

B23

FACTORS INFLUENCE THE INTENTION OF NON-  
MUSLIMS TO CHOOSE TAKAFUL BASED ON  
THEIR PERCEPTION

LEE PUI YEE  
LING WOAN YUN  
NG SIEW CHAN  
TAN KAR RUI  
WONG XIN YI

BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) BANKING AND FINANCE

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF BUSINESS AND FINANCE  
DEPARTMENT OF FINANCE

APRIL 2018

Copyright @ 2018

**ALL RIGHT RESERVED.** No part of this paper may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, graphic, electronic, mechanical, photocopying, recording, scanning, or otherwise, without the prior consent of the authors.

## DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
- (4) The word count of this research report is 22582 words.

Name of Student:	Student ID:	Signature:
1. <u>LEE PUI YEE</u>	<u>14ABB03180</u>	_____
2. <u>LING WOAN YUN</u>	<u>14ABB03673</u>	_____
3. <u>NG SIEW CHAN</u>	<u>14ABB02232</u>	_____
4. <u>TAN KAR RUI</u>	<u>14ABB03189</u>	_____
5. <u>WONG XIN YI</u>	<u>14ABB00908</u>	_____

Date: 11 April 2018

## ACKNOWLEDGEMENT

We are very grateful and appreciate to the various authorities that provided us with their support and help in completing our research. We are here would like to grasp the opportunity to sincerely thank all of them that have involved directly or indirectly in lending their hands contributing towards our research.

Firstly, we would like to thank our supervisor, Puan Noor Azizah Binti Shaari for helping us in the research throughout the whole period in the project. We are grateful because without her time, effort, patience, and guidance we would not complete our work smoothly and submitted on time. We truly appreciate her contribution in providing a lot of useful information and comment during the meeting in order to meet the objectives of our study.

Next, we also want to thank our second examiner, Puan Nur Amalina Binti Borhan. During the VIVA presentation, she pointed out the weakness in our research and provided us a valuable opinion and recommendation to enhance the quality of our research project. We appreciate her suggestion as the advice provided had improved our research and become more perfect.

Besides, we feel thankful to all of the respondent who took part in answering our questionnaires. Only with their cooperation and enthusiasm, our data can successfully be collected. We appreciate that the respondent is willing to spend their precious time to take part in filling our questionnaire.

We would like to take this opportunity thank our family especially our parents. If without their endless assistance on financial and moral support, we are unable to complete our research. Last but not least, we are grateful to our team for their tolerance, cooperation and contribution to make the research a success.

Once again, thank you and best regards to all of you!

## DEDICATION

Dedicated to

Puan Noor Azizah Shaari

Puan Noor Azizah is our supervisor. She always motivates and lead us patiently through the whole process of a research project.

Families and friends

They have given us a full encouragement during the process of doing a research project.

Respondents

Respondents are those who are willing to immolate their valuable time to answer the survey questionnaires in order to help us to carry out the research project.

TABLE OF CONTENTS

	Page
Copyright Page.....	ii
Declaration.....	iii
Acknowledgement.....	iv
Dedication.....	v
Table of Contents.....	vi
List of Tables.....	xiii
List of Figures.....	xvi
List of Appendices.....	xvii
List of Abbreviations.....	xviii
Preface.....	xix
Abstract.....	xx
CHAPTER 1	
INTRODUCTION.....	1
1.1	
Research Background.....	2
1.2	
Problem Statement.....	6
1.3	
Objectives.....	9
1.3.1	
General Research Objective.....	9
1.3.2	
Specific Research Objectives.....	9
1.4	
Research Questions.....	10
1.4.1	
General Research Question.....	10
1.4.2	
Specific Research Questions.....	10
1.5	
Hypotheses of the study.....	11
1.5.1	
Attitude.....	11
1.5.2	
Subjective Norms.....	11

1.5.3	Perceived Behavioural Control.....	12
1.5.4	Attributes of Agent.....	12
1.5.5	Religiosity.....	12
1.5.6	Awareness.....	13
1.6	Significance of the study.....	13
1.6.1	Takaful Operators.....	13
1.6.2	Policy Maker.....	14
1.6.3	Customers.....	14
1.6.4	Future Researcher.....	15
1.7	Chapter layout.....	15
1.7.1	Chapter 1.....	15
1.7.2	Chapter 2.....	16
1.7.3	Chapter 3.....	16
1.7.4	Chapter 4.....	16
1.7.5	Chapter 5.....	16
1.8	Conclusion.....	17
CHAPTER 2	LITERATURE REVIEW.....	18
2.1	Review of the literatures.....	18
2.1.1	Dependent Variable.....	18
2.1.1.1	Intention to choose Takaful.....	18
2.1.2	Independent Variable.....	21
2.1.2.1	Attitude.....	21
2.1.2.2	Subjective Norms.....	23
2.1.2.3	Perceived Behavioural Control.....	25
2.1.2.4	Attributes of Agent.....	27

	2.1.2.5 Religiosity.....	29
	2.1.2.6 Awareness.....	31
2.2	Review of Relevant Theoretical Methods.....	33
2.3	Theoretical Framework.....	34
	2.3.1 Theory of Reasoned Action (TRA) .....	34
	2.3.2 Theory of Planned Behaviour (TPB) .....	35
	2.3.3 Social Exchange Theory.....	36
2.4	Conceptual Framework.....	37
2.5	Hypothesis Development.....	39
	2.5.1 Attitude.....	39
	2.5.2 Subjective Norms.....	39
	2.5.3 Perceived Behavioural Control.....	40
	2.5.4 Attributes of Agent.....	40
	2.5.5 Religiosity.....	41
	2.5.6 Awareness.....	41
2.6	Conclusion.....	42
CHAPTER 3	METHODOLOGY.....	43
3.1	Research Design.....	43
3.2	Data Collection Methods.....	44
	3.2.1 Primary Data.....	44
3.3	Sampling Design.....	45
	3.3.1 Target Population.....	45
	3.3.2 Sampling Frame and Sampling Location.....	45
	3.3.3 Sampling Elements.....	46
	3.3.4 Sampling Technique.....	46



3.3.5	Sampling Size.....	47
3.4	Research Instrument.....	48
3.4.1	Research Design.....	49
3.4.2	Descriptive Analysis (Pilot) .....	49
3.4.3	Reliability Test (Pilot) .....	51
3.5	Constructs Measurement (Scale and Operational Definitions).....	53
3.5.1	Scale Measurement.....	53
3.5.1.1	Nominal Scale.....	53
3.5.1.2	Five Points Likert Scale.....	54
3.5.2	Origins of Questionnaire.....	54
3.6	Data Processing.....	56
3.6.1	Data Collecting.....	58
3.6.2	Data Checking.....	58
3.6.3	Data Editing.....	58
3.6.4	Data Cleaning.....	59
3.6.5	Data Analysing.....	59
3.7	Data Analysis.....	59
3.7.1	Descriptive Analysis.....	60
3.7.2	Scale Measurement.....	60
3.7.2.1	Reliability Test.....	60
3.7.2.2	Normality Test.....	62
3.7.3	Inferential Analysis.....	63
3.7.3.1	Pearson Correlation Coefficient Analysis...63	

	3.7.3.2 Multiple Linear Regression (MLR) Analysis.....	65
3.8	Conclusion.....	66
CHAPTER 4	DATA ANALYSIS.....	67
4.1	Descriptive Analysis.....	67
4.1.1	Respondent Demographic Profile.....	67
4.1.1.1	Location.....	68
4.1.1.2	Gender.....	69
4.1.1.3	Age.....	70
4.1.1.4	Religion.....	71
4.1.2	Central Tendencies Measurement of Constructs...71	
4.1.2.1	Intention to choose Takaful based on their perception.....	72
4.1.2.2	Attitude.....	74
4.1.2.3	Subjective Norms.....	75
4.1.2.4	Perceived Behavioural Control.....	77
4.1.2.5	Attributes of Agent.....	78
4.1.2.6	Religiosity.....	80
4.1.2.7	Awareness.....	82
4.2	Scale Measurement.....	83
4.2.1	Normality Test.....	83
4.2.2	Reliability Test.....	84
4.3	Inferential Analyses.....	85
4.3.1	Pearson Correlation Analysis.....	85
4.3.1.1	Correlation between Attitude and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	85

	4.3.1.2 Correlation between Subjective Norms and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	87
	4.3.1.3 Correlation between Perceived Behavioural Control and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	89
	4.3.1.4 Correlation between Attributes of Agent and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	91
	4.3.1.5 Correlation between Religiosity and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	93
	4.3.1.6 Correlation between Awareness and Intention of Non-Muslim to Choose Takaful based on Their Perception.....	95
	4.3.2 Multiple Linear Regression.....	97
4.4	Conclusion.....	102
CHAPTER 5	DISCUSSION, IMPLICATION AND CONCLUSION...	103
5.1	Summary of Statistical Analyses.....	103
	5.1.1 Summary of Descriptive Analysis.....	104
	5.1.1.1 Respondent's Demographic Profile.....	104
	5.1.2 Summary of Central Tendencies Measurement of Constructs.....	104
	5.1.2.1 Intention to choose Takaful based on their perception.....	104
	5.1.2.2 Attitude.....	105
	5.1.2.3 Subjective Norms.....	105
	5.1.2.4 Perceived Behavioural Control.....	105
	5.1.2.5 Attributes of Agent.....	105
	5.1.2.6 Religiosity.....	106
	5.1.2.7 Awareness.....	106

5.1.3	Summary of Scale Measurement.....	106
5.1.3.1	Normality Test.....	106
5.1.3.2	Reliability Test.....	107
5.1.4	Summary of Inferential Analyses.....	107
5.1.4.1	Pearson Correlation Analysis .....	107
5.1.4.2	Multiple Regression Analysis.....	108
5.2	Discussion of Major Findings.....	109
5.2.1	Attitude.....	109
5.2.2	Subjective Norms.....	109
5.2.3	Perceived Behavioural Control.....	110
5.2.4	Attributes of Agent.....	111
5.2.5	Religiosity.....	111
5.2.6	Awareness.....	112
5.3	Implication of the Study.....	113
5.3.1	Managerial Implications.....	113
5.4	Limitation of the Study.....	115
5.5	Recommendation for Future Study.....	116
5.6	Conclusion.....	118
	References.....	119
	Appendices.....	134

