which the research was done in the urban area, while mostly in Kedah is was the rural area and there is maybe the difference between the acceptance of takaful between this two place of population. As a result, a decision has been made to target Kedah people as the respondent. Moreover, it also can be seen that there is also a sceptical towards feeling from people mostly towards the agent of takaful concerning about the acceptance of takaful. The study was carried out in the state of Kedah. The study employed a quantitative research methodology, utilising questionnaires that were distributed to Takaful consumers.

1.6 Significance of the Study

This research is significant for a number of different reasons. The research provided a framework that Takaful operators could use to better understand the numerous factors that play a role in the decision-making process of customers when taking into consideration the acceptance of takaful. The findings of this study will be beneficial, both directly and indirectly, to a large number of people working in the takaful business.

The survey is also significance for the takaful firm because it allows the company to determine the level of client satisfaction with takaful products based on the information that is presented accurately. It is essential for the takaful firm to provide a more in-depth explanation of the takaful goods and services that are now available in order to build a sense of trustworthiness between the takaful operator and the consumer. This study could additionally help in the process of redesigning their takaful system by altering the sorts of payment, regulating the mark-up price, and gifting practises to reflect individual variances.

In addition to this, it also significance to the academic institutions which would provides a fresh piece of knowledge associated with the topic of Islamic financial planning. In addition to this, it is beneficial to academic institutions such as universities since it makes available additional relevant material and supplies students with sufficient knowledge, hence enabling the students to do additional investigation into the aforementioned problem and provide improved solutions. Because of this research, it is possible to raise the customers' level of awareness and comprehension regarding the takaful goods so that the consumers may gain a great deal of information from it. Therefore, customers are able to differentiate the takaful product and conventional life insurance products and provide an alternative for themselves to select the most suitable form of financing from these takaful operators.

1.7 Organization of the Study

This research has been divided into five chapters. In the first chapter, a general introduction to the subject matter that will be investigated, a problem statement, research questions, the purpose of the study, the scope of the investigation, and the relevance of the investigation are discussed. Previous research that is relevant to this study is discussed in Chapter 2, which is an overview of that research. This overview also contains a discussion of the Takaful and Theory of Planned Behaviour (TPB) overviews. In addition, this chapter discusses all of the aspects that might potentially impact a customer's choice about a takaful product. These include the customer's attitude, subjective norm, perceived behavioural control, religious obligation, and cost of the goods.

In chapter 3, the research approach that was utilised in this investigation is separated and analysed. It consists of the research framework, the formulation of the hypothesis, the research design, the design of the questionnaire, and the technique of data collecting. In addition to that, the methodology for data administration and analysis is covered in this chapter as well as the sample method. The results of the research are presented in Chapter 4, which has its own separate section. This chapter provides an in-depth analysis of the pilot study, as well as information about takaful, the reliability test, the normality test, and the demographic characteristics of the participants. The data presented in this chapter have been analysed using Pearson correlation and multiple regressions, and the findings have been described in accordance with their findings. The findings of the study are summarised in Chapter 5, which is followed by the discussion of the findings. In addition, the implications of the current study as well as its limitations are discussed in this chapter. After that, it draws a conclusion before moving on to make some suggestions for further investigation.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter will review the acceptance of takaful among consumer which could be applicable in the Theory of Plan Behaviour (TPB), attitude, subjective norm, perceive behaviour and the perceive usefulness. This chapter also will consist a summary of the past researches and will be separated into three parts which is Takaful, TPB and the factors that could affect the acceptance of consumer in choosing Takaful. The review of the factors will be based on the past researches which have relation with the factors which is consist of attitude, subjective norm, perceive behaviour, religious obligation and lastly is the pricing of product which is part of the independent variables.

2.2 Overview of Takaful

The idea of takaful may be simplified into a group of individuals who guarantee each other against financial loss or harm. This is the core element of the Takaful model (Wahab, 2018). According to the definition provided by Bank Negara Malaysia (BNM), this idea refers to each member satisfying his or her commitment by making a predetermined sum of gift into a fund. The Takaful operator is a third party that is responsible for managing this fund after it has been established. In the event that one or more of the participants has a loss or harm, they will have the ability to file a claim with the Takaful operator. Next, Takaful also has been defined by ISRA (2016) as the counterpart of the conventional insurance and have implemented the *Tabarru'* as their *aqad* based on the principle *ta'wun.*

Next, the comparison of between takaful has been clarified by Hassan (2020) where he said that takaful insurance is cooperative in nature and governed by a Shariah board. Most types of insurance follow established legal frameworks and are based on tangible benefits. Takaful insurance is designed primarily to increase profits for the company's shareholders. Contributions to the takaful fund, often known as the donation, are used to compensate policyholders in the event of a loss. With conventional insurance, policyholders pay a fixed premium for a certain time period in exchange for financial protection in the event of an accident.

The "*Wakeel*" takaful operator offers no-interest loan, or Qard Hassan, if the takaful fund ever becomes low. In the case of conventional insurance, the responsible party for any shortfall is the insurance company. Takaful insurance gathers the capital of its clients and invests it in assets that do not incur interest which is known as *Riba'*. takaful's voluntary contributions lessen members' exposure to *Gharar*, or uncertainty, by spreading the risk among them. Lastly, the Tabarru' fund has nullified the element of *Maysir* by spreading the risk among the policyholders.

In term of contract, takaful agency mostly use the contract of the *Wakalah* and *Mudharabah* contract. But, based on one journal by Mohamed Naim (2018), it has been said there is several issues that made both of the contracts has been argued by the scholar. The Mudharabah concept is contested by certain academics who have concerns about issues like the ownership of the insurance surplus and the allocation of investment account surpluses. Policyholders do not have any role in how profits are distributed under existing Takaful methods, which are controlled by shareholders. As the underwriting surplus is funded by the members' contributions, it is generally agreed that the takaful organization does not make a profit from it. Shariah boards have not always approved the practice of distributing underwriting surplus to policyholders, but there have been fatwas that have allowed it. The level of performance will determine the percentage of underwriting surplus that will be shared with the operator as an incentive for responsible underwriting practices.

Next, there is also some debated has happen among scholars about the *Wakalah* contract in the takaful. Some academics stated that the model of *Wakalah* that is used in the takaful business in Malaysia should not be used since it would result in higher profits for the Takaful operators, which would go against the fundamental principle of takaful, which is that participants should work together. Some academics have the opinion that the *Wakalah* fee is charged multiple times throughout the takaful contract. For example, the takaful operator will charge a Wakalah fee on the contribution, and then later they will also charge a *Wakalah* fee on the value of the investment. This is another claim that has been made by academics.

In Malaysia, there are many agency product that offer takaful product such as AIA, Prudential BSN, FWD Takaful, Hong Leong Takaful and many more. Most of this takaful agency method used the same method which is serve a Hibah and then can pair it with another protection as more comprehensive for the protection of takaful. Mostly this agency will offer Hibah with RM 50,000 until RM1 million. Then with this Hibah they will pair it with medical card which usually will be paid for about RM200 a month and also can be pair with another product that will be called as rider such as takaful waiver and many more product (AlA 2020 ; FWD 2023).

Eventhough, there is some issues related to the contract of the *Wakalah* and *Mudharabah* Model, there is also some researcher that offer some method in order to improve takaful agency operation. This has been classified by Sallemi (2021) where better resource allocation, strategic innovation, and product design processes might all boost takaful operators' bottom lines with better governance. Furthermore, the influence of governance measures on profitability may vary according to the type of the Chief Executive Officer, as the extent and scope of business activities depend heavily on the executive director (CEO). To be more precise, entrenchment theory explains why the advanced-control mechanisms proposed by the agency theory to strengthen organisations are not always enough to drive managers to operate businesses in accordance with the interests of their stakeholders. As a result, the leader may be viewed as an agent who can mitigate the effects of control systems. They also imply that leaders have the resources to maintain their status within the organisation and increase their flexibility for discretionary actions, all while counteracting the impacts of control mechanisms.

2.2.1 Permissible of Takaful and Forbidden of Conventional Insurance

Forbidden of conventional insurance has been vary among the scholar but, majority of Islamic scholar agreed that conventional insurance is *Haram* in Islam (Khan, 2008). Khan (2008) stated that the forbidden of conventional insurance is due to the occurrence of the three element that is forbid to do in Islam. The elements are:

Maysir

According Khan (2008), *Maysir* is commonly recognised as a form of gambling. In the event that a policyholder does not file a claim or experiences no loss, the premium paid is forfeited. Conversely, the policyholder may potentially be eligible to receive a greater sum than their warranted entitlement in relation to the premium paid. Essentially, the insurance company provides a guarantee to compensate the insured party with a certain sum of money, known as compensation, in the event that the anticipated risk materialises. Conversely, the insured party is obligated to remit a predetermined amount of money, referred to as a premium, in the event that the risk does not come to fruition. Contrary to other business models, the takaful industry operates on the principle of mutual assistance, wherein policyholders are considered to contribute funds to support one another in the event of any individual experiencing a financial loss. This also can be supported by hadith which is narrated by Sunan Abi Dawud:

حَدَّثَنَا مُوسَى بْنُ إِسْمَاعِيلَ، حَدَّثَنَا حَمَّادٌ، عَنْ مُحَمَّدِ بْنِ إِسْحَاقَ، عَنْ يَزِيدَ بْنِ أَبِي حَبِيبٍ، عَنِ الْوَلِيدِ بْنِ عَبْدَةَ، عَنْ عَبْدِ اللَّهِ بْنِ عَمْرٍو، أَنَّ نَبِيَّ اللَّهِ صلى الله عليه وسلم نَهَى عَنِ الْخَمْرِ وَالْمَيْسِرِ وَالْكُوبَةِ وَالْغُبَيْرَاءِ وَقَالَ " كُلُّ مُسْكِرٍ حَرَامٌ " . قَالَ أَبُو دَاوُدَ قَالَ ابْنُ سَلاَمٍ أَبُو عُبَيْدٍ الْغُبَيْرَاءُ السُّكُرْكَةُ تُعْمَلُ مِنَ الذُّرَةِ شَرَابٌ يَعْمَلُهُ الْحَبَشَةُ .

The Prophet (ﷺ) forbade wine (khamr), game of chance (maysir), drum (kubah), and wine made from millet (ghubayrah), saying: Every intoxicant is forbidden.
Abu Dawud said: Ibn Sallam Abu 'Ubaid said: Ghubairah was an intoxicant liquor made from millet. This wine was made by the Abyssinians

(Narrated by Abi Dawud: 3685)

According to hadith above, it has been clarified by Prophet S.A.W that *Maysir* is forbid in Islam and this make that conventional insurance also is not allowed to be subscribe by the Muslims people.