LIST OF TABLES

	Page
Table 1.1: Table of Population by Religion in Malaysia 2017	3
Table 1.2: Table of Compounded Annual Growth Rate (%)	3
Table 1.3: Table of Licensed Takaful Operators in Malaysia	6
Table 3.1: Descriptive analysis for the demographic profile	50
Table 3.2: Descriptive analysis for mean, median, mode and standard deviation	51
Table 3.3: Reliability Statistics	52
Table 3.4: Rules of Thumb about Cronbach's Alpha coefficient size	61
Table 3.5: Rule of Thumb about Pearson Correlation Coefficient	64
Table 4.1: Summary of Central Tendency for Intention to Choose Takaful based on their Perception (DV)	72
Table 4.2: Summary of Central Tendency for Attitude (AT)	74
Table 4.3: Summary of Central Tendency for Subjective Norm (SN)	75
Table 4.4: Summary of Central Tendency for Perceived Behavioural Control (PB)	77
Table 4.5: Summary of Central Tendency for Attributes of Agent (AA)	78
Table 4.6: Summary of Central Tendency for Religiosity (RE)	80
Table 4.7: Summary of Central Tendency for Awareness (AW)	82
Table 4.8: Reliability Test for Substantive Study	84
Table 4.9: Correlation between Attitude and Intention of Non-Muslims to Choose Takaful based on their Perception	86
Table 4.10: Correlation between Subjective Norms and Intention of Non-Muslims to Choose Takaful based on their Perception	88
Table 4.11: Correlation between Perceived Behavioural Control and Intention of Non-Muslims to Choose Takaful based on their Perception	90
Table 4.12: Correlation between Attributes of Agent and Intention of Non-Muslims to Choose Takaful based on their Perception	92
Table 4.13: Correlation between Religiosity and Intention of Non-Muslims to Choose Takaful based on their Perception	94

Table 4.14: Correlation between Awareness and Intention of Non- Muslims to Choose Takaful based on their Perception	96
Table 4.15: Model Summary of Multiple Regression Model	98
Table 4.16: ANOVA of Multiple Regression Model	98
Table 4.17: Coefficient of Multiple Regression Model	100

LIST OF FIGURES

	Page
Figure 1.1: Pie chart of Population by Religion in Malaysia 2017	2
Figure 1.2: Chart of Takaful Net Contributions (RM\$b.)	3
Figure 1.3: Profit after Zakat and Tax (RM'000)	5
Figure 2.0: Theory of Planned Behaviour	35
Figure 2.1: Conceptual Framework	37
Figure 3.1: Data Processing	57
Figure 4.1: Percentage of Respondents based on Location	68
Figure 4.2: Percentage of Respondents based on Gender	69
Figure 4.3: Percentage of Respondents based on Age	70
Figure 4.4: Percentage of Respondents based on Religion	71

LIST OF APPENDICES

	Page
Appendix 3.1: Permission Letter to Conduct Survey.....	134
Appendix 3.2: Questionnaire Survey Form.....	135
Appendix 3.3: Origin of Statements in Questionnaire Survey.....	146
Appendix 4.1: Demographic Profiles of Respondents.....	148
Appendix 4.2: Statistic of Subjective Norm.....	150
Appendix 4.3: Statistic of Perceived Behavioural Control.....	153
Appendix 4.4: Statistic of Attributes of Agent.....	156
Appendix 4.5: Statistic of Religiosity.....	159
Appendix 4.6: Statistic of Awareness.....	162
Appendix 4.7: Statistic of Intention of Non-Muslims of Choose Takaful based on Their Perception.....	165
Appendix 4.8: Normality Test.....	168
Appendix 4.9: Pearson Correlation Analysis.....	169



## LIST OF ABBREVIATIONS

AA	Attributes of Agent
AT	Attitude
AW	Awareness
BNM	Bank Negara Malaysia
DV	Dependent Variable
MLR	Multiple Linear Regression
PB	Perceived Behavioural Control
RE	Religiosity
SN	Subjective Norms
SPSS	Statistical Package for Social Science

## Preface

In this research, we will exam the variables that can affect the intention of non-Muslims to choose Takaful based on their perception. After studied the past empirical research, we have recognized six independent variables which will bring effect to the intention of non-Muslims in Takaful demand which consisting attitude, subjective norm, perceived behavioural control, attributes of agent, religiosity, and awareness. We will determine the relationship between the dependent variable and independent variables and also which determinant will be the most significant variables on affecting the intention of non-Muslims in Takaful demand,

The result of this research seeks to deliver a better understanding of how and why the independent variables will influence the intention of non-Muslims in Takaful demand. Therefore, Takaful insurance company can make some improvement or modification of their product which able to meet the need of the customer. Lastly, it can enhance the competitive advantages in the insurance sector.

## ABSTRACT

Takaful industry is showing a positive growth in recent years. It is getting more and more people have the knowledge and understand about Takaful product. Nevertheless, there are few studies conducted specifically on the factors that influence non-Muslims' intention to choose Takaful in Malaysia. The purpose of this study is to indicate the factors that influence the intention of non-Muslims to choose Takaful based on their perception. Six independent variables that used in this study to investigate the intention to choose Takaful included attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness. 300 sets of questionnaires were distributed in Selangor, Kuala Lumpur, and Penang area and the targeted non-Muslim respondents were chosen randomly. Pearson Correlation Coefficient was carried out to analyse the relationship between the dependent variable and the independent variables. Normality test, reliability test and Multiple Linear Regression (MLR) Analysis were also used in this study. Pearson Correlation Coefficient results stated that all independent variables (attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness) were positively and significantly influence the dependent variable (intention of non-Muslims to choose Takaful based on their perception). However, Multiple Liner Regression analysis results showed that subjective norm itself was insignificantly affect the dependent variable. It means that others will not influence someone to make decision involving in Takaful. This considered the contribution of this study. The findings were useful for Takaful operators, policy maker, and future researchers. Moreover, managerial implications for Takaful companies to improve the intention level to choose Takaful and recommendations for future studies to overcome the limitations were also included in this research.

## **CHAPTER ONE: RESEARCH OVERVIEW**

### **1.0 Introduction**

Insurance played an important role in this globalization era as the risks are increasing and this has made insurance become necessities in human's life. Takaful is an Islamic insurance that based on Shariah principles. People may hear the word "Takaful", but do they really understand the concept behind Takaful? Takaful is extracted from Arabic word *kafalah*, which mean "to jointly guarantee". All the policyholders will jointly share the risks instead of transferring the risk to a third party like conventional insurance (Fadun, 2014). Takaful can be used by both Muslims and non-Muslims. The concept of Takaful is a form of mutual help for those who are in hardship but it does not transfer the risk to third party, so it is considered as an alternative to conventional insurance (Hussain & Pasha, 2011).

The major objective of Takaful is to bring fairness and justice to the society. The aim of the contract is to assist the policyholders when they face difficulties, generate brotherhood, and harmony. The main objective of Takaful is not to earn profit but the concept of profit sharing is acceptable. The idea of Takaful is to allocate the risk among the participants and undertake the risk together. The operator manages the fund of Takaful for the participants but the ownership still belong to the participants (Tahira & Arshad, 2014). In Islamic insurance, the elements of *riba* (interest), *gharar* (uncertainty) and *maysir* (gambling) are all prohibited, only the ruling based on cooperative principles, shariah compliance and charitable donations are accepted in Islam (Lim, Idris, & Carrisa, 2010; Sharifuddin, Kasmoeen, Taha, Talaat & Talaat, 2016).

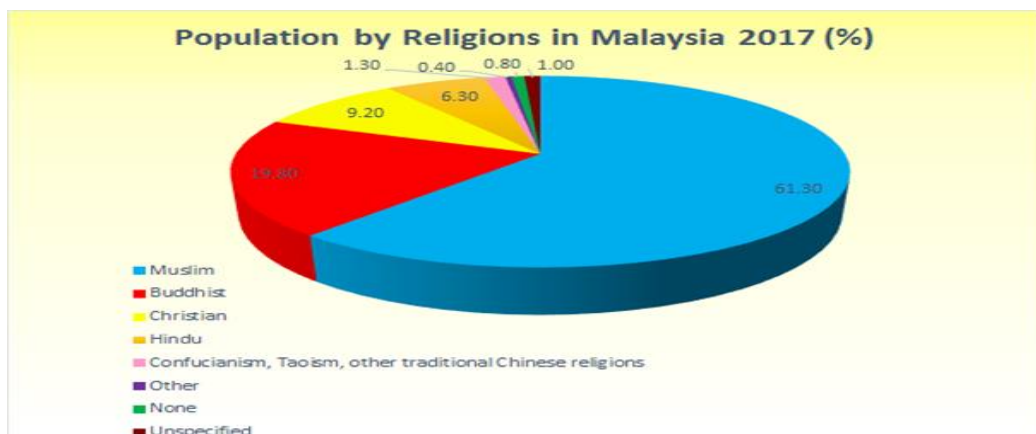
The first chapter will be focus on the discussion of the research background. The concept and background of Takaful and the development of Takaful industry in

Malaysia will be discussed. Next, few problems in Takaful will also bring into discussion. Moreover, the research objectives, research questions and research hypotheses will also be listed out followed by the significance and contribution of this paper. Additionally, a brief chapter layout for each chapter will also be included. Lastly, a conclusion will be provided and link to the second chapter which will discuss on the literature review from previous studies.

## 1.1 Research Background

According to Lim et al. (2010), insurance has been established in this world for over centuries and modern insurance was discovered at the beginning of 1600's, where the British merchants and ship owners began to meet at a coffeehouse near Lombard Street in London to discuss the contract regarding profits sharing of sea voyages mutually.