Gharar

Gharar refers to the presence of uncertainty in the pricing or delivery of the subject matter inside a contract, or any form of speculative risk. For instance, the transaction involving the sale of an airborne bird is deemed impermissible due to the uncertainty surrounding the seller's ability to capture the bird. Consequently, the delivery of the contractual subject matter remains unknown (Akmal and Aslam, 2019). According to

Akmal and Aslam (2019), in a conventional insurance policy, the contractual agreement acknowledges the presence of payment uncertainty, wherein the specific amount and timing of payment in the event of an unfortunate incident are not explicitly specified. Hence, *Gharar* is implicated in three distinct manners. Firstly, uncertainty refers to the lack of guarantee regarding the frequency of recurring of an event. Additionally, there is a lack of clarity on the specific amount of compensation, and lastly, there is uncertainty surrounding the timing of the event. This can be seen prove in the hadith narrated by Ibnu Majah:

حَدَّثَنَا أَبُو كُرَيْبٍ، وَالْعَبَّاسُ بْنُ عَبْدِ الْعَظِيمِ الْعَنْبَرِيُّ، قَالاَ حَدَّثَنَا الأَسْوَدُ بْنُ عَامِرٍ، حَدَّثَنَا أَيُّوبُ بْنُ عُتْبَةَ، عَنْ يَحْيَى بْنِ أَبِي كَثِيرٍ، عَنْ عَطَاءٍ، عَنِ ابْنِ عَبَّاسٍ، قَالَ نَهَى رَسُولُ اللَّهِ ـ صلى الله عليه وسلم ـ عَنْ بَيْعِ الْغَرَرِ.

"The Messenger of Allah (ﷺ) forbade Gharar transactions."

(Narrated by Ibnu Majah: 2195)

From the hadith above, it can be seen clearly that Prophet Muhammad S.A.W also forbid the using of *Gharar* especially in the business transaction.

Riba

According to Khan (2008) and Akmal and Aslam (2019), *riba* is sometimes referred to as "interest" and encompasses the act of generating profit from monetary transactions. The norms of Shariah forbid engaging in any action that involves interest. The majority of conventional insurance companies allocate their investments towards interest-bearing assets, such as government or corporate bonds. Furthermore, Khan (2008) also stated that Takaful enterprises operate under the confines of a framework that prohibits the charging or payment of interest. Theoretically, it is imperative for a takaful institution to guarantee that its policyholder and shareholder money are allocated to assets that are free from *riba*, and that any banking institution engaged by the Takaful organisation refrains from engaging in *riba* practises.

Based on the discussion above that discuss about the element that make conventional insurance is forbid in Islam, in the context of Malaysia takaful industry, most takaful company in Malaysia operate under one company with a conventional insurance. This can be seen in **table 2.1** and **table 2.2** where this data has been acquired from Bank Negara Malaysia (2023). This is due to the diverse races that was live in Malaysia, so most company would offer the life insurance with two options for Muslims and Non-Muslims for them to subscribe.

Table 2.1: List of Takaful Company

Company Name	Category
AIA Public Takaful	Family Takaful Business
AmMetLife Takaful	Family Takaful Business
Etiqa Family Takaful	Family Takaful Business
Etiqa General Takaful	General Takaful Business
FWD Takaful Berhad	Family Takaful Business
Great Eastern Takaful	Family Takaful Business
Hong Leong MSIG Takaful	Family Takaful Business
Prudential BSN Takaful	Family Takaful Business
Sun Life Malaysia Takaful	Family Takaful Business

Table 2.2: List of Conventional Insurance Company

Company Name	Category
AIA Berhad	Life Insurance Business
AIA General Berhad	General Insurance Business
AIG Malaysia Insurance	General Insurance Business
Allianz General Insurance Company	General Insurance Business
Allianx Life Insurance Malaysia	Life Insurance Business
AmMetLife Insurance	Life Insurance Business
Berjaya Sompo Insurance	General Insurance Business
Chubb Insurance Malaysia	General Insurance Business
Etiqa General Insurance	General Insurance Business

Sources: ((BNM), Bank negara malaysia, 2023)

2.3 Theory of Plan Behaviour (TPB)

This theory was created by AJZEN (1991) as an extension of the work that he had done before on the Theory of Reasoned Action. With its ability to explain and forecast human behaviour, the Theory of Planned Behaviour has found widespread use in social psychology, health psychology, and marketing, amongst other areas of study.

This theory is consist of three factors which attitude, subjective norms and perceived control behaviour. The objective of the Theory of Planned Behaviour is to provide a complete framework for understanding and analysing human behaviour, and it accomplishes this goal by the use of a set of hypotheses known as plan states. The theory was established to overcome the shortcomings of earlier theories, such as the

Theory of Reasoned Action, which did not take into full account the role that perceived behavioural control plays in the process (AJZEN, 1991).

First factors of this theory is attitude. According to Ajzen (1975), attitude is depends on persons core views about the significance of the behaviour. He suggests four actions that might be used to determine a person's attitude based on their beliefs. The first step is to discover the most important thing a topic believes. Second, it is crucial to evaluate the extent to which a person weighs the consequences of each central belief. Thirdly, asking a subject to rate the chance that a certain action would lead to a specific outcome is necessary for gauging the strength of their beliefs. Lastly, in order to anticipate a subject's attitude, the product of each result evaluation is multiplied by the intensity of the relevant beliefs.

In the meantime, a person's view that the majority of the people who are significant to him or her should or should not execute the behaviour and his or her drive to comply with the specific reference is what is meant by the term subjective norm. In addition, one might say that subjective norm is a consequence of normative beliefs (Ajzen, 1975).

Finally, a person's belief in their own ability to complete an action is described by the term perceived behavioural control. This outlook develops from an analysis of the resources, skills, and opportunities available to an individual at any particular moment. According to the Ajzen (1991), one's level of perceived behavioural control affects both one's willingness to engage in a certain action and one's actual involvement in such behaviour. A person's intention to conduct a behaviour is higher and their likelihood of actually performing the activity is higher if they feel they possess the resources, abilities, and opportunity necessary to perform the behaviour.

Based on prior studies, there are some studies that used theory planned of behaviour in analysing the takaful product which is (Bhatti and Md Husin, 2020; Hasan and Rahman, 2023). For Bhatti and Md Husin (2020), it has been shown that theory of planned behaviour has showed a big contribution for the attitude, subjective norm and perceive behaviour control is all significance which show that people would participate in family Takaful if they have a capability to understand and enough resource with a little push by a knowledge people such as agent, peers and more. In case of Hasan and Rahman (2023), the using of TPB theory also show a significant result where attitude, subjective norm and perceive behavioural control show a big contribution towards the study.

In conclusion, the overall aim of the Theory of Planned Behaviour is to promote behaviour change and improve results in a variety of domains by providing a comprehensive and practical framework for understanding and predicting human behaviour.

2.4 Attitude

The research that was carried out by Rifas (2023) and Bhatti (2020) focuses on the significant part that attitudes play in determining how customers behave, particularly within the context of takaful, which is a framework for Islamic insurance. The findings of these research collectively highlight the significance of attitudes. Rifas (2023) highlights the greater impact that attitudes have on the preferences of individuals by noting that what people like or dislike is governed by their attitudes, which are, in turn, formed by ideas about behaviour. This statement highlights the greater influence that attitudes have on the preferences of individuals. In order to accomplish this, he draws attention to the influence that attitudes have on the preferences held by individuals. According to the results of the research, one of the most important aspects of takaful-related company entrepreneurship is one's mentality towards the topic. These perspectives are responsible for 50.5% of the diversity in the process of determining future buying intentions. Building on this, the research that was carried out by Bhatti dove deeper into the topic of Family Takaful Schemes in order to highlight how attitudes play an important part in deciding whether or not a person would engage in positive or negative purchasing behaviour. According to the results of other study, Bhatti (2020) hypothesises that people who have favourable attitudes towards Family Takaful Schemes are more likely to put those sentiments into action by actually signing up for the appropriate financial products. This is in line with the findings of the aforementioned research. These studies, taken as a whole, provide insight on the all-pervasive relevance of attitudes in affecting consumer decisions. Specifically, they illustrate the role of attitudes in the complex dynamics of decisions pertaining to takaful and, more broadly, interaction with financial product has to offer.

After that, According to Ali Raza (2020), the significant independent variables in the research are participants' attitudes and intentions with respect to takaful, with the former having a direct and indirect impact on the future. Customer happiness and service quality are positively influenced by customers' attitudes and actions toward rakaful. As an added bonus, one's mindset may radically change their actions and goals. A favorable and statistically significant relationship between attitude and desire to buy takaful has been found. Positive attitudes lead to increased interest in buying into takaful schemes, as found in the study. In addition, people prefer to put their money into the Islamic insurance system because of the favorable outlook they have on takaful, especially within the Muslim demographic. This implies that customers' attitudes are a fundamental determinant of whether or not they would accept an Islamic insurance system.

Furthermore, according to Md Husin (2016), Attitude has been found to be a strong predictor of intentions and behaviour in studies testing the theories of reasoned action and planned behaviour. For instance, previous studies have looked at the relationship between attitude and altruism intentions and found a positive and substantial relationship. Another study found that people's mentality about buying halal food influenced how much of it they bought. The author concludes that people intentions to join a family Takaful plan may be influenced by their attitude about doing so. The study indicated that consumer attitudes had a direct and substantial effect on their intentions to join a family Takaful plan. Intentions to join the family takaful scheme were found to be highest among customers who held the most favourable views of the program.

Lastly, although many researches has proved that attitude is one of the strong predictor towards attracting consumers to join takaful. There is also other researches that found that attitude does not influence the customer to join the Takaful. According Khairi (2020), it has been argued that attitude is less significant due to the consumers' lack of understanding and education about the takaful program is to blame for their reluctance to use it.

As the conclusion, is has been shown that attitude is one of the strong independent variable in the theory of plan behaviour. It also can be said that, the takaful agency should implemented one of the principle which is to educated people in order to make them know that takaful plan is very important for them to join in order for them to have some backup strategy for their live in the future if some unfortunate happen to them or their family.

2.5 Subjective Norm

The empirical studies conducted by Aziz (2020) and Nasir (2021) provide light on the relevance of social factors in shaping consumer behaviour, particularly within the context of takaful. These studies underscore the prominent role that subjective norms hold in influencing individuals' decisions and actions in relation to Takaful. Aziz (2020) highlights the importance of subjective criteria, namely those established through word of mouth and media referrals, in fostering brand awareness and cultivating customer loyalty within the takaful industry. The significance of customer interaction and satisfaction is growing in importance for organisations seeking to enhance their market standing. Moreover, it has been ascertained that the diverse media platforms serve as efficacious tools for enhancing public awareness regarding the advantages of tkaful insurance in mitigating the dangers linked with routine undertakings. In the framework of the Theory of Planned Behaviour (TPB), Nasir (2021) underscores the importance of subjective norms, sometimes known as social norms. This pertains to the societal influence exerted by others inside one's own sphere, including peers, partners, colleagues, and extended relatives, to either adhere to or deviate from societal norms. The results of this study indicate that societal norms exert a significant impact on people' choices about the allocation of financial resources towards life insurance or takaful. This discovery demonstrates that individuals are influenced by social and environmental cues while making judgements within this domain. The comprehensive analysis of these data provides insights into the complex interplay between subjective norms, social influences, and consumer choices within the Takaful and insurance sectors.