Figure 1.1: Pie chart of Population by Religion in Malaysia 2017



Sources: Adopted from Index Mundi (2017)

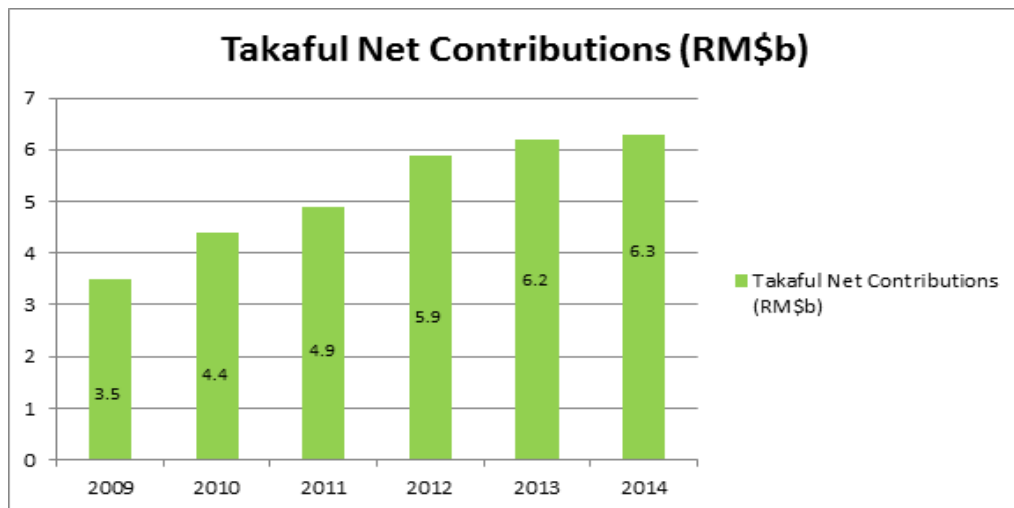
Table 1.1: Pie chart of Population by Religion in Malaysia 2017

<b>Ethnic Group</b>	<b>Bumiputera</b>	<b>Chinese</b>	<b>Indian</b>	<b>Others</b>
Number of people	19,776.8	6,664.2	1,997.6	284.4

Sources: Adopted from Department of Statistic Malaysia (2017)

Based on the Figure 1.1 above, there is total 61.3% of population in Malaysia are Muslims while 38.7% is non-Muslims. Besides, Table 1.1 shows the total number of Bumiputera in Malaysia has doubled the total number of non-Bumiputera in Malaysia by 2017. There is no doubt for Muslims to buy Takaful; therefore, this research conducted will be focus on the non-Muslims sector in Malaysia.

Figure 1.2: Chart of Takaful Net Contributions (RM\$b)



Source: Adopted from Ernst and Young (2015).

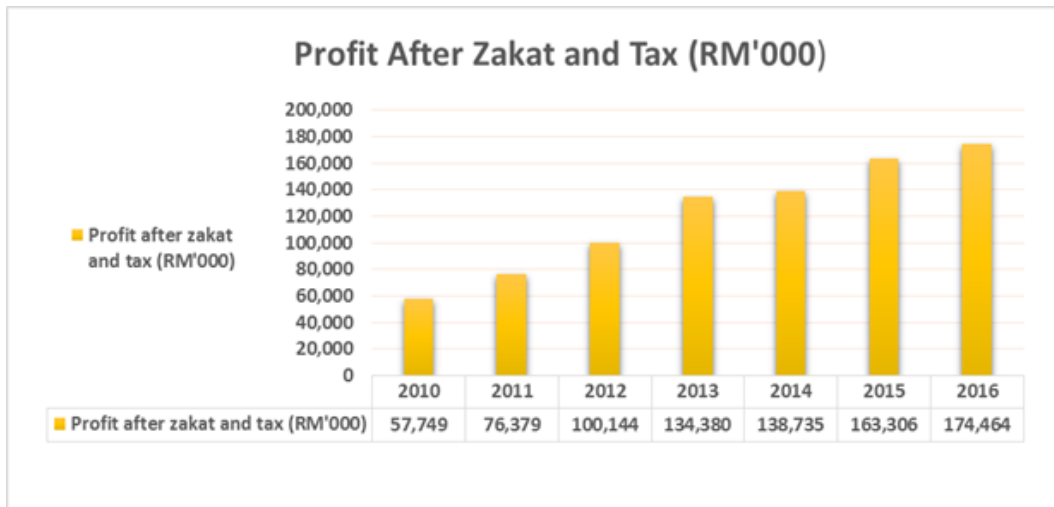
Table 1.2: Table of Compounded Annual Growth Rate (%)

<b>Compounded Annual Growth Rate (%)</b>	
Takaful Net Contributions	12.4

Source: Adopted from Ernst and Young (2015).

Takaful in Malaysia was established in November 1984 and its performance has visible grown throughout these 33 years. Malaysia is considered as a strategic place for Takaful to grow as it has mixture of demographic characteristic. Moreover, a multiracial country like Malaysia, the growth of Takaful also increased constantly from RM3.5b to RM6.3b from 2009 to 2014, and in average it contributed about 5.8% of Malaysia's GDP (Ernst & Young, 2015). A positive expectation of the high demand in Takaful in the coming years also supported by the analysis from Ernst and Young (2015) where the gross Takaful contribution of Malaysia is 76% which is the highest in ASEAN countries. Besides, the net contribution of Takaful industry is also increasing from RM\$3.5b to RM\$6.3b in year 2009 to 2015 while the compounded annual growth rate (CAGR) in Takaful Malaysia over the past five years (2009-2014) is 12.4% which also shows at Figure 1.2 and Table 1.2.

Figure 1.3: Profit after Zakat and Tax (RM'000)



Source: Annual Report Takaful Malaysia (2010-2016)

In Figure 1.3 above shows the net profit generated by Syarikat Takaful Malaysia Berhad from 2010 to 2016. The net profit of Takaful Malaysia has increased by almost triple of the original amount. This result clearly shows that the performance of Takaful is getting better as the demand of Takaful product is increasing. Besides, increasing brand awareness and implementing new policies also could attract the non-Muslims to purchase Takaful products (Takaful Malaysia, 2016). At the end of 2016, they were total 11 Takaful operators licensed by Bank Negara Malaysia (BNM) which listed at Table 1.3 below.



**Table 1.3: Table of Licensed Takaful Operators in Malaysia**

<b>No.</b>	<b>Takaful Operators</b>
1	AIA PUBLIC Takaful Berhad
2	AmMetLife Takaful Berhad
3	Etiqa Takaful Berhad
4	Great Eastern Takaful Berhad
5	Hong Leong MSIG Takaful Berhad
6	HSBC Amanah Takaful (Malaysia) Berhad
7	MAA Takaful Berhad
8	Prudential BSN Takaful Berhad
9	Sun Life Malaysia Takaful Berhad
10	Syarikat Takaful Malaysia Berhad
11	Takaful Ikhlas Berhad

Source: Bank Negara Malaysia

## **1.2 Problem Statement**

In 2010, Bank Negara Malaysia (BNM) set the target market share for Takaful at 20%, however, it only achieved around 8.3% in 2013 (Awang & Redzuan, 2015). The reasons behind is because of the global economic crisis, lack of Takaful operators, low awareness and low educational level regarding to Takaful from the public and this also supported by Datuk Seri Mohamed Hassan Kamil (as cited in The Star, 2016). Besides, Ismail, Jaffer, Unwinn Jamil, Md Hassan, Alajaji and Tan (2017), stated that the market penetration rate of Takaful in Malaysia was quite low

in both family Takaful and general Takaful. Mostly the products offered by Takaful operators only tapped into the Muslims segment. It is supported by Governor Muhammad Bin Ibrahim (2018), the objective of Takaful penetration is to achieve 25% by 2020, however it is expected that the growing rate could only reach 16% in 2020 or lower than expected. In order to increase the growth rate, what are the customers' perceptions towards Takaful products?

Next, BNM has noted down the changes in Takaful industry from 1984 to 2004. Before this, the customers of Takaful product are mainly Muslims and later it has started to target the non-Muslims with different preferences (Bank Negara Malaysia, 2004). According to the news from The Star (2016) stated that there were 12.56 million of non-Muslims took part in Takaful at the end of 2015 and predict this number will continue to increase in the coming years. However, a Takaful agent said that the percentage for non-Muslim purchase Takaful products is relatively low compared to Muslim. In additional, the agent also mentioned that overall only about 20% of the non-Muslims have chosen to take Takaful products in Malaysia. Furthermore, there were many past researches have carried out the study on the intention of Muslims in purchasing Takaful but there are not much of them has targeted on the non-Muslims sector. Therefore, a research question of what the perception of the non-Muslims is based on their intention in choosing Takaful as their insurance is developed.

In order to maintain the consumption of Takaful remain stable growth in future, attitude of a consumer toward a specific product or service is very important to determine its attractiveness in market. According to Yusuf, Gbadamosi and Hamadu (2009), the reason of negative attitude toward insurance services in Nigeria is due to the trust erodes on insuring from consumers experiences. Based on Theory of Planned Behaviour (TPB) from Ajzen (1991), perceived behavioural control is an important factor for a person to involve in Takaful as it influences that particular person's decision making. When a non-Muslim have enough information and high confidence toward Takaful performance, he or she will have greater intention to choose Takaful (Husin & Rahman, 2013). Hence, a person degree of confidence on

a particular product will lead to the opportunity of the action being practiced (Gumel & Othman, 2013; Choong, Lim, Ong, Seah & Tan, 2017).

The personality of a Takaful agent is very important in order to ensure any potential customers to involve in Takaful (Aziz, Ghani & Shaari, 2016). An ethical agent could guarantee the sales performance as any policy start with the first impression of the agent from the perspective of customers. In the situation if the agent is unethical, the number of complain will increases. As stated in the Financial Mediation Bureau (2013), the number of complaint cases from 8,964 cases in 2012 increased to 9,345 cases in 2013. Moreover, subjective norms are being a strong influence to determine how non-Muslims decision are affected under social pressure. As we can observe nowadays, the power of word of mouth and social media like advertisement gradually change a person's mind.

The religious factors affected non-Muslims intention to choose Takaful because their strong belief they misunderstood that Takaful is only mean for Muslims and it is more suit for them to purchase conventional insurance with their belief (Zakaria et al., 2016). According to Ismail et al. (2017), there are still portions of people do not aware of Takaful because the lack of awareness and knowledge in Takaful. The consumption of Takaful products increases only when the public aware (Al-Salih, 2014). Nevertheless, because of their unawareness, non-Muslims hesitated to choose Takaful insurance and thus the growth rate decline (Ayuba, 2014; Swartz & Coetzer, 2010).

Therefore, six independent variables have been chosen to determine the factors affect the intention of non-Muslims to choose Takaful based on their perception. All the independent variables will be discussed further with support in next chapter-literature review.

## **1.3 Research Objectives**

### **1.3.1 General Objective**

To indicate the factors that influence the intention of non-Muslims to choose Takaful based on their perception.

### **1.3.2 Specific Objectives**

- i.** To study the significant relationship between attitude and the intention of non-Muslims to choose Takaful based on their perception.
- ii.** To study the significant relationship between subjective norms and the intention of non-Muslims to choose Takaful based on their perception.
- iii.** To study the significant relationship between perceived behavioural control and the intention of non-Muslims to choose Takaful based on their perception.
- iv.** To study the significant relationship between attributes of agent and the intention of non-Muslims to choose Takaful based on their perception.
- v.** To study the significant relationship between religiosity and the intention of non-Muslims to choose Takaful based on their perception.
- vi.** To study the significant relationship between awareness and the intention of non-Muslims to choose Takaful based on their perception.

## **1.4 Research Questions**

### **1.4.1 General research question**

What are the factors may influence the intention of non-Muslims to choose Takaful based on their perception?

### **1.4.2 Specific research questions**

**i.** Does attitude significantly affect the intention of non-Muslims to choose Takaful based on their perception?

**ii.** Does subjective norms significantly affect the intention of non-Muslims to choose Takaful based on their perception?

**iii.** Does perceived behavioural control significantly affect the intention of non-Muslims to choose Takaful based on their perception?

**iv.** Does attributes of agent significantly affect the intention of non-Muslims to choose Takaful based on their perception?

**v.** Does religiosity significantly affect the intention of non-Muslims to choose Takaful based on their perception?

**vi.** Does awareness significantly affect the intention of non-Muslims to choose Takaful based on their perception?

## **1.5 Hypotheses of the study**

Attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness are independent variables that carry in this study.

### **1.5.1 Attitude**

H0: Attitude insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H1: Attitude significantly affects the intention of non-Muslims to choose Takaful based on their perception.

### **1.5.2 Subjective Norms**

H0: Subjective norms insignificantly affect the intention of non-Muslims to choose Takaful based on their perception.

H1: Subjective norms significantly affect the intention of non-Muslims to choose Takaful based on their perception.

### **1.5.3 Perceived Behavioural Control**

H0: Perceived behavioural control insignificantly affects the intention of non-Muslims to adopt Takaful based on their perception.

H1: Perceived behavioural control significantly affects the intention of non-Muslims to adopt Takaful based on their perception.

### **1.5.4 Attributes of Agent**

H0: Attributes of agent insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H1: Attributes of agent significantly affects the intention of non-Muslims to choose Takaful based on their perception.

### **1.5.5 Religiosity**

H0: Religiosity insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H1: Religiosity significantly affects the intention of non-Muslims to choose Takaful based on their perception.

### **1.5.6 Awareness**

H0: Awareness insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H1: Awareness significantly affects the intention of non-Muslims to choose Takaful based on their perception.

## **1.6 Significance of the study**

The preferences of non-Muslims towards Takaful are significance for this study. By doing this study, a better understanding on the factors that would affect the intention of non-Muslims to purchase Takaful will be provided. Therefore, the result can provide some important information to few groups of people which include Takaful operators, policy maker, customers and future researchers.

### **1.6.1 Takaful operators**

The findings of this study are important for the Takaful operators because they able to have a obvious picture about the causes that would affect the intention of the public to purchase Takaful. Once Takaful operators know the level of awareness among the non-Muslims, they can design a strategy like create a campaign to attract the public to recognize the products and benefits that Takaful can provide. Besides, the Takaful operators could also come out more strategies to retain their existing customers as the way to attract new customers to purchase Takaful is much more expensive. Through this study, Takaful operators can realize the significance of



customer satisfaction in raising the demand of Takaful. In fact, when customers are satisfied, they will be the tools to promote.

### **1.6.2 Policy maker**

A part from that, this research can give implication to Malaysia government in the role of policy maker as references in achieving their objectives in making Malaysia as an Islamic center. Besides, policy maker should understand customers' intention to purchase Takaful because they are committed in developing Takaful industry by creating regulation. Thus, policy maker can easily provide a supervision authority towards Takaful act by implement a clear guideline on prohibition, cost and operation of Takaful. Policy maker as a cornerstone to Takaful business is important to guarantee the necessary confidence to the customers.

### **1.6.3 Customers**

In addition, the study also provides benefits to the customers. When customers have higher awareness and know most of the Takaful buyer's perspective towards Takaful will help them in making decision on whether the Takaful product is suitable for them. Next, they may also understand the reasons why Takaful product are hot selling in their country and therefore it is worth for them to purchase.

### **1.6.4 Future Researchers**

Last but not least, the study will also give implication to the future researchers. Since this study can provide a clear picture for the readers to understand, they can get some basic knowledge on their planning. Besides, they can use these findings as a reference if they want to continue investigate or further extent the study of every existing literatures on this topic if they have similar issue. This study can act as a guideline for them to gather more accurate information for their purposes on either learning or business.

## **1.7 Chapter layout**

Introduction, literature review, research methodology, data analysis and discussion and conclusion are the five chapters that will be discussed in this study.

### **1.7.1 Chapter One**

Chapter One contains the outline for this research, introduction, research background, problem statements, research objectives and research questions, hypothesis of the study, significance of the study, chapter layout and conclusion.

## **1.7.2 Chapter Two**

Chapter Two contain the comprehensive reviews of any relevant information with the dependent variable and independent variables. Resources will collect from published journals, conferences paper and any past researches that done relevant in this area. This chapter, a conceptual framework and hypotheses will be proposed and supported by past researches from theoretical frameworks.

## **1.7.3 Chapter Three**

Chapter Three contains the research design, research methodology, sampling design, research instruments, constructs management, data processing and data analysis.

## **1.7.4 Chapter Four**

Chapter Four will reveal the results after analysis. The results will answer the research questions and hypotheses from previous chapter. Descriptive analysis, scale measurement, and inferential statistic will be explained in this chapter.

## **1.7.5 Chapter Five**

Chapter Five where all the results been summarized and major finding will be discussed based on results collect. Besides, implication and limitation of study will be proposed and recommendations on this study will be suggested to any further research on this field.

## **1.8 Conclusion**

This chapter gives the basic understanding on Takaful and to study the factors of attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness on the intention of non-Muslims to choose Takaful based on their perception. The research objective is set to identify the factors that will influence the intention of non-Muslims to choose Takaful based on their perception and the research questions and hypotheses are set as a guideline for questionnaires development and test result in following chapters. Besides, Takaful operators, policy maker, customers and future researchers could also be benefited from this study. Lastly, this chapter also includes the chapter layout for the following four chapters.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter, the past literatures related to the topic will be reviewed in details and the theories applied in this study will also be discussed. In addition, the theoretical framework used by the past researchers will also be discussed and lastly, a conceptual framework followed by the hypotheses will be proposed.

### **2.1 Review of the literatures**

Below will be the critical review of the past researches papers. By analyzing the important points will help the readers to understand the concept of Takaful. The independent variables are attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness will be used to explain the relationship to the intention of non-Muslims to choose Takaful based on their perception.

#### **2.1.1 Dependent Variable**

The dependent variable in this study is the intention of non-Muslims to choose Takaful based on their perception.

### **2.1.1.1 Intention to choose Takaful**

In Malaysia, the demand of Takaful seems to be in upward trends. Despite the unfavourable market condition in recent years, Takaful industry still has a positive growth. The potential growth of Takaful industry is very high due to the support from the government as well as the demographic factors. Besides, product innovation and distribution coverage are also the driver for the growth of Takaful (Murugiah, 2016). For instance, the liberalization for motor comprehensive and motor third party fire and theft products effective from 1<sup>st</sup> of July 2017 will give greater freedom for the Takaful operators to tailor new products at fair price to satisfy the consumers' needs (Bank Negara Malaysia, 2017). According to Basaruddin (2015), Malaysia as one of the growing country in ASEAN has the potential to become the hub of Takaful industry.

According to Kamil and Nor (2014), there is still a potential growth of Takaful business although it is slow growing compared to conventional insurance. However, Othman (2017) stated that Takaful industry will grow rapidly in the future with the help of conventional insurance as a healthy competitors for Takaful to produce the best product that suit every customers. The respondents responded that they hope Takaful business can be more well-known world widely. Different people will have different views on Takaful due to their lack of knowledge in this aspect. If they understood the concept of Takaful operation well, then they will have the confidence to participate in any Takaful products (AlNemer, 2015). Besides, Mansor, Masduki, Mohamad, Zulkarnain and Aziz (2015) also said in order for Muslims to participate in Takaful, complete information is important to ensure they have clear understanding about Takaful.

The research on intention to adopt Takaful has been tested by many researchers. For instance, Husin and Rahman (2013) have carried out a study to determine what actually factors that influence consumers to involve in in family Takaful scheme by using Decomposed Theory of Planned Behaviour

(DTPB). Besides, they also considered other factors like gender, income, age and education level which will affect the purchasing behaviour of customers on Takaful products. Furthermore, Husin and Rahman (2015) also furthered their studies by using the same DTPB model and further include other variables like awareness, knowledge, exposure and religiosity. The result showed that attitudes, planned behaviour control, knowledge and exposure are significant to explain the individual's intention to choose family takaful but religiosity, awareness and subjective norm are not significant.