After that, according to Abd Aziz (2015) a person is said to have a subjective norm if they feel that the people around them will influence them to engage in a certain action.

If this is the case, then the subjective norms should impact a person's intention to engage in the conduct in question. Next, based on the findings, it was shown that subjective norm is one of the major indicators for farmers to take part in applying for the takaful. This was shown to be the case based on the findings.

In conclusion, we could see that subjective norm strongly influenced the decision making by consumer in order to join the takaful scheme. Moreover, most of this consumer has been influenced by their environment like peer pressure, social media and also their relatives which is their own family.

2.6 Perceived Behavioural Control

According to Mas’ud (2017), there is only conclusive proof was found about the impact of perceived behavioural control on the intent to take takaful. A positive correlation was established between perceived behavioural control and the intention to accept takaful in a research that operationalized perceived behavioural control as access to information on takaful. One aspect of perceived behavioural control is the availability of resources, which provides the individual situational confidence to exact a behaviour; this operationalization of perceived behavioural control as access to knowledge addresses this.

Next, another research by Maduku (2023) has stated that perceived behavioural control has significantly related to the purchase behaviour. The result said that even though the result is significant, but, it only significant among the male consumer only. But, in contrast, the result between perceived behavioural control also significant with the intention. But, the significant of the variable is only among the female and not the male consumers. This shows that, the different decisions making between two gender which consist on two element which is intention from the side of female and the purchase behaviour among the male consumer.

Lastly, Abdullah (2019) has also found that perceived behavioural control is also significant towards the acceptance of Islamic insurance in Nigeria. They also stated that perceived behavioural control is one of the independent variable that show a significant result compare to other variables.

In conclusion, it could be said that perceived behavioural control is one the variable that should be look when one research about the psychology towards purchasing need to be done. This is because this variable will show the way of decision making by peoples is different when they want to buy something.

2.7 Religious Obligation

According to the definition that was presented by Amin et al. (2011), religious obligation is the manner in which a person's religious convictions should affect the actions that they engage in on a daily basis. According to Iqbal (2007), the necessity originates from the function that the Sharia plays in directing human activity, which is all-encompassing in terms of what it means to be human. According to Iqbal (2007), one of the reasons in complying with the Sharia requirements for the preservation of the community is a person's behaviour that is bound by the obligation of adherence to the binding norms of the socioeconomic order. This is one of the aspects that ensures the community is protected. This is one of the factors that helps to ensure that the community will continue to exist in the future.

Rahman et al., (2019) asserts that the takaful industry is likely to encounter several challenges in its future endeavours to achieve growth and expansion on both domestic and global scales. Furthermore, up to the present time, scholarly investigations on Takaful have not comprehensively addressed the aspects of spirituality and faith. Limited study has been undertaken on religious and spiritual subjects, with a particular focus on takaful as an alternative kind of insurance that aligns with religious principles. A suggestion was put out to prioritise future study on investigating the impact of religious and spiritual influences on the tendency towards takaful. The aim of Takaful is driven by compelling reasons that offer significant advantages. Furthermore, it was asserted that religion has a pivotal role in shaping an individual's conduct. When discussing religion at an individual level, the degree of religiosity becomes more significance. This can be attributed to the collective nature of religion, as individuals exhibit diverse levels of knowledge, devotion, and religious practises in their everyday experiences. The implementation of dimensional categorization and measurement is expected to lead to a more profound understanding of the subject matter.

Moreover, it also has been stated by Maduku and Mbeya (2023) that researcher should make more research based on the theory of TPB because religious obligation show the significant result from their research. This can be assume that when people have a good perception towards the takaful which is due to the service or product offered, they may interested to subscribe the takaful. Then, when people around them have high influence for them, they could also subscribe the takaful also. As a consequences, takaful operator should offered their product at the place that have high tendency for Muslims people to apply them. Lastly, it also has been stated by the researcher that, when people have capability to understand the Takaful, they also will apply the takaful product for the life protection.

However, several studies have demonstrated that religious obligation does not serve as the primary determinant in encouraging clients to select Islamic banking services. Haron et al., (1994) conducted a study in a small town characterised by a predominantly Muslim population in the states of Kedah and Perlis. The findings indicate that a majority of Muslims, specifically 63%, possess the ability to recognise the disparities between Islamic banks and conventional banks. However, a comparatively smaller proportion, namely 39% of Muslims, hold the belief that individuals choose for Islamic banks solely due to religious obligations. This indicates that the remaining 61% of Muslims who favoured Islamic banks did so not solely due to religious duty. Furthermore, Amin et al., (2011) provided additional evidence for this finding, indicating that religious obligations and government backing do not serve as motivating factors for consumers to utilise Islamic banks. The use of Islamic financial services within the community is impacted by several factors, including attitudes, social influence, and the pricing strategies employed by Islamic banks.

In conclusion, religious obligation emerged as significant variables influencing the choice of takaful or other related products. This is due to the fact that religious factors can enhance community awareness of their surrounding circumstances and facilitate more informed decision-making processes. Consequently, individuals may consider whether to persist with previous transactions that align with Sharia law or transition towards transactions that align with Islamic principles. Simultaneously, it is imperative for the takaful operator to prioritise the aspects of product and service quality, together with transactional transparency, in order to establish an edge in competition with regard to conventional insurance providers. This will provide a reasonable inference, especially among clients who are not adherents of Islam, a religion known for its emphasis on modesty and perfection.

2.8 Pricing of Product

According Moorthy (2014) through Ku Daud and Tunku Ahmad (2020) The pricing component have an important effect on the consumer's perception of their purchasing desire. Customers tend to have a greater inclination towards insurance products that provide lower prices, taking into account their monthly income and financial obligations.

According to Amin (2011), there is an increase in the buying behaviour of Takaful items as their price becomes more affordable with a monthly commitment. This implies that a decrease in the cost of Islamic personal finance would likely result in an increased likelihood of clients availing themselves of the service. When the level of earnings is low, customers tend to exhibit a greater degree of sensitivity towards prices. Conversely, when incomes are high, the level of price sensitivity among customers tends to be substantially less.

The current body of research on the matter of whether Islamic Banking products are more costly or less costly remains limited (Amin, 2010).The price purchasing variables are mostly associated with the perceived cost of the services and products provided by the bank, as identified by (Abdullah and Dusuki, 2015). Abdullah and Dusuki (2015) have identified cost and benefit as a popular variable applied to evaluate consumers selection criteria, regardless of whether they choose for Islamic banks or conventional banks. Research has demonstrated that the inclination of the Malaysian population to utilise Islamic financial services is impacted by factors such as social influence, attitude, and the pricing strategies employed by Islamic banks.

In the realm of the takaful industry, research articles authored by Ku Daud and Tunku Ahmad (2020), together with the research work of Djafri and Soualhi (2019), collectively delve into the intricate relationship between pricing methodologies of product and client behaviour. The study done by Ku Daud and Tunku Ahmad (2020) focuses on examining the impact of pricing of general takaful products on the purchasing behaviour of Muslim customers. The research specifically highlights the direct relationship between pricing strategies and customer acceptability. The results of their study illustrate the positive impact of reduced cost on customer adoption rates, highlighting the crucial role of affordability in shaping purchasing behaviour. In contrast, Djafri and Soualhi (2019) focus their study on examining the adherence to Shariah principles in relation to the different pricing components of family takaful products. The study emphasises the significance of upholding customer confidence and adhering to Islamic ethical standards through the alignment of pricing strategies with Shariah principles. This study examines the fundamental assumptions employed in the pricing of family takaful policies. The assumptions encompass many factors such as mortality and morbidity rates, claims distribution patterns, and investment return rates. Furthermore, it advocates for enhanced regulatory protocols to ensure the adherence of specific family takaful products to Shariah principles, emphasising the need for further reinforcement of these endeavours. In brief, both of these research underscore the significant impact of price on consumer behaviour and the imperative of ethical business practises in the Takaful sector, in accordance with Sharia law.

In a nutshell it is crucial that the pricing of a product aligns with the consumers' background, taking into consideration factors such as their income level, occupation type, and other financial obligations. Additionally, a fall in price would result in an increase in demand for the facility. This will also lead to a rise in purchasing power. Furthermore, these circumstances would also provide a favourable outcome for the takaful operator business, since the takaful Company would concurrently generate profit.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will discuss about the development of hypothesis according to the past studies. Following that is the discussion about the relationships of all variables connecting to the theoretical framework. Next, research and questionnaire design also will be discuss in order to observe the measurement of selected variables. Lastly, this chapter also will discuss about the data collection method, sampling technique, the development of questionnaire and data administrative analysis technique.

3.2 The Research Framework

Figure 3.1 illustrates the theoretical framework that was derived from prior studies and used in this one. The six factors that make up the framework are customer acceptance, attitude, subjective norm, perceived behavioural control, religious obligation and pricing of products. The customer acceptance is the dependant variable that will serve as the primary focus of this investigation. All of the other factors are considered independent variables.