In the studies of Mansor et al. (2015), they investigated the preference of Muslims consumers on Takaful products with consumer awareness, perception and religiosity as their main variables. The findings of the result showed that perception and religiosity are significant to influence the preference in Takaful. Moreover, perception towards insurable risk has positive relationship with the demand of Takaful. It has find out that the higher perception of insurable risk will increase the knowledge and awareness of customers, so it can enhance the purchase of Takaful (Salleh et al., 2017). However, awareness does not significantly affect the preference in Takaful products. This result shows that religiosity variable is contradict with the findings of Husin and Rahman in above, where they said that religiosity is not significant to affect individual's intention to choose Takaful. Furthermore, another study by Husin, Ismail and Rahman (2016) discussed that subjective norm significant to affect customer intention to purchase family takaful also contradict with the previous study. According to Shabiq and Hassan (2016), they had tested on attitude, compatibility, awareness, relative advantage and social influence in Maldives and the result shown that attitude is the most influencing factors affecting preferences on Takaful while social influence is the least influencing factor.

Even though there are many researches done on Muslims preferences with almost similar determinants to determine preferences on Takaful yet there are still not much of researches did on non-Muslims demand Takaful. In our

study, we chose attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness as our indicators to explain the intention of non-Muslims to choose Takaful based on their perception. All the independent variables will discuss more details below.

## **2.1.2 Independent Variables**

The independent variables chosen for this study are attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness.

### **2.1.2.1 Attitude**

The determinant that will impacts the intention of non-Muslims to choose Takaful based on their perception is attitude. The probability of an individual to perform the certain action is high when an individual has an active manner towards the acceptance of behaviour. It is also said that customer attitude and behaviour toward a certain object is connected. One of the studies showed that the higher risk taken by the farmer will have a positive attitude to buy the agricultural insurance (Aziz, Aziz, Aris & Aziz, 2015). Similarly, the research by Tan and Lim (2017) said that the risk takers individual who is involved in risky activities would not prefer to buy an insurance product as compared to risk adverse individual. Sidharta, Mentari, Waafaretta, and Nuraini (n.d.) said that the relationship between attitude and perception towards Sharia insurance product is positive. Attitude is affected by how a person evaluate Sharia insurance product. As a person has a good evaluation on Takaful, he or she will have a positive attitude towards Takaful, and thus will perceive it positively. Besides, Mas'ud (2017) also



said that attitude can affect the acceptance intention. The studies indicate that attitude can forecast the intention to purchase Takaful in Malaysia.

Moreover, Ali and Jama (2016); Echchabi and Ayedh (2015) stated that consumer attitude has a significant relationship towards Takaful services. Based on the SEM and t-test that apply by the researchers, it shown French Muslims have strong willingness to choose Takaful product. Fresh Muslims are willing to accept Takaful services rather than conventional insurance services when the attitude of Fresh Muslims has a positive influence on the acceptance of Islamic insurance. Furthermore, it also showed that non-Muslim customers have a positive attitude towards the Islamic products and service in Bangladesh (Uddin, Shammo, Mahbub, & Ahmed 2016). A reliability test which is Cronbach's Alpha is conducted by the past researchers to test the attitude variable. If the alpha of the variable is equal or more than 0.70, it means that the variable is reliable. The result has shown the attitude variable is reliable and internally consistent since the alpha of attitude is 7.30. Besides, the correlation analysis that conducted by the past researchers have shown that attitude and Takaful service has a positive relationship (Ali & Jama, 2016). The similar result also showed by Shabiq and Hassan (2016) shows that 0.842 has mean that choosing of Takaful and attitude has a positive correlation. The result of p-value which is 0.0000 also showed that attitude and choose of Takaful is significant.

Besides, Echchabi and Echchabi (2013) also stated that attitude and intention to adopt Islamic insurance show a positive result. Based on the t-test that employed by the researcher, it showed that the mean difference value for attitude variable is significant. It means that people are willing to change to Islamic insurance services. Hence, the results have shown the customers are willing to purchase the Islamic insurance. Based on the 340 samples in the research, it has shown that attitude and select of Islamic insurance in the Maldives has a strong positive relationship. Customers will buy Islamic insurance when they have the strong positive attitude. Thus,

attitude is an important variable to influence the Maldivian customers to buy Takaful (Shabiq & Hassan, 2016).

In addition, Husin and Rahman (2014) also found that attitude is straightly and significantly impact the consumers to buy Islamic insurance. The consumers are attracted to purchase family Takaful scheme when their attitudes are highly positive. Moreover, Husin and Rahman (2015) also supported that attitude is significant influence the intention of a consumer to involve in family Takaful scheme. The hypothesized relationship was examined by the past researchers in the structural model showed that the p-value of attitude variable is small than 0.01. This means that attitude has positive effects for the customer to purchase Islamic insurance. The results said that customers who have a favourable evaluation on family Takaful will influence the intention of a customer to purchase family Takaful. These findings are same with others past researchers.

#### **2.1.2.2 Subjective Norms**

Subjective norm or social influence is another factor that affect the intention of non-Muslims to choose Takaful based on their perception. A person's behaviour can affect by many people and ways such as family, relative, friends, social and media. If a person has a strong perception of societal pressure towards the demand of Takaful, he or she may have the intention to choose Takaful. On the other hand, a person who has a weak subjective norm may less likely to have the intention to purchase Takaful. This is supported by Husin et al. (2016) that conducted a research to examine the relationship between mass media and word of mouth toward subjective norm and the perception of Takaful demand in Malaysia. Husin et al. (2016) conducted a survey and came out a result stated that word of mouth and mass media would affect the subjective norm and subjective norm is significantly affect the intention of Takaful demand. This result may help Takaful operators to focus on social influence when offering the Islamic insurance. Similarly, Aziz et al. (2015) also carried out a research to study

the factors that affect the intention of Agriculture Takaful. The result showed that subjective norm is positively related to the perception of Agriculture Takaful participation. Another researcher, Husin and Rahman (2013) also had undertaken a review of decomposed theory of planned behaviour (DTPB) and came out a result of family Takaful participation is significantly affected by subjective norm.

However, there are some researchers stated that subjective norm and the intention to choose Takaful are not correlated. It means that subjective norm or social influence may not change a person's behaviour to be involved in Takaful. This result is supported by Echchabi and Echchabi (2013). The research is conducted to investigate the determinants of Islamic insurance adoption in French. The finding indicated that these two variables are not related. Furthermore, Husin and Rahman (2014) also used theory of planned behaviour (TPB) and constructed a model to study the impact of intention to choose Takaful on the subjective. Based on the result, subjective norm is not an important element to affect the perception of Takaful demand. The reason may because of the respondents have more knowledge about family Takaful and they do not need others' opinion to make decision in involving in Takaful (Husin & Rahman, 2014). Moreover, Echchabi and Ayedh (2015) also showed an opposite result that subjective norm is not significantly affect the intention of Takaful. This research is to investigate the causes that affect the customer's decision to choose Takaful in Yemeni. The finding showed that its mean is larger than and different from the neutral value which means these two variables are not related. Yemeni citizens make their decision to purchase Takaful is based on individual perception rather than influence from social.

In addition, Husin and Rahman (2015) also developed a hypothesis that subjective norm has significant relationship to the intention of choosing family Takaful. This hypothesis was rejected by the researchers which mean there is no relationship between them. Similarly, a survey was conducted and distributed by Husin, Ismail, and Rustam (2015) in Malaysia to examine the factors that affect the choice of Takaful. The finding stated that

subjective norm is positive but insignificant affect the customer's intention to choose Takaful. It means that people are less likely to influence by social to choose Takaful. Obeid and Kaabachi (2016) also indicated that the use of Islamic banking products such as Takaful is not affected by subjective norm. The finding showed that perception of family and friends do not affect the customer to use Islamic banking products.

### **2.1.2.3 Perceived Behavioural Control**

The third vital factor that affect the intention of non-Muslims to choose Takaful based on their perception is perceived behavioural control. It refers to one's perception about his capability to carry out a task. A person's confidence level and resources or information may affect his or her action to perform the task. It means that if a person has high confidence to participate in some tasks and has enough information, he or she will have the intention to perform it. In contrast, people will have less intention to choose Takaful if they have lesser confidence and information towards Takaful (Husin & Rahman, 2013). It is in line with the research done by Shahril, Razimi and Romle (2017) stated that a person's confidence level will influence the intention of non-Muslim to accept Islamic products in Malaysia.

Many studies stated that these two variables are correlated. A person that has positive perception to involve in Takaful may have more intention to choose Takaful. This is supported by Husin and Rahman (2014) that conducted a research to study the determinants of the intention to choose Takaful by using theory of planned behaviour (TPB). The study developed a hypothesis that perceived behavioural control is positive impact the intention to choose Takaful. The researchers conducted a survey and developed a structural model and propositions to test for this hypothesis. The finding showed that the intention of choosing Takaful is significantly influenced by the perceived behavioural control and the hypothesis is accepted.

Similarly, Echchabi and Echchabi (2013) also done a research to study the causes that affect the decision of French citizens towards Takaful demand. The results showed that perceived behavioural control is positively and significantly influence the intention to choose Takaful. It means that customers' intention to choose Takaful will rise due to higher perceived behavioural control, the higher the customers' intention to choose Takaful. Besides, Aziz et al. (2015) also supported that intention of Takaful demand is significantly affected by perceived behavioural control. A survey is distributed to the farmer in Kedah and Selangor, and some methodologies such as descriptive statistics and Pearson Correlation are used to test the relationship between them. The results stated that perceived behavioural control has substantial impact on the intention to choose agriculture Takaful. The beta of perceived behavioural control is 0.435 which is the highest among other variables indicated that this variable has the strongest influence to choosing of agricultural Takaful.

Next, a study conducted by Husin & Rahman (2013) also used theory of planned behaviour and came out the result that perceived behavioural control will affect the choosing of Takaful. The similar results also indicated by Husin and Rahman (2015) who done a study to investigate the causes of the intention to choose family Takaful. The study used primary data which is questionnaires and distributed to the citizens in Klang Valley. The finding showed that this independent variable has an impact on the perception to choose family Takaful. The finding also showed that self-effectiveness and capital facilitating condition will affect perceived behavioural control. Therefore, the intention to choose Takaful will be affected. This finding is same as other studies.

#### **2.1.2.4 Attributes of agent**

The agents are the one directly provides the products and service to their customers; thus, they are playing an important role to improving customer's satisfaction. The relationship between the customers and Takaful operator is principal and an agent (Khan, 2015). Thus, the connection between the Takaful provider or agent is crucial to make sure their customers is satisfied. This is supported by the study of AlNemer (2015) who stated that customer satisfaction is the most significant factors towards the choosing of Takaful with the help of agent because they can maintain and generate a long-term relationship. Besides, improving customer satisfaction can generate profit as it would create purchase intention by customers for the products and services in the future because they may share their experiences with people around them (Roushdy & Ali, 2017; Ishak, 2017). Similarly, in result from Salleh, Abdullah and Razali (2013) stated that, a direct relationship was occurred between the factors choosing Takaful and customer's satisfaction. Other than that, a good service provider can enhance the corporate image then able to keep customer loyal relationship (Yazid et al., 2017). Moreover, Bashir (2013) also said that the customer satisfaction is always linked to the factors of service quality and service features. So, a good service quality from the agents will increase the demand of Takaful.

In additional, Uddin et al. (2016), found that non-Muslims would like to purchase product from Islamic banking such as Takaful because its' product has lower cost and better quality. When agents made their customers satisfied, the demand for Takaful will increase as they have the impulse to purchase Takaful with higher premium for higher coverage since the service provided is satisfying (Ngah, Rashid & Mansor, 2016). The service provided by Islam insurance company is more satisfying that the service provided by conventional because they are able to explain clearly and provide more information about Takaful as they understand deeper to Shariah compliance law (Janjua & Akmal, 2014). However, the motive to purchase Takaful product will decrease if the customer dissatisfied towards

their sales person's attitude and might cause them to switch to conventional product or even get caught up with legal issue if it is serious (Salleh, 2014; Jamil & Akhter, 2016; Amin & Hamid, 2014). According to Shahril et al. (2017), effective product knowledge and friendliness towards customers will increase the customers' confidence level and thus will affect the intention to choose the product. Other than that, Aziz, Ghani, and Shaari (2016) also stated that Takaful agents are very important in affecting the customers to purchase Takaful. Takaful agents should show their ability and knowledge and perform better service quality than conventional insurance to the customers in order to attract them have the intention to purchase Takaful.

Next, Arifin, Yazid and Sulong (2013) stated that there is positive relationship has occurred in between intention to purchase Takaful and customers attitude. In view on the fact that once the customers are satisfied with their agent and product, they will help to promote through word of mouth and the corporate image will level up; thus, it will attract new customers to purchase Takaful product. The reason behind is because they may introduce the company product to their friends and families when they are satisfied (Jauhari, Bhatti & Piaralal, 2016). Lastly, the demand for Takaful product will increase. Arifin, Yazid and Hussin (2014) concluded that Muslim customers would prefer to seek for the comment from the customer's past experience and also look at the corporate image to have a clear understanding and assurance whether the product fulfilled the Islamic compliance law.

For example, an agent who has good attributes could make satisfied customers with the product and lastly the image of the corporate would improve and thus the intention for customer to purchase Takaful will increase. This is supported by Abd-El-Salam, Shawky and El-Nahas (2013) and Salman and Htay (2014), as customers satisfaction is basically based on their experience after using the product. The product and services provided to customers can maintain and increase the corporate image and customer's

intention to purchase when the customer is satisfied (Razak, Idris, Yusof, Jaapar, & Ali, 2013). This is in line with the research done by Idris, Salleh, Ahmad, Ismail and Yazid (2014) that when customers are satisfied in their past experience, they would have the motive to purchase Takaful product in the future. Furthermore, Daud, Rahim, and Nasurdin (2014) stated that the quality of Islamic leadership is considered as one of the factors that affect the performance of an organization. The management have to focus the quality of Islamic leadership to improve the performance of Islamic investment such as Takaful. Besides, Djafri and Noordin (2017) conducted a research to examine the either there is a relationship occur between the spiritual in the workplace and organizational commitment in Takaful industry in Malaysia. The conducted test in the study result shown that there is significant impact between these two variables. Enhancing agent's spirituality will have positive impact to the performance of the organization in Takaful industry. Therefore, the quality of an agent is very important that influence the intention to purchase Takaful, and thus will affect the performance of the company.

#### **2.1.2.5 Religiosity**

Religiosity will influence the preference and purchasing power of Takaful. Nowadays, Muslims would more prefer to purchase Takaful rather than conventional insurance because of their religious belief. Zakaria et al. (2016) proved that Muslim will prefer to buy Islamic insurance rather than conventional insurance. Many studies also stated that there is a relationship between religiosity and Takaful preference. Likewise, Husin and Rahman (2013) confirmed that Muslims have the preference to purchase family Takaful due to their high religiosity level. They have a strong knowledge in Islam, thus prefer to involve in Takaful product and lead to demand of Takaful increase (Husin & Rahman 2013). The similar result showed in the research done by Kontot, Hamali, and Abdullah (2016) stated that religiosity is one of the factors that influence the decision of choosing Islamic products.



Besides, most people participate in Takaful due to their religiosity. Yaqub and Dandago (2015) showed that religiosity is a key instrument to increase the Takaful demand. Kamil and Nor (2014) also stated that religiosity is positively related to the demand of Takaful. Based on the result in this research, almost all respondents believe that Muslims will choose Takaful because it is Shari'ah compliant and halal for Muslims. Similarly, Mohamed, Alhabshi and Sharif (2013) also stated that religiosity is an important factor in participating in Takaful. In addition, the researches done by Al-Salih (2014); Yaqub and Dandago (2015) said that religiosity is positively related to the intention of Takaful. Moreover, Mansor et al. (2015); Ustaoglu (2015) also conducted the same research and had the similar results which religiosity and preference of Takaful have significant relationship. Mohamed and Alhabshi (2015) also stated that Takaful has more participation in Muslims than Non-Muslims.

In addition, the reason why Muslims participate in family Takaful is same as other studies which is they have strong religious belief. Arifin et al. (2014) distributed three highly recommended measurements for religiosity that are non-necessary Islamic practices, necessary Islamic practices, and faith and belief. They found that all these measurements have significant impact on family Takaful in Malaysia. Furthermore, Muslim would prefer Takaful product although have low return in order to avoid participating in activities that violated towards their religious teaching. Salman and Htay (2014) also indicated that religiosity will affect the preference of Takaful in India. According to Obeid and Kaabachi (2016), this factor will affect the decision of choosing Islamic banking insurance service such as Takaful in Tunisia.

However, some studies stated that these two variables are not correlated because religiosity is not the main factor for customers to have intention in purchasing Takaful product. Idris et al. (2014) shown that religiosity does not influence the preference of Islamic banking products such as Takaful. Husin and Rahman (2015) also argued that the relationship between religiosity and family Takaful is not significant. Despite that, in the research

done by Yusuf, Adeleke, and Ojikutu (2014), most of the non-Muslims would prefer family Takaful in the future. As the result shown in the study by Soualhi and Al Shammari (2015), Kuwaitis of non-Muslims have more Takaful knowledge than Muslims and they prefer Takaful product.

#### **2.1.2.6 Awareness**

Awareness is significant determinant to influence the intention of non-Muslims to choose Takaful based on their perception because higher awareness can increase the customers' intention to purchase Takaful products. The researchers said that awareness and intention to choose Takaful has a positive and significant relationship (Husin et al., 2015; Mohamed & Alhabshi, 2015; Soualhi & Al Shammari, 2015). High awareness would affect the choice of choosing Takaful, thus awareness is the first process of choosing Takaful. If the awareness of Takaful in the society is subordinate, it will bring a negative impact towards the Takaful preferences (Ismail et al., 2013; Mohamad & Majid, 2016). Moreover, education level, distribution channel, and religious orientation are the awareness factors that have positive relationship with the level of Takaful awareness. Hence, increase in education level, distribution channel, and religious orientation will increase the level of Takaful awareness, and it will also increase the demand of Takaful (Hameed, Azeem, Ali, Nadeem & Amjad, 2017).

When the public does not know anything about the Takaful product, they would not purchase it and would rather go for the conventional product which they more familiar with. It was supported in the study by Al-Salih (2014), if the awareness of Takaful decreases, the number of customers to buy the conventional policies will increase. Aziz, Husin and Hussin (2017); Hidayat (2015) also conducted the research and came out the same results where it is important to make sure the public is well known about the Takaful product to raise the demand. In addition, Shamsuddin, Eng, and

Lajim (2016) also said that limited understanding of Takaful will lead to the customer to buy conventional insurance. Same goes to Aziz, Husin and Hussin (2017) whose stated that it is important to establish an awareness campaign as most of the people have insufficient knowledge of Takaful. Ali and Jama (2016); Husin and Rahman (2015) said that lack of awareness about the Takaful will lower the demand of Takaful.

Similarly, Mohamed et al. (2013); Hidayat and Rafeea (2014) also indicated that awareness is one of the factors that can limit the growth of Takaful. The same result showed in the research done by Effendi (2018) stated that lack of customer awareness and willingness about Takaful will affect the perception of choosing Takaful. Furthermore, Salman, Rashid and Hassan (2017), where they founded that there is 71.29% of both Muslim and non-Muslim in India unaware about Takaful. Same goes to Soud and Sayilir (2017), where they found that only one third of non-Muslim in Tanzania have the awareness on Takaful product. They tend to choose conventional products rather than Islamic products may because they are not familiar with the Islamic products. The researchers also indicated that the performance of Islamic product can surpass the conventional product if non-Muslims are educated and aware on Islamic products.