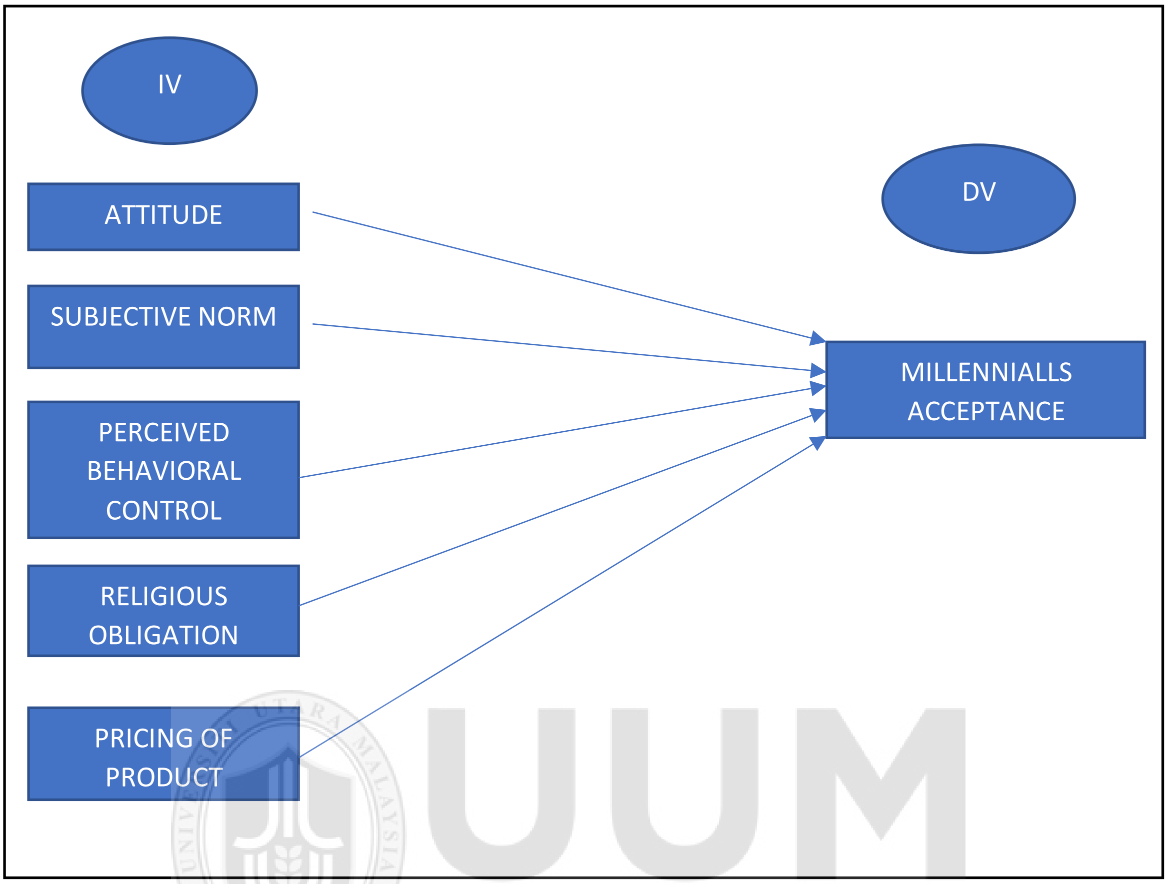

Figure 3.1: Research Framework

In this study, the independent variable which consist of the attitude, subjective norm and the perceived behavioural control has been constructed as the variable which was taken from the Theory Plan of Behaviour (TPB) by Ajzen, (1991). After that, religious obligation has been adopted from the Yusoff and Md Kamdari (2014) and lastly for pricing of product, this has been adopted from Amin et al. (2011) where this research has the theory reason action (TRA) as the framework of theory. Moreover, theory perceive behaviour (TPB) is also an extended version of TRA and has been used in this research study.

3.3 Hypothesis Development

3.3.1 Attitude

According Ajzen (1991), attitude of an individual towards certain actions is defined as their individual interpretation of either positive or negative feelings associated with such actions. The validity of an action is determined by evaluating an individual's belief in the execution of certain conduct and the anticipated consequences that would result from such activity. The definition of an individual's attitude may be ascertained by their evaluation of the desirability of engaging in a specific course of action.

In context of Takaful, it has been seen that attitude is one of the variable that is very important in order to explain the acceptance of Takaful among the consumer. The researches such as (Maduku and Mbeya, 2023; Kazaure, 2019; Bhatti and Md Husin, 2020) shows that attitude is one of the variables that is significant in order to determine the acceptance of takaful among the consumer. Hence, it can be hypothesized that:

H0a: Attitude has significant negative value of relationship with the acceptance of takaful among the millennials

H1a: Attitude has a significant positive value of relationship with the acceptance of takaful among the millennials.

3.3.2. Subjective Norm

The term "subjective norm" refers to an individual's assessment of the amount of pressure from society that exists to engage in or withhold from a specific behaviour. It is a collection of normative views that may be easily accessed and pertain to the expectations of a possible target group. According to Ajzen (1991), it also has been confirmed that subjective norm is about the amount of social pressure that an individual believes they are under from other people to behave in a particular manner and their level of incentive to conform to the opinions of those other people.

For takaful, it also has been shown that some researchers has found that Subjective norm is one of the significant variables in order to know whether people would accept Takaful in their life or not. This can be seen from the research by Bhatti and Md Husin (2020) and Ansari, (2022) where the found out that subjective norm is one of variable that is significant in the context of an intention for people to adopting takaful. Moreover, according to Ansari (2022), One possible explanation might be that the subjective standard is influenced by the societal pressures and expectations imposed by a particular reference group. Individuals may feel an intensified motivation to conform to certain behaviours when they perceive that their social group or significant others hold expectations for their participation in said behaviours. This motivation may lead individuals to voluntarily adopt the behaviours in issue. It can hypothesized that:

H0b: Subjective norm has a significant negative value of relationship with the acceptance of takaful among the millennials.

H2b: Subjective norm has significant positive value with the acceptance of takaful among millennials.

3.3.3. Perceived behavioural control

Next, according to Ajzen, (1991), perceived behavioural control related to an individual's subjective evaluation of the level of ease or difficulty associated with executing a specific behaviour. The perception of an individual can be subject to impact from a range of circumstances, encompassing elements such as self-confidence, the presence of resources, one's skill set, level of knowledge, and external obstacles or aids. Fundamentally, the subject matter pertains to an individual's perception of the extent of freedom they possess in relation to their own behaviours.

Based on past researches, there is some finding that shows that perceived behavioural control is significant variable in their study. Study such as from (Md Husin and Ab Rahman, 2016 ; Rifas et al., 2023) prove that perceive behaviour control is one of the variable that make people accept the Takaful as an Islamic insurance. This means that they believe towards their self that they have knowledge and resources to adopt Takaful for their self and their family. As a result, this can be hypothesized as:

H0c: Perceived behavioural control has significant negative value of relationship with the acceptance of takaful among the millennials.

H3c: Perceived behavioural control has significant positive value of relationship with the acceptance of takaful among the millennials.

3.3.4. Religious Obligation

Religious obligation by definition means that Religion plays a significant effect upon an individual's opinions and behaviours. The concept that certain actions are identical with the philosophy, ideals, and teachings of Islam. The act of refraining from engaging in *riba,* fraudulent practises, and situations of doubt within financial transactions. According to Amin et al. (2011), the study on Islamic financing suggests that the Islamic society is influenced by a unique Islamic worldview rooted in Shariah principles. In the provision of Islamic personal financing, it is imperative for an Islamic bank to strictly adhere to the fundamental principles, values, and objectives of Islamic finance. The financial institution's commitment to Islamic principles might potentially influence an individual's decision to pursue Islamic personal financing. The extent to which an individual adheres to Shariah principles directly correlates with the likelihood of their adopting Islamic personal financing.

Besides there are also some studies that said religious obligation is significant in order for the adoption of takaful product. Although there is some difference between two studies which is from Amin et al. (2011) that said religious obligation is not significant in their studies is due to the studies is about the car Islamic financing which can be look out on many perspective but another study by Mehboob Shaikh and Amin (2023) said another result where religious obligation is significant which make it as one of the factors that make people want to adopt Takaful. This can be hypothesized that:

H0d: Religious obligation has significant negative value of relationship with the acceptance of takaful among millennial

H4d: Religious obligation has significant positive value of relationship with the acceptance of takaful among millennial.

3.3.5. Pricing of Product

According to Amin et al., (2011), the pricing of Islamic personal finance related to the decision-making process undertaken by an Islamic bank to determine the optimal price at which to offer the financing product. This involves carefully considering the interests of both the bank and its clients in order to achieve a mutually beneficial outcome. Islamic banks adopt a profit and loss sharing mechanism for determining the fees for their financial transaction services. In Islamic banking, the inclusion of interest is strictly prohibited, however the principle of profit and loss sharing is permissible.

Moreover, the Islamic banking model permits the inclusion of a surcharge for deferred payments and trade-financing charges. In the context of takaful, service charge which use in the *Wakalah* concept is also applied in the industry which means that the agent would take the commission from the customer which is from paying their customer monthly subscribe Takaful.

It also can be seen from previous study such as from (Amin et al., 2011 ; Djafri and Soualhi, 2019) where they said that pricing of product is one the factors that make people want to participate in Islamic finance products such as Takaful. Moreover, from the studies it also said that when the price of product lower it also determine that the interested of customer to buy the product from the Islamic bank. This can be hypothesized as:

H0e: Pricing of Product has significant negative value of relationship with the acceptance of takaful among millennials.

H5e: Pricing of Product has significant positive value of relationship with the acceptance of takaful among millennials.

3.4 Summary of Hypotheses

A summary of the hypotheses in this study between variables which is attitude, subjective norm, perceive behavioural control, religious obligation and pricing of product is presented in Table 3.1.

Table 3.1: Summary of Hypothesized of variable

variables	Expected sign	Sources/Authors
Attitude	Supported	Kazaure (2019), Maduku and Mbeya (2023) and Md husin. (2020)
Subjective Norm	Supported	Ansari (2022) and Bhatti and Md Husin (2020)
Perceive Behavioural Control	Supported	Md Husin and Ab Rahman (2016) and Rifas et al. (2023)
Religious Obligation	Supported	Mehboob Shaikh and Amin (2023)
Pricing of Product	Supported	Amin et al.(2011) and Djafri & Soualhi (2019)

3.5 Research Design

This study utilises a quantitative research approach, employing a questionnaire as the primary data collection instrument. Furthermore, the research methodology employed in this study is a cross-sectional design, since it allows for the collection of data at a certain point in time. The research was conducted especially among Muslim Millenials consumers residing in the northern region of Malaysia which is in the state of Kedah.

When constructing a questionnaire, many tools were employed, sourced from numerous prior studies. The instruments referring to the variables under study have been previously verified by earlier researchers through the utilisation of factor analysis. The concept of attitude, subjective norm, and perceived behavioural control were derived from the work of Zhou et al., (2022). The adoption of religious obligation and acceptance of Takaful were derived from the research conducted by Yusoff and Md Kamdari (2014). The price of the product was sourced from (Amin et al., 2011).However, in order to ensure the acceptance of takaful, a modification has been made to the original sources. Specifically, one question was dropped from the list since it appeared irrelevant to the present research. Hence, it is necessary for researchers to undertake the process of re-validating the instrument by employing factor analysis.

Therefore, the component analysis utilised in this work involved the implementation of the Kaiser-Meyer-Olkin (KMO) measure, the correlation matrix, and Bartlett's test of sphericity. Based on the previous study conducted by Zhou et al. (2022), the correlation matrix revealed a determinant value of 5.294, which above the threshold of 0.00001. This finding suggests that there is no presence of multicollinearity inside the dataset. Furthermore, the study conducted by (Zhou et al., 2022 ; Yusoff & Md Kamdari, 2014) showed Kaiser-Meyer-Olkin (KMO) measures of the quality of the sampling with values of 0.878 and 0.835, respectively. These values are regarded to be indicating of strong sample adequacy. Additionally, the Bartlett's test of sphericity yielded very significant results with a significance level of $p<0.001$. Therefore, the suitability of doing factor analysis on this dataset has been established (Kim, 1994).

The primary criterion employed for determining factor loading is the eigenvalue, which must exceed a value of 1. Based on the previous research conducted by (Zhou et al., 2022) ; Yusoff and Md Kamdari, 2014 ; Amin et al., 2011), it was found that the eigenvalues for the factors were 8.996, 14.263, and 11.463. These eigenvalues defined 74.963%, 65.63%, and 80.783% of the variations seen in the items, respectively. According to Hair (2007), a total variance explained of 60% or more is deemed appropriate within the social science.

In order to assess the quality of the data, it is necessary to apply a reliability test, which evaluates the consistency and stability of the items. Cronbach's Alpha is the major measurement employed for assessing the consistency of data. According to previous research, it has been demonstrated that the Cronbach's alpha coefficients for the three investigations conducted by Zhou et al. (2022) vary from 0.919 to 0.934. In the case of Yusoff and Md Kamdari (2014), the Cronbach's alpha coefficient for the construct of religious obligation is determined to be 0.957. lastly from Amin et al. (2011) analysis reveals a Cronbach's alpha coefficient of 0.962 for the variable pertaining to the price of products. After analysing the reliability test, it is necessary to subject the data to an additional test referred to as the normality test. The performance of a normality test is necessary to determine the normality of a distribution and to identify any potential outliers. The elimination of outliers was achieved by the use of a normality test. The acquired result was then analysed using graphical analysis and statistical tests, specifically focusing on measures of normality such as mean, skewness, and kurtosis (Kim, 1994).

3.6 Questionnaire Design

The questionnaire in this study has been adapted from the previous study where this questionnaire will consist of 3 section. This questionnaire also has been modified in order to make the question is suitable with the study. Moreover, there are many construct that has been used in this study such as acceptance of Takaful, attitude, subjective norm, perceive behavioural control, religious obligation and lastly is pricing of product.

First of all is the section A, this section consist of the background of the respondents that will answer the questionnaires that already subscribe the takaful. The question that has been asks in this section is consist of races, ages, races and the sectors that have been they into.

Secondly is section B, this section is construct based on the factors of acceptance of takaful among the millennials. Section B have 23 items that is related to the independent variables which is attitude, subjective norm, perceive behavioural control, religious obligation and pricing of product. All of the item for the independent variables has been format ranging from "1" which is strongly disagree and "5" which is strongly agree. Attitude, subjective norm and perceive behavioural control questions has been adapted from Zhou et al. (2022) while religious obligation has been adapted from Yusoff and Md Kamdari (2014) and lastly is pricing of product has been adapted from Amin et al. (2011). Table 3.2 has shown the item that consist in this section.

Table 3.2: factors of acceptance of Takaful

No	Item
	Attitude
1.	I think Takaful can help me to be exposed by the existence of product.
2.	I think Takaful is more easily attract my attention when compared conventional insurance.
3.	I think the Takaful coverage is easy to access the product information.
4.	I think purchase takaful product can benefit me.
	Subjective Norm
5.	My family influence my purchasing decision towards Takaful.
6.	Agents around me suggest that I should purchase Takaful products.
7.	Colleague around me influence me to purchase the Takaful product.
8.	My friends encourage me to purchase Takaful products for protection.
	Perceive Behavioural Control
9.	I have enough sources of information for reference about takaful.
10.	I understand what takaful is.
11.	I have confidence in subscribing takaful.
12.	I am capable financially to subscribe takaful product.
	Religious Obligation
13.	I believe Takaful is in line with an Islamic Philosophy.
14.	I believe Takaful is based on Islamic principle business implementation.
15.	I believe Takaful is free from riba/interest.
16.	I believe Takaful is free from fraud.
17.	I believe Takaful because of my religious belief.
18.	I believe Takaful because it is according to Sharia guidelines.
19.	I believe Takaful as a voluntary contribution method for the last resort.
	Pricing of Product
20.	Takaful service charges are affordable.
21.	Fees obtained from Takaful are reasonable.
22.	The pricing of Takaful coverage are within my budget.
23	Takaful contribution rate for Takaful are affordable.

Table 3.3: Section C Acceptance of Takaful

No	Items
1.	I am confident to accept Takaful.
2.	I will maximise the benefit of the Takaful.
3.	I will use the Takaful coverage in a long term.
4.	I will definitely recommend Takaful to others.

Lastly is section C (refer to table 3.3) which is consist of the four items that is related to acceptance of takaful. Same as section B where this item has been format ranging starting from "1" strongly disagree and lastly is "5" which is strongly agree. Moreover, this questionnaire also has been adapted from Yusoff & Md Kamdari (2014). The questionnaire can be referred to appendix A.

3.7 Data Collection Method

The method that has been done in this study is by using questionnaire. In other words, a set of questionnaire has been distributed to the respondent randomly. This respondent is called as primary sources because they act as the first hand of giving their opinion towards the acceptance of the takaful. Moreover, this questionnaire also has been extracted and adapted from previous study to make the questionnaire become suitable for the study. This research also used the available respondent that would like to give cooperation for the study. Besides, when approaching the respondent, an introduction and explanation has been given to the respondent to make sure that they understand what is the purposed of this study is about.

After that, the respondent will answered the questionnaire without being bothered when they agreed to cooperate. If the respondent does not understand for certain question, an explanation will be given to make them clear about the question. The time taken for answering the questionnaire is about ten minutes until fifteen minutes. Then, the questionnaire will be returned to the researcher. Since to getting the information about Takaful user in Kedah is difficult, the time taken to finish the study has been done for a few months to finish.

3.8 Sampling Technique

Probability sampling is the technique that has been used in finishing this study. This technique has been used after finding an accurate number of population by using the statistic that has been provided by Ministry of Health Malaysia, (2022). The statistics has shown that the total of people that has been admitted into the hospital around the Kedah is 196,852. According to Taro (1967), the number of acquired for the study is 100, but, in order to avoid any outliers happen, a questionnaire with amount of 200 has been distributed in order to make the study can be done successfully.

Due to the secrecy policy that has been used by the takaful companies, this type of sampling techniques is more convenience to be used because the information and data could be obtain faster from the respondents. Moreover, this types of sampling also has been used by other researchers such as (Amin et al., 2011 ; Yusoff and Md Kamdari, 2014).

Moreover those researchers distributed the same amount of questionnaires located at Labuan and Shah Alam respectively. From 150 questionnaires that have been distributed in their locations 136 and 140 of questionnaires can be used by (Amin et al., 2011 ; Yusoff & Md Kamdari, 2014) respectively. This has shown that this sampling techniques has shown 90 percent effectiveness for their researches.

As has been mentioned before, a total of 200 questionnaires has been distributed and the responses that have been collected from respondents will be considered as a single individual data. As aforementioned, this data has been collected from the respondents that already have subscribed takaful from any takaful companies. A certain groups has been identified in order to collect the data that is been comprised into a numbers of district around Kedah. The groups is consist of Teachers and stall owners around Pendang, Non goverments workers, residents and stall owners around Pokok Sena and residents around Alor Setar and Jitra.

3.9 Data Administrative and Analysis Technique

The raw data that was gathered from the surveys was analysed in a number of different ways using various statistical procedures. The data went through several processing steps, such as editing, coding, and categorising, among others. The statistical analysis was carried out with the help of the SPSS application.

3.9.1 Data descriptive

The descriptive method was utilised in the process of analysing the data gathered on the respondents' profiles. According to Sekaran (2003), the procedure comprises converting data that has not been processed into a format that permits the acquiring of information that is essential for characterising a collection of variables within a certain context. This information can then be used to draw conclusions about the collection of variables. Frequency counts, averages, and dispersion measurements like the mean and standard deviation are all used as part of the descriptive statistics process.

According to Coakes (2007), he asserts that numbers are employed as a means of determining the profile of the respondents. Furthermore, it is employed to assess the scale of various variables, whereby the mean value is obtained and calculated with the standard deviation. Lastly, it is used to ascertain a variety of values.

3.9.2 Reliability Test

The reliability test is employed to assess the quality of the data, encompassing the stability and consistency of the items. Cronbach's Alpha is a widely used measured for assessing the internal consistency of data. The study by Sekaran (2003) proposed that a higher value of Cronbach's Alpha indicates a greater degree of internal consistency confidence. In the field of statistical analysis, it is widely accepted that a Cronbach's Alpha value below 0.60 is indicative of poor reliability, whilst values within the range of 0.70 are generally deemed acceptable. In contrast, a number greater than 0.80 is regarded as excellent and indicative of a stronger internal consistency.

3.9.3 Normality Test

Normality is considered to be the basic presumption while undertaking multivariate analysis. The normality test is conducted to verify the presence of a normal distribution in the data and to identify any outliers. Therefore, by conducting a normality test, the outliers were excluded, enabling the acquisition of the outcome through the utilisation of graphical analysis and statistical tests for consistency. In general, normal data may be assessed by observing a linear trend where the information being shown points align closely with or run parallel to a diagonal line (Coakes, 2007).

Furthermore, according to Ghasemi & Zahediasl (2012), the analysis of skewness and kurtosis can also provide insights into the assessment of normality. The data is deemed to have a normal distribution when both values fall between the range of 1.96 and -1.96. It may be inferred that the presence of a normal distribution in the data does not violate the assumption of normality for statistical analysis. Consequently, the data were then subjected to analysis and the hypothesis was tested.

3.9.4 Correlation Analysis

The Pearson correlation coefficient is employed to analyse the association between dependent and independent variables, providing insights into both the size and trend of the connection. The test in question is employed for evaluating the first research issue within the scope of this study. According to Gliner (2009) the Pearson correlation coefficient can range from -1.0, indicating a perfect negative correlation, to 0.0, indicating no connection, to +1.0, indicating a perfect positive correlation. According to Coakes (2007), he proposed to use the correlation coefficient value as a measure for the present investigation. Before doing correlation analysis, it is important to consider four assumptions that are relevant to this study. The assumptions that need to be considered in this study are the scale of measurement, normality, linearity, and consistency. In essence, the data should possess characteristics of either interval or ratio scale, and the correlation between the variables should show linearity.

The determination of the significance of a variable may be made by examining the significant value indicated in the table. According to Coakes (2007), if the p-value is less than 0.05, it may be concluded that there is a statistically significant connection between the variables. If the magnitude of the value exceeds the critical value, it can be deduced that the variable lacks significance and there is no obvious correlation between the variables under consideration.

3.9.5 Multiple Regression Analysis

According to Gliner (2009), multiple regression analysis is a frequently employed statistical technique for examining data that encompasses several independent variables in relation to a single dependent variable. The objective of conducting this test is to assess the extent to which the independent factors influence the variation in the dependent variable. Additionally, this test serves the purpose of answering the second study issue within the context of this investigation. The R-squared value is utilised to analyse the data by assessing the extent to which the variation of both variables is accounted for.