Besides, most of the customers would prefer to purchase Takaful if they are aware of it in order for them to feel secure and avoid misunderstanding. Mohamad and Majid (2016) stated that lower knowledge about the Islamic banking will affect the customer to accept Takaful products. Lack of knowledge in Takaful will affect the motivation and preferences of a person towards Takaful products (AlNemer, 2015). The lower level of awareness and understanding of Takaful in Malaysia will influence the intention and consumption of the customer towards Takaful (Husin & Rahman, 2013). Customers with better understanding and knowledge in Takaful will increase the acceptance of the product. Maiyaki and Ayuba (2015) also shown that there is a significant influence on awareness and customer attitude toward Takaful in Kano Metropolis, Nigeria.

Furthermore, Hassanddin, Muda, and Karim (2016) shown that awareness and understanding to accept Takaful have a significant relationship. Customers have low knowledge of Takaful may because Takaful service is quite new in the society (Ustaoğlu, 2015). The researchers also confirmed that knowledge significantly affects the employees to participate in the family Takaful (Hassanddin et al., 2016). However, Shabiq and Hassan (2016); Echchabi and Ayedh (2015) argued that there is no significant impact on awareness and customers to purchase the Takaful in the Maldives. Same goes to the study by Mansor et al. (2015), also disagreed that awareness does not show the role of influential to Takaful. However, some people still satisfied with the Islamic products even though they are lack of knowledge about Islamic products. It is because they cannot differentiate between Islamic and conventional product (Sohail, Hamza, Ijaz, & Azeem, 2014). Therefore, awareness campaign is important as it can have position impact on the intention to choose Takaful and thus can improve the performance of organization in Takaful industry (Hanif, Muhammad, Iqbal & Abdullah, 2014).

## **2.2 Review of Relevant Theoretical Methods**

Intention to choose Takaful, the dependent variable, is defined as the plan or purpose of taking or being to use Islamic insurance (Takaful). The first independent variable, attitude, means human psychology and it can affect the action of human (Uddin et al, 2016). Next, subjective norm which is the second independent variable named as social influence which means people may change their behaviour due to the influence by a group of people or individual. It is said that people may take others' perception into consideration and may affect their decision to perform or not to perform something (Husin et al, 2016). Furthermore, perceived behavioural control defined as the level of control that a person perceives and intends to perform something that he or she interested (Husin & Rahman, 2013). Another independent

variable which attribute of agent is used to measure the customers' degree of satisfaction either happy or upset feeling or exceed their expectation towards the products and services provided by their agents (Ngah et al, 2016; Roushdy & Ali, 2017). Moreover, the definition of religiosity is the level of a person that belief in God, based on his or her faithfulness and passion of religious (Zakaria et al, 2016). The last independent variable, awareness, means people increase their interest toward particular issues and they passively participated (Husin & Rahman, 2014).

### **2.2.1 Theory of Reasoned Action (TRA)**

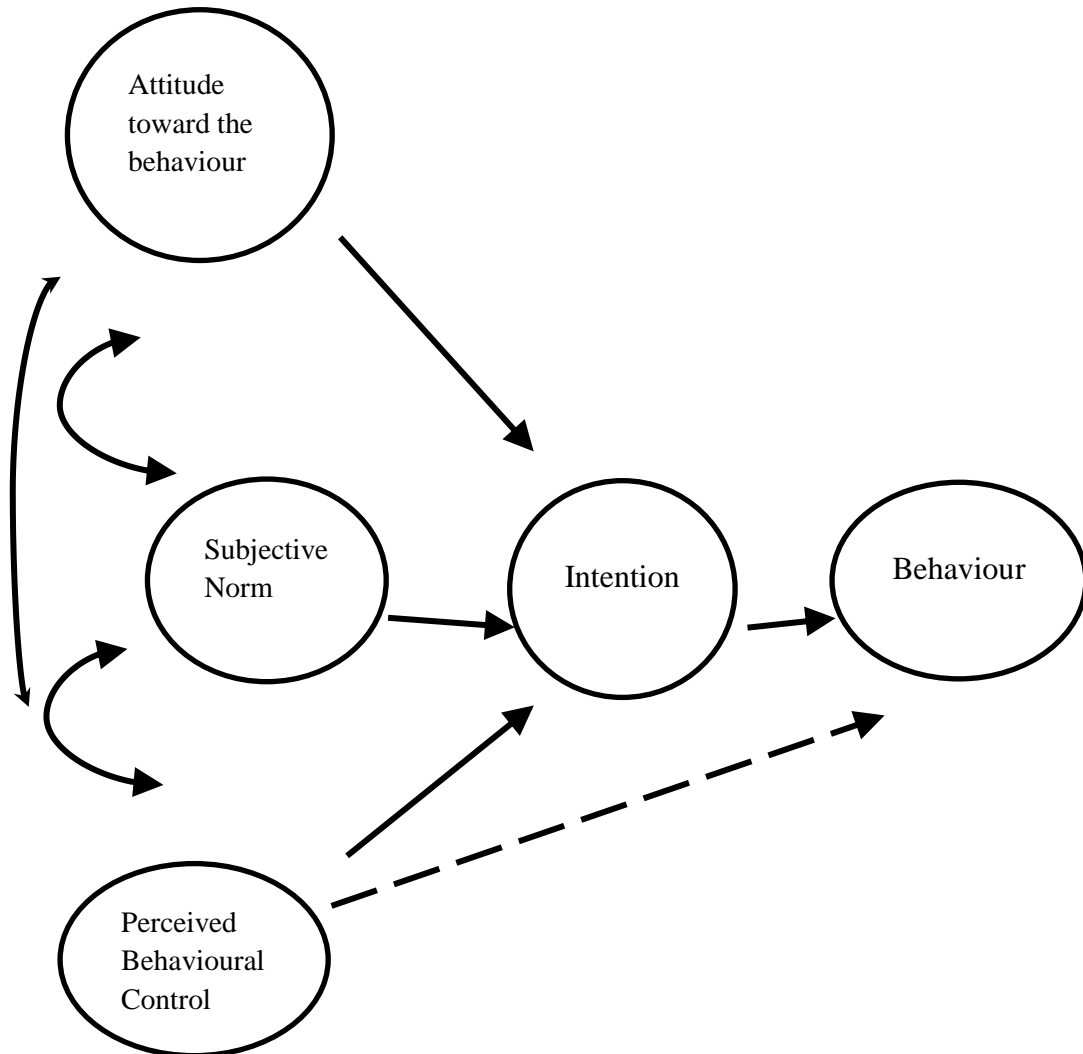
Theory of Reasoned Action (TRA) was developed by Ajzen and Fishbein in 1975 saying that humans' intention will be affected by attitude and subjective norm. TRA assumes that people will mostly follow their intention without dominated by other behavior (Ajzen, 1991).

The study of Idris et al. (2014) is derived from this theory to study the intention of Malaysia Muslim to use Islamic Banking Product. The findings showed that only social influence and image and reputation are significant to influence the customers while religious belief and service quality are insignificant to explain it.

However, the limitation of TRA is that it is only applicable in the situation when customers are not being coerced. When an individual is not performing something at his or her own will, the result cannot be explained by TRA. Therefore, Theory of Planned Behaviour (TPB) is introduced to account the limitation for behaviours which are not performed at will (Ajzen, 1991).

## 2.2.2 Theory of Planned Behaviour (TPB)

Figure 2.0: Theory of Planned Behaviour (TPB)



Source: Adopted from Ajzen (1991).

Theory of Planned Behaviour (TPB) is the extension of TRA which was developed by Ajzen in 1985. TPB will take into consideration for the volitional and non-volitional aspect in humans' behavior. In TPB model,

perceived behavioural control will influence the intention and buying behaviour of customers (Ajzen, 1991).

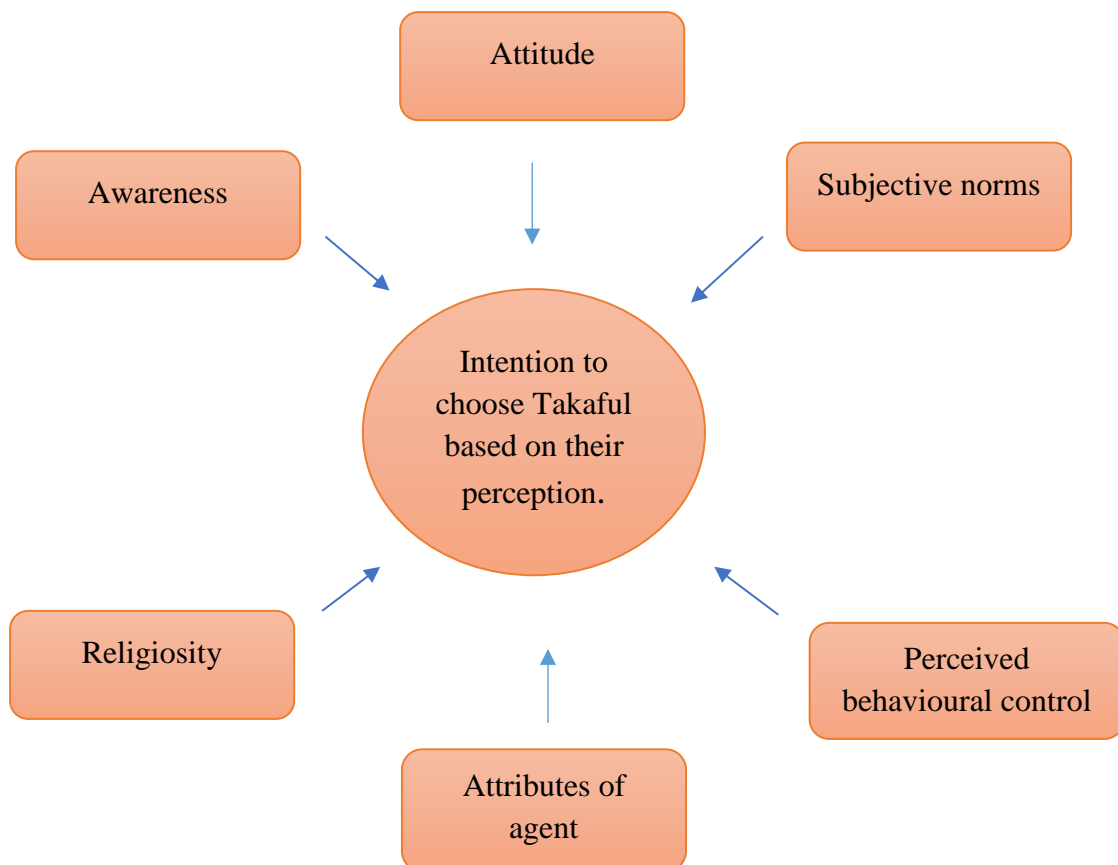
Husin and Rahman (2014) applied TPB to predict the intention of Muslims to participate in Islamic insurance. The findings showed that attitude, perceived behavioural control, awareness, knowledge and exposure are important factors to explain the Muslims intention to take part in family Takaful while subjective norm is not significant to explain the relationship. Besides, Echchabi and Echchabi (2013) also examined the willingness of the French Muslims to take Takaful by using TPB. The findings showed that subjective norm and perceived behavioural control have significant influence on customers' intention.