According to Gliner (2009), the determination of the significance of independent factors on the dependent variable may be observed by examining the significance value presented in the regression table. If the observed p-value is less than the stated significance level of 0.05, it may be concluded that the independent variable has a statistically significant effect on the dependent variable. On the contrary, when the value exceeds the limit of significance, it signifies the absence of a relationship between the independent and dependent variables.

It may be deduced that none of the assumptions were proven wrong in the course of this investigation. Hence, the application of multiple regressions may be employed for identifying the elements that have effect on customers' acceptance of Takaful. For instance, a regression formula may be derived by combining several independent factors, such as attitude, subjective norm, perceived behaviour control, religious obligations, and pricing of the products. Multiple regressions were modelled in **model 3.1**. It can be predicted that the coefficient β is positive, indicating that all variables positively impact the acceptance of takaful. Alternatively, it is assumed that religious obligation may have a negative influence on the extent of acceptance towards takaful. The millennials consumers' lack of understanding of information concerning takaful is the primary cause for this trend.

Model 3.1:

Multiple Regression Analysis Formula

$$AT = \beta 0 + \beta 1ATT + \beta 2SN + \beta 3PBC + \beta 4RO + \beta 5PP + \mu\varepsilon$$

B= unstandardized Beta Coefficient

AT= Acceptance of Takaful (dependent variable)

Att= Attitude

SN= Subjective Norm

PBC= Perceive Behaviour Control

RO= Religious obligation

PP= Pricing of Product

μ= error term

3.10 Conclusion

In a nutshell, this chapter went over every step of the process, beginning with the gathering of data and ending with the many sorts of tools that may be used to analyse that data. In this chapter, the research methodology presented required explanation, especially about the development of the theoretical framework, hypotheses, research design, and technique for data analysis in a more excellent approach. This chapter will be continued in the following chapter, which will be referred to as Chapter 4, where the data that was acquired will be analysed and discussed in greater detail.

CHAPTER FOUR: FINDING AND ANALYSIS

4.0 Introduction

This chapter presents a closer look and discussion of the results obtained from the data. The findings were obtained using inductive and descriptive methods, utilising the Statistical Package for Social Science (SPSS) software. This chapter will explains the findings derived from a pilot study, focusing on the aspects of reliability and normality. Finally, this chapter examines the outcomes derived from correlation and regression analysis with the purpose of understanding the relationship as well as the effect among the variables.

4.1 Factor Analysis

Table 4.1: Factor Analysis of Variables

Items	KMO and Bartlett Test
Attitude	0.726
Subjective Norm	0.758
Perceive Behavioural Control	0.763
Religious Obligation	0.799
Pricing of Product	0.738
Acceptance of Takaful	0.839

Based on table 4.1, it has been shown the factor analysis of independent variables which is attitude, subjective norm, perceive behavioural control, religious obligation and pricing of product. Acceptance of Takaful is the dependent variables. It has been shown that attitude is 0.726, subjective norm is 0.758, perceive behavioural control is 0.799, pricing of product is 0.738 and lastly is acceptance of Takaful is 0.839.

4.2 Pilot Study

A pilot study of the research tools was undertaken in late September. The objective of the pre-test was to detect any potential inconsistencies present in the instruments. A total of fifty questionnaires were distributed among the individuals residing in the area of Pendang.

The duration required to complete the questionnaire varied between ten and fifteen minutes. The software programme SPSS is utilised for the purpose of assessing the reliability of both the independent and dependent variables, namely through the calculation of Cronbach's alpha. The outcome of the reliability test showed a Cronbach's alpha score of 0.792, indicating a positive correlation among all variables. Hence, the pilot study's reliability coefficient is deemed acceptable, hence enabling the continuation of questionnaire distribution to get the necessary information.

4.3 Reliability Test

When conducting data analysis, it is important to do a reliability test to assess the quality of the data. This test serves to evaluate the consistency and stability of the items under consideration. Table 4.1 displays the Cronbach's alpha coefficient for each of the variables.

Table 4.2: Cronbach Alpha of Variables

Item	Cronbach Alpha
Attitude	0.755
Subjective Norm	0.705
Perceive Behaviour Control	0.783
Religious Obligation	0.751
Pricing of Product	0.886
Acceptance of Takaful	0.869

Table 4.1 presents the Cronbach's Alpha values for each variable examined in the current study. Consequently, the pricing of the product reached its maximum value, at 0.886. The subsequent factors that were shown to have a significant influence, in descending order, were acceptance of Takaful (0.869), perceived behaviour control (0.783), attitude (0.755), and subjective norm (0.705). In general, the variables displayed exhibit statistical significance, indicating an obvious relate among the variables under evaluation.

4.4 Normality Test

Following the application of the reliability test, it is necessary for the data to pass a screening procedure commonly referred to as the normality test. Consequently, the data distribution seen in this study demonstrates normality. Furthermore, the evaluation of normality has previously demonstrated that the data utilised in this investigation is similarly normally distributed, as seen by the Q-Q plot .Table 4.2 displays the outcome of the normality test.

Table 4.3: Normality Test

Variables	Mean	Skewness	Kurtosis
Attitude	4.105	-1.344	0.928
Subjective Norm	4.090	-1.133	0.397
Perceive Behavioural Control	4.140	-1.258	0.822
Religious Obligation	4.103	-1.165	0.859
Pricing of Product	4.235	-1.409	1.441
Acceptance of Takaful	3.755	-0.801	-0.2463

Table 4.2 displays the statistical measures for the variable "attitude." The mean value is calculated to be 4.105, while the skewness and kurtosis values are determined to be -1.344 and 0.928, respectively. The mean for subjective norm is 4.090, with a skewness of -1.133 and a kurtosis of 0.397.The mean value for perceived behavioural control is 4.14, with a skewness of -1.258 and a kurtosis of 0.822. In addition, the stats for religious obligation indicate a mean value of 4.103, a skewness of -1.165, and a kurtosis of 0.859. The mean value for the price of the product is 4.235, with a skewness of -1.409 and a kurtosis of 1.441. Finally, the average value for the acceptance of Takaful is 3.755, with a skewness of -0.801 and a kurtosis of -0.246.In general, the skewness and kurtosis of the data display normal distribution characteristics, falling within the range of 1.96 and -1.96. Additionally, the mean values of the variables are within an acceptable range.

4.5 Demographic Characteristics of the Respondents

In this section, the frequency distribution was used to provide a summary of the respondents' demographic characteristics and to analyse the responses received from the survey. Table 4.3 provides an overview of the demographic information collected by a questionnaire comprising five personal informant questions. These questions pertain to gender, marital status, age, racial background, and occupation.

Table 4.3 presents the percentage values obtained from the descriptive study of the respondents' background, specifically focusing on their gender and marital status. The findings indicate that 55% of the participants identified as male, corresponding to a total of 110 respondents. Additionally, 45% of the participants identified as female, totaling 90 respondents. The study reveals that a majority of the respondents were married, making up 124 individuals or 62% of the total sample. Conversely, 33% of the respondents, with a frequency of 66, were found to be single. In contrast, the demographic group with the smallest representation among the respondents was those who identified as widows or widowers, with a frequency of 10, or 5% of the total sample.

The findings presented in Table 4.3 indicate that the majority of respondents identified as Malay, with a frequency of 92, which amounts to 46% of the total sample. Chinese respondents constituted the second largest group, with a frequency of 52, representing 26% of the sample. Indian respondents ranked third in terms of frequency, with a total of 46 respondents, equivalent to 23% of the sample. The remaining portion attributed to individuals of different racial backgrounds has the lowest occurrence rate, specifically 10, representing a proportion of 5%.

Table 4.4: Millenials Consumers Demographic Information

Variables	Characteristics	Number of respondents N=200	Percentage (%)
Gender	Male	110	55
	Female	90	45
Status	Single	66	33
	Married	124	62
	Widow/Widower	10	5
Races	Malay	92	46
	Chinese	52	26
	Indian	46	23
	Others	10	5
Age	27 until 32	62	31
	33 until 38	88	44
	39 until 42	50	25
Types of Occupations	Government Sector	40	20
	Non-Government Sector	80	40
	Business Owner	50	25
	Unemployed/Retired/Housewife	16	8
	Students	14	7

In relation to age, the data revealed that a majority of the people who responded are between the 33-38 year age range, with a frequency of 62, or around 44% of the total responses. In contrast, the age group with the second greatest number of responses was between 27 and 32 years, accounting for 31% of the total sample. This equates to a frequency of 62 individuals. The respondents with the lowest scores were found within the range of 39-42, with a frequency of 50 and a corresponding percentage of 25%.

Lastly, according to the data presented in Table 4.3, a significant majority of the respondents who have subscribed to Takaful insurance are employed in the non-government sector. This group constitutes 80 respondents, which accounts for about 41% of the total sample. The respondents in this study were categorised into several sectors, including the government sector, business owners, unemployed/retired/housewives, and students. The government sector accounted for 40 respondents, or 20% of the total sample. Business owners comprised 25% of the sample, while the unemployed/retired/housewives and students accounted for 8% and 7% respectively.

4.6 Correlation Between Acceptance of Takaful and Independent Variables

Correlation is a statistical measure applied for determining the correlation between two variables. To assess the first goal of the study, the relation between acceptance of takaful and variables such attitude, subjective norm, perceived behavioural control, religious obligation, and pricing for products was examined using Pearson correlation. Table 4.4 presents the findings about the relationship between the acceptance of takaful and the factors influencing its acceptability. Prior to conducting these analyses, it is essential to ensure that certain assumptions, as outlined in the section before it, have been met.

Table 4.5: Correlation between Acceptance of Takaful and Independent Variables

Variables	Pearson Correlation
Attitude	0.799**
Subjective Norm	0.803**
Perceive Behavioural Control	0.818**
Religious Obligation	0.839**
Pricing of Product	0.891**

*** Correlation is significant at 0.01 level (2-tailed)*

According to the findings shown in Table 4.4, the Pearson correlation coefficient for attitude is determined to be 0.799, indicating a statistically significant relationship at the 0.01 level. This finding suggests a significant positive correlation between individuals' attitudes and their acceptance of takaful. Therefore, it may be inferred that a notable relationship is present between attitude and acceptance of takaful. Furthermore, Table 4.4 presents the correlation coefficient for subjective norm as 0.803, indicating statistical significance at the 0.01 level. This finding demonstrates a substantial and significant relationship between the subjective norm and the acceptance of Takaful. Hence, both of null hypothesis for the two independent variables can be accepted since there is a positive significant value with acceptance of takaful.

In addition, Table 4.4 presents the correlation coefficient for perceived behavioural control, which is recorded as 0.818. Furthermore, the variable in question has a considerable significance level of 0.000. This statement clarifies that there is a positive correlation between the aforementioned factors. Hence, the null hypothesis pertaining to this variable is deemed acceptable as a result of the observed correlation between the two variables. Table 4.4 demonstrates a favourable and statistically significant correlation between religious obligation and the acceptance of takaful. Generally, Millennials' acceptance of takaful is favourably influenced by their attitude, the influence of their particular surroundings, and religious obligations. However, customers may be reluctant to accept takaful if they perceive the price to be unreasonable.

Finally, according to Table 4.4, the correlation coefficient for pricing of products is 0.891, which is statistically significant at the 0.01 level. This finding demonstrates a significant correlation between the acceptance of takaful and the price of products.

Hence, the null hypothesis may be supported as there exists a statistically significant correlation between the adoption of takaful and the pricing of products. The positive correlation between the price of a takaful product and millennials acceptance suggests that a decrease in price will likely result in more customer adoption, whereas an increase in price is likely to have the opposite effect. The first hypothesis states that there exists a positive correlation between customers' decision to take takaful and many factors, including attitude, subjective norm, perceived behavioural control, religious obligation, and the price of the products. Therefore, it can be inferred that a significant relationship exists between the aforementioned characteristics and the acceptance of takaful.

4.7 Multiple Regression Results

Table 4.6: Multiple Regression Result

Determinant	Beta	Unstandardized Coefficient B	T	Sig
(Constant)		-1.326	-6.214	0.000
Attitude	0.127	0.164	2.451	0.015
Subjective Norm	0.111	0.153	2.083	0.039
Perceived	0.167	0.212	3.106	0.002
Behavioural				
Control	0.170	0.264	2.823	0.005
Religious	0.415	0.439	5.816	0.000
Obligation				
Pricing of Product				
Dependent Variable: Acceptance of Takaful				
R square: 0.840				
Adjusted R-Square: 0.836				
F value: 203.282				
Significant: 0.000				

Table 4.5 presents the outcomes obtained from the study of multiple regressions. The analysis reveals that the F statistic generated (F= 203.282) exhibits statistical significance (p= 0.000) at a significance level of 0.00. As a result, the second hypothesis may be rejected. Furthermore, this study's R square Adjusted R-Square score was 0.840 and 0.836 respectively. This indicates that a significant proportion of the variance in the acceptance of Takaful can be accounted for by the independent factors, namely attitude, subjective norm, perceived behavioural control, religious obligation, and price of the commodity. The remaining 16% might potentially be covered by factors that have been excluded from study.

The next analysis pertains to Table 4.5, specifically focusing on attitudes. Notably, the t-value for this analysis is 2.451. The beta value for the first variable is 0.127, while the unstandardized coefficient B is 0.164, which is statistically significant at a significance level of 0.015. The subjective norm variable has a t-value of 2.083, a beta value of 0.011, and an unstandardized coefficient B of 0.153, which is statistically significant at a significance level of 0.039.

In addition, it is noteworthy that perceived behavioural control also showed a statistically significant outcome, with a p-value of 0.002. The unstandardized coefficient B, Beta, and t-values associated with this finding were 0.212, 0.167, and 3.106, respectively. Furthermore, it is noteworthy that religious obligation gave a statistically significant outcome with a p-value of 0.005. The corresponding t-value and unstandardized coefficient B, Beta were found to be 2.823, 0.264, and 0.170, respectively.

The statistical analysis reveals that the pricing of the product is significantly influenced by the value of t at 5.816 (significant at 0.001), which was significant. Additionally, the

Beta coefficient is estimated to be 0.415, while the unstandardized coefficient B has a value of 0.439.

The results of the regression analysis indicate that there are statistically significant relationships among a number of factors, including attitude, subjective norm, perceived behavioural control, religious obligation, and pricing of the product in influencing the acceptance of Takaful among the millennial generation.

The findings of the study revealed that a 1% rise in attitude is associated with a corresponding increase of 0.16 units in the level of acceptance of takaful. In the same way, an increment of one unit in subjective norm and perceived behavioural control is associated with a corresponding rise of 0.15 and 0.21 in the acceptability of takaful among millennials, respectively. The same relationship holds true for the other two factors, namely a religious obligation and pricing of the product. Specifically, a 1% rise in both variables leads to corresponding increases of 0.264 and 0.439 units, respectively. A formulation of multiple regressions is seen in Figure 4.1.

$$AT = -1.326 + 0.164ATT + 0.153SN + 0.212\,PBC + 0.264RO + 0.439PP$$

Figure 4.1: Formulation of Multiple Regression

In conclusion, it can be stated that all of the hypotheses examined, including attitude, subjective norm, perceived behavioural control, religious obligations, and pricing of the product, demonstrate significant correlations and exhibit the most impact on the acceptability of takaful among millennials. This means the existence of a statistically significant positive correlation with a p-value less than 0.01. This suggests that the aforementioned characteristics serve as primary determinants capable of exerting an impact on the willingness of millennials to accept Takaful.

4.8 Conclusion

This chapter has discussed the conclusions obtained from the analysis of collected data. The data was evaluated using descriptive and inferential analytic methods in order to achieve the objectives outlined in chapter 1 of this study. Furthermore, this chapter has provided a comprehensive explanation of the study's findings in accordance with the proposed hypothesis. Hence, Chapter 5 will provide an explanation and draw conclusions on the variables that have significance in this study.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

5.1 Conclusion of the Study

Overall, Islamic Insurance or takaful is one of the tool or product that can be used by the customer for the future occasion. Then, this studies has carried a study about the acceptance of takaful among the millennials which is based in Kedah. There 223 respondents have been chosen for this study but 23 of the questionnaire must be dispose due to the outliers. According the respondents answers, there are five factors that has been analysed which is attitude, subjective norm, perceived behavioural control, religious obligation and pricing of product.

First of all, as can be seen from the result, attitude show the parallel result with the previous research which is from (Maduku & Mbeya, 2023; Kazaure, 2019 ; Bhatti and Md Husin, 2020). This shows that opinion or viewed towards the takaful among millennials in Kedah is consider positive. Subjective norm also shows the same result with (Bhatti and Md Husin, 2020 ; Ansari, 2022) which means that adopting of takaful among the millennials in Kedah is could be the affect from the individuals environment where people would recommend and expect the individuals to adopt the takaful due to the goodness that was in the takaful.

Next, Perceived behavioural control also show the same result as (Md Husin and Ab Rahman, 2016 ; Rifas et al., 2023) where this variable is one of the factor that make people accept the takaful as Islamic insurance. Moreover, it can be seen that 44% of millennials around the age 33 until 38 is the most one that adopted takaful in Kedah. It can be assume that the customer from this age has the resources, knowledge and capability to adopt takaful for themselves and their family.

Religious obligation also show the same result as Yusoff and Md Kamdari (2014). Although the researcher study about the Islamic car financing but it still in the context of Islamic banking product which. By looking at the perspective of religious obligation it can be seen that most people would adopt takaful because of the religious obligation and it can be seen from this study that most of the people that adopt takaful coming from the Malay Muslims which is 46%.

Lastly, Pricing of product also shows the same result as Amin et al. (2011) which is significant. According to researcher, he said that fair price for Islamic banking product could be consider as an attraction for the customer to adopt the product. Moreover, according to the Yusoff and Md Kamdari (2014), he said that based on the Amin et al., (2011) study make the religious obligation does not significant due to the Non-Muslims is living at the population area. This can be assume that, non-muslims adopt the Islamic banking product is due to the lower price that have been offered by the bank. According to this study, it can be seen that Chinese and Indian people also adopt the takaful assuming that they adopt the takaful because of the lower price offered.

5.2 Recapitulation of Study

In first analysis that focusing to the correlation between variables shows that the results is significant for all of the variables consisting of attitude, subjective norm, perceived behavioural control, religious obligation and pricing of product.

Next analysis is about the variables that could affect the dependent variables which acceptance of takaful among the millennials. From the analysis, it has been showed that all the variables which is attitude, subjective norm, perceived behavioural control, religious obligation and the pricing of product is significant which means that all of the independent variables can influence the dependent variables which acceptance of takaful. In other words, all of the independent variables that has been mentioned has positive relationship which is lower than 0.01. It can be conclude that all the variables is the main factor and can influence the dependent variable. The difference between this independent variable could be differentiate with the most significant variables and the lowest significant variables among the independent variables.

5.3 Limitation of the Study

The difficulty that has been faced in order to complete this study in getting the information. It is hard in order to getting the information about the people that is subscribing Takaful. This is due to the secret policy that has been adopted by the Malaysia Takaful Association (MTA) and Bank Negara Malaysia. Then, the data from the Health Department Kedah has been used. For this situation, persons who has been registered or warded with the authority department has been used as the sample size of this study.

It also become hard when people does not want to give cooperation in order to collect the data. This has make the progress of getting data become slow and hard to obtain. This is because people expecting that this collecting of data is for the purpose of task that has been ordered to the seller of takaful. Due to of that, after has been convincing that this surveyed is for the academic purpose and the data of the respondent will not be revealed, they agreed to answer the questions.

5.4 Recommendation and Future Research

This study presents a number of suggestions that may be legitimately proposed for takaful operators in the state of Kedah, as well as for future research initiatives. The majority of participants who completed the surveys are between the aged ranged of 30 to 40 years. Therefore, it is strongly advised that the takaful operator to undertake market expansion efforts with a specific focus on targeting the aforementioned age group. This may be achieved through the implementation of comprehensive advertising strategies, such as utilising social media platforms like Facebook or the Tik Tok application. This phenomenon may be attributed to the fact that a significant portion of individuals in contemporary society primarily prioritise their mobile phones as their primary source of attention and engagement. This approach holds merit as it highlights the potential benefits of takaful operators utilising social media platforms for advertising purposes. By doing so, individuals would become more informed about the presence of takaful operators and their ability to effectively promote their products.

In order to enhance awareness, researchers may employ methodologies like as surveys and interviews to investigate the present financial situation of millennials residing in Kedah, as well as their accessibility to financial services such as Takaful. The purpose of this research aims to evaluate the extent to which Takaful, a Sharia-compliant insurance alternative, is being adopted by persons who were previously banned from accessing conventional insurance services. This study aims to examine the potential for enhancing accessibility within the Takaful industry and to identify any remaining problems to acceptance that could significantly impact specific demographic groups.

Moreover, by looking at the previous result of this study, it has been shown that pricing of product shows the highest influence towards the acceptance of takaful. This could be assume that due to Kedah region mostly was a rural area and make people would like to have life insurance at the lower price. According to Department of Statistic Malaysia (2022), Kedah was ranked at second lowest for Gross Domestic Product (GDP). This could also be relate with the income of people in Kedah where when the GDP is lower, its mean that the income that also will be obtain by the people also lower.

Next, in term of technical, researcher may use the variables from the Unified Theory of Acceptance and Use of Technology (UTAUT). According to Venkatesh (2003), The UTAUT model incorporates several theories of technology adoption, such as the Technology Acceptance Model (TAM), the Theory of Planned Behaviour (TPB), the Innovation Diffusion Theory (IDT), and the Social Cognitive Theory (SCT). Another theoretical framework commonly employed in research is the Social Cognitive Theory (SCT). The research provides a comprehensive and integrated framework for comprehending the factors that influence an individual's tendency to adopt and employ a technology. In term of Takaful, one of the variable that can be used for further research in the future is the facilitating condition. This variable takes into account the extent to which individuals possess the necessary resources, support systems, and infrastructure to make appropriate use of the technology. This idea encompasses not just specialised support but also readily accessible resources and the underlying regulatory framework.

Future researchers will be able to give useful insights into the facilitating factors that influence Takaful uptake among millennials if they integrate the facilitating condition into this research. If takaful providers and policymakers in Kedah and perhaps in other locations want to increase the adoption of Islamic financial products among younger generations, it is critical for them to have a solid understanding of the criteria listed above. This study has the potential to contribute to the improvement of the facilitators that inspire millennials to adopt takaful as a financial instrument.

Next is the suggestion for the takaful operator industries where this suggestion can be used in order to make that takaful operator does not biased to any other individuals. This means that in term of product offering, takaful operator should also consider to make a product package that focusing for disability people like Down Syndrome people. The common product Takaful coverage that already was in market is about accident coverage, *Hibah* coverage and etc. By looking at the product offering nowadays at the market of takaful industry nowadays, it is hard to see the product that is focusing towards the disable person. If the Takaful operator could produce this kind of product, people would be more attracted to know about takaful. Moreover, they would expect that the company does not cover for something common that always been offer in the market, but, they would see that in term of humanity, there is still other body of organization that still taking care of this disable person.

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Appendices

Appendix A: Questionnaires

Appendix B: Factor Analysis

Appendix C: Reliability Test

Appendix D: Descriptive Analysis

Appendix E: Pearson Correlation

Appendix F: Multiple Regression

Appendix A: Questionnaires

Questionnaires / Soalan Kaji Selidik

Section A: Respondent Background / Latar Belakang responden

1. Gender / Jantina

Male/ Lelaki ☐ Female / Perempuan ☐

2. Status / Status

Single / Bujang ☐ Married / Berkawin ☐ Widow/Widower/ ☐

Duda/Janda

3. Age / Umur

27 sehingga 32 / 27 until 32 ☐ 33 sehingga 38 / 33 until 38 ☐

39 sehingga 42 / 39 until 42 ☐

4. Races / Bangsa

Melayu / Malay ☐ Cina / Chinese ☐ India / Indian ☐ lain-lain / others ☐

5. Work sector / Sektor Pekerjaan

Sektor Kerajaan/ Government Sector ☐

Sektor Swasta/ Non-Government Sector ☐

Peniaga/ Business Owner ☐

Penganggur/Suri Ruma/Pesara / unemployed/houswifes/retired ☐

Pelajar/Sudent ☐

Section B: Millennials Acceptance / Penerimaan Millenials

Sangat tidak bersetuju	Tidak bersetuju	Sederhana	Setuju	Sangat Setuju
1	2	3	4	5

1	Saya rasa Takaful boleh membantu saya mendapat pendedahan terhadap kewujudan produk ini. / I think Takaful can help me to be exposed by the existence of product.	1	2	3	4	5
2	Saya rasa Takaful lebih mudah menarik perhatian saya berbanding Insurans konvensional. / I think Takaful is more easily attract my attention when compared conventional insurance.	1	2	3	4	5
3	Saya rasa perlindungan Takaful mudah untuk mendapatkan maklumat produk. / I think the Takaful coverage is easy to access the product information.	1	2	3	4	5
4	Saya rasa membeli produk Takaful boleh memberi faedah kepada saya / I think purchase takaful product can benefit me.	1	2	3	4	5
5	Keluarga saya mempengaruhi keputusan pembelian saya terhadap Takaful. / My family influence my purchasing decision towards Takaful.	1	2	3	4	5
6	Ejen-ejen di sekeliling saya mencadangkan bahawa saya sepatutnya membeli produk Takaful. / Agents around me suggest that I should purchase Takaful products.	1	2	3	4	5

7	Rakan sekerja di sekeliling saya mempengaruhi saya untuk membeli produk Takaful. / Colleague around me influence me to purchase the Takaful product.	1	2	3	4	5
8	Rakan-rakan saya menggalakkan saya untuk membeli produk Takaful untuk perlindungan. / My friends encourage me to purchase Takaful products for protection.	1	2	3	4	5
9	Saya mempunyai sumber maklumat yang mencukupi sebagai rujukan tentang takaful. / I have enough sources of information for reference about takaful.	1	2	3	4	5
10	Saya memahami apa itu takaful. / I understand what Takaful is.	1	2	3	4	5
11	Saya yakin untuk melanggan takaful. / I have confidence in subscribing Takaful.	1	2	3	4	5
12	Saya mampu secara kewangan untuk melanggan produk takaful. / I am capable financially to subscribe Takaful product.	1	2	3	4	5
13	Saya percaya Takaful selaras dengan Falsafah Islam. / I believe Takaful is in line with an Islamic Philosophy.	1	2	3	4	5
14	Saya percaya Takaful berdasarkan prinsip perniagaan berlandaskan prinsip Islam. / I believe Takaful is based on Islamic principle business implementation.	1	2	3	4	5
15	Saya percaya Takaful bebas daripada riba/faedah. / I believe Takaful is free from riba/interest.	1	2	3	4	5

16	Saya percaya Takaful bebas daripada penipuan. / I believe Takaful is free from fraud.	1	2	3	4	5
17	Saya percaya Takaful kerana kepercayaan agama saya. / I believe Takaful because of my religious belief.	1	2	3	4	5
18	Saya percaya Takaful kerana ia mengikut garis panduan Syariah. / I believe Takaful because it is according to Sharia guidelines.	1	2	3	4	5
19	Saya percaya Takaful sebagai kaedah sumbangan sukarela untuk kegunaan terakhir. / I believe Takaful as a voluntary contribution method for the last resort.	1	2	3	4	5
20	Caj perkhidmatan Takaful adalah berpatutan. / Takaful service charges are affordable.	1	2	3	4	5
21	Yuran yang diperoleh dari Takaful adalah munasabah. / Fees obtained from Takaful are reasonable.	1	2	3	4	5
22	Penetapan harga perlindunganTakaful berada dalam bajet saya. / The pricing of Takaful coverage are within my budget.	1	2	3	4	5
23	Kadar sumbangan Takaful adalah berpatutan. / Takaful contribution rate for Takaful are affordable.	1	2	3	4	5

Section C: Acceptance of Takaful / Penerimaan Takaful

Sangat tidak bersetuju	Tidak bersetuju	Sederhana	Setuju	Sangat Setuju
1	2	3	4	5

1	Saya yakin untuk menerima Takaful. / I am confident to accept Takaful.	1	2	3	4	5
2	Saya akan memaksimumkan manfaat dari Takaful. / I will maximise the benefit of the Takaful.	1	2	3	4	5
3	Saya akan menggunakan perlindungan Takaful dalam jangka masa panjang. / I will use the Takaful coverage in a long term.	1	2	3	4	5
4	Saya pasti akan mengesyorkan Takaful kepada orang lain. / I will use the Takaful coverage in a long term.	1	2	3	4	5

Appendices B Factor Analysis

Attitude

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.726
Bartlett's Test of Sphericity	Approx. Chi-Square	29.759
	df	6
	Sig.	.000

Subjective Norm

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.758
Bartlett's Test of Sphericity	Approx. Chi-Square	35.816
	df	6
	Sig.	.000

Perceived Behavioural Control

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	53.259
	df	6
	Sig.	.000

Religious Obligation

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.799
Bartlett's Test of Sphericity	Approx. Chi-Square	93.211
	df	21
	Sig.	.000

Pricing of Product

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.738
Bartlett's Test of Sphericity	Approx. Chi-Square	35.824
	df	6
	Sig.	.000

Acceptance of Takaful

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.839
Bartlett's Test of Sphericity	Approx. Chi-Square	54.917
	df	6
	Sig.	.000

Appendices C Realibility Test:

Attitude

Reliability Statistics

Cronbach's Alpha	N of Items
.755	4

Subjective norm

Reliability Statistics

Cronbach's Alpha	N of Items
.705	4

Perceive Behavioural Control

Reliability Statistics

Cronbach's Alpha	N of Items
.783	4

Religious Obligation

Reliability Statistics

Cronbach's Alpha	N of Items
.751	7

Pricing of Product

Reliability Statistics

Cronbach's Alpha	N of Items
.886	4

Acceptance of Takaful

Reliability Statistics

Cronbach's Alpha	N of Items
.869	4

Appendix D: Descriptive Analysis

Descriptive Statistics

	Mean	Std. Deviation	N
mean at	3.7825	1.00073	200
mean att	4.1388	.77561	200
mean sn	4.1363	.72889	200
mean pbc	4.1150	.78931	200
mean rel	4.1164	.64385	200
mean pp	4.1925	.94600	200

Appendix E: Pearson Correlation

Correlations

		mean at	mean att	mean sn	mean pbc	mean rel	mean pp
Pearson Correlation	mean at	1.000	.799	.803	.818	.839	.891
	mean att	.799	1.000	.727	.747	.774	.807
	mean sn	.803	.727	1.000	.766	.772	.819
	mean pbc	.818	.747	.766	1.000	.768	.819
	mean rel	.839	.774	.772	.768	1.000	.861
	mean pp	.891	.807	.819	.819	.861	1.000
Sig. (1-tailed)	mean at	.	.000	.000	.000	.000	.000
	mean att	.000	.	.000	.000	.000	.000
	mean sn	.000	.000	.	.000	.000	.000
	mean pbc	.000	.000	.000	.	.000	.000
	mean rel	.000	.000	.000	.000	.	.000
	mean pp	.000	.000	.000	.000	.000	.
N	mean at	200	200	200	200	200	200
	mean att	200	200	200	200	200	200
	mean sn	200	200	200	200	200	200
	mean pbc	200	200	200	200	200	200

	mean rel	200	200	200	200	200	200
	mean pp	200	200	200	200	200	200

Appendix F: Multiple Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.326	.213		-6.214	.000
	mean att	.164	.067	.127	2.451	.015
	mean sn	.153	.073	.111	2.083	.039
	mean pbc	.212	.068	.167	3.106	.002
	mean rel	.264	.093	.170	2.823	.005
	mean pp	.439	.075	.415	5.816	.000

a. Dependent Variable: mean at

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.916[a]	.840	.836	.40577	2.120

a. Predictors: (Constant), mean pp, mean att, mean sn, mean pbc, mean rel

b. Dependent Variable: mean at