### **2.2.3 Social Exchange Theory**

Social exchange theory is a framework most frequently used in study on marketing. Thibaut and Kelley (1959) explained social exchange theory as the prerequisite on human behaviour or social interaction is an alter of activity, tangible, and intangible. This theory is used to explain the customer acceptance on Takaful in the way of communication or relationship between policyholder and agent. In other words, this can be applied on policyholder and agent where policyholder involved in contribution of money (tangible) and agent represent the insurance company as a service provider (intangible). According to Salleh and Abdullah (2014), Takaful agents must take care of their customers' needs in order to improve customer retention. Moreover, Salleh (2014) also mentioned that it is important to maintain a strong bond with customers as it will prevent them from losing customer preference towards their goods and services provided and Jamil and Akhter (2016) also mentioned that a satisfied customer tend to buy more insurance products and services from the same insurance provider. Hence, this theory gives an idea that the attributes of agent is one of the important factors to be considered in the research.

## 2.3 Conceptual Framework

Figure 2.1: Conceptual Framework



The conceptual framework developed in this research consists of six independent variables and one dependent variable which are as shown above. The variable of attitude, perceived behavioural control and subjective norm are developed based on the theory of planned behaviour (TPB) whereas the attributes of agent variable came from the theory of social exchange.

From the studies of Mathras, Cohen, Mandel and Mick (2016), it stated that religion could affect one's consumer psychology and behaviour through beliefs, rituals,



values and community. The Muslims are encouraged to purchase Takaful because the product works based on Islamic principles. This concept has defined the products and services as “halal” and it complies with Muslim religion (Siala, 2013). Same goes to the food market in Malaysia where Muslims also look for foods that complies with Islamic requirement. Therefore, one’s religion could affect his or her consumption patterns and social behaviour (Said, Hassan, Musa & Rahman, 2014).

Since religious played an important role in affecting one’s attitude and behaviour in consumption; hence, religiosity is also one of the important factors in determining the factors influence the intention of non-Muslims to choose Takaful based on their perception.

According from the study done from Hidayat and Rafeea (2014); Soualhi and Shammari (2015); Salman et al. (2017) concluded that there is still low awareness in non-Muslims about Takaful, he also predicted that if the level of awareness on Takaful increase their market would also increase since most of the people know the function of Takaful and benefits to them. Even though there are still some of the respondents know about Takaful yet they still less aware toward some specific terms used in Takaful (Hidayat, 2015). Besides, he also revealed that some of past studies also showed that the level of education is the main factor that lead to public to expose to Takaful. Some countries such as Brahim and India although most of their people aware about Takaful however those group of people either are Muslims or high educated degree holders (Hidayat, 2015; Salman et al. 2017).

Hameed et al. (2017) proved that religiosity and awareness strongly related to affect non-Muslims to adopt Takaful since Salman et al. (2017) proved that more than 50% of Muslims in India aware about Takaful and non-Muslims less aware about the existence and functions of Takaful.

## **2.4 Hypothesis Development**

### **2.4.1 Attitude**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and attitude.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and attitude.

Ali and Jama (2016) indicated that there is positive and significant relationship between consumer attitude and intention of non-Muslims to choose Takaful products based on their perception. Attitude and choosing of Takaful have a strong positive correlation that show in correlation analysis. This means that Muslims are willing to accept Takaful service and purchase Takaful product rather than conventional insurance (Ali & Jama, 2016; Echchabi & Ayedh, 2015). So, the first hypothesis is formed.

### **2.4.2 Subjective Norms**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and subjective norms.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and subjective norms.

Husin et al. (2016) said that if a person has strong subjective norms, the probability for the person to involve in the Takaful purchase is high. The

result showed that word of mouth and mass media will influence the subjective norms. Then, the subjective norm is correlated to the intention of Takaful purchase (Ismail & Rahman, 2016). Hence, the outcome of past researchers has help to develop the second hypothesis.

### **2.4.3 Perceived Behavioural Control**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and perceived behavioural control.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and perceived behavioural control.

Echchabi and Echchabi (2013) stated that perceived behavioural control is positively and significantly affect the intention of Takaful demand. When a customer has higher perceived behavioural control, then there will be greater intention for the customer to participate in Islamic insurance. When the perception of a person is high, the chance to purchase Islamic insurance is high (Husin & Rahman, 2014). Thus, the third hypothesis is established.

### **2.4.4 Attributes of agent**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and attributes of agent.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and attributes of agent.

Roushdy and Ali (2017); Ishak (2017) have said that attributes of agent is important as they are the one who provide the services to the customers and

affect the understanding of customers toward Islamic insurance. If the information provided by the agent is completed and the service is satisfied by the customer, then customers will be more willing to purchase the product. Therefore, the demand of Takaful will increase. Thus, the fourth hypothesis has been established.

#### **2.4.5 Religiosity**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and religiosity.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and religiosity.

Kamil and Nor (2014) indicate that Muslims will more prefer to purchase Takaful than non-Muslims because of its religiosity. Most of them belief in God and they have the knowledge about Takaful is based on Shariah principle and it is free from haram activities. Thus, they will choose Islamic insurance instead of conventional insurance (Zakaria et al. 2016). Hence, the results from the past researches have helped to develop the fifth hypothesis.

#### **2.4.6 Awareness**

H<sub>0</sub>: There is no relationship between intention of non-Muslims to choose Takaful based on their perception and awareness.

H<sub>1</sub>: There is relationship between intention of non-Muslims to choose Takaful based on their perception and awareness.

Mohamad and Majid (2016) stated that high awareness will lead to Takaful purchase increases. Customers who do not have a deep understanding and low awareness will decrease the intention to purchase Takaful (Ali & Jama, 2016). Besides, the level of adoption of product will be increased if the Takaful knowledge of customer is high (Shamsuddin et al. 2016). So, the sixth hypothesis is developed.

## **2.5 Conclusion**

This paper has discussed the six independent variables which are attitude, subjective norm, perceived behavioural control, attributes of agent, religiosity and awareness. A conceptual framework and hypotheses also have developed after reviewed the past literatures and theoretical model studied by the past researchers.

## **CHAPTER THREE: METHODOLOGY**

### **3.0 Introduction**

This chapter will discuss on the methodology employed in this research. The research location will be targeted at Selangor, Kuala Lumpur and Penang to identify the factors affecting the intention of non-Muslims to choose Takaful based on their perception. Questionnaires will be distributed to 300 targeted respondents who aged from 20 and above. The statistical results will be collected, processed and analyzed by using SPSS software version 19.0.

### **3.1 Research Design**

The objective of this study is to find out the relationship between attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity, awareness and the intention of non-Muslims to choose Takaful based on their perception. Hence, the quantitative research is appropriate to adopt because the respondents are random. Besides, the data for the quantitative research is in the form of numerical so the data can be analysed by using statistics.

Moreover, the data gathered from the respondents at one point of time which is December 2017 is a cross-sectional data. Furthermore, there is also a descriptive study in the research. The descriptive data for this research is collected through questionnaires. There is a set of questions will be formed in the questionnaire survey.

The questionnaires survey will be released to the respondents randomly by using Google Forms and papers. Then, the results will be collected and analysed.

## **3.2 Data Collection Methods**

Primary data have been used to examine the objectives of this study. There are two types of method been used to collect data.

### **3.2.1 Primary Data**

For this study, distribution of questionnaire is through physical and non-physical in order to collect data that are useful in this study. There will be 300 of non-Muslims respondents which from three different states in Malaysia which are Selangor, Kuala Lumpur and Penang. 250 questionnaires will be sending to the targeted respondents through email or social websites as Google Form will be created in this study. Reasons for using Google Form to collect the data were to avoid any losing of data and it provide a shorter time to collect the data. Besides, 50 sets of questionnaires are distributed at physical location to those potential respondents. Distributing questionnaire at physical location enable to check any left out during the time respondent answer the questions and creates a chance to explain what they were trying to answer.

### **3.3 Sampling Design**

The meaning of sampling design is a plan in collecting the data of targeted population, sampling frame, sampling elements, sampling technique and sample size. It is important to plan in order to obtain the sample from a given population (Kothari, 2004).

#### **3.3.1 Target Population**

Kothari (2004) stated that, target population is providing a meaning as a group of people which the information is wanted and targeted to collect from for the related research. The objective of this study is to identify the factors that influence the non-Muslims to choose Takaful product based on their perception. From Index Mundi (2017), it stated that the total number of non-Muslims is 38.7%. Among 38.7% of the citizen would be the targeted population for this study. Thus, the targeted population is the non-Muslims in Malaysia who range from age 20 to 50 and above.

#### **3.3.2 Sampling Frame and Sampling Location**

Sampling frame is used to divide the population into further frame for in-depth analysis (Business Dictionary, n.d.). Since the population for the sample group is unknown, so non-probability sampling technique is employed to collect the sample for this study. The targeted sampling location chosen for this study are Penang, Selangor and Kuala Lumpur.



According to Department of Statistics Malaysia (2017), Malaysia is a Muslims country, thus Bumiputera has the highest population. Selangor is chosen as one of the targeted locations because the number of people in Selangor occupied the highest number of population in Malaysia. The other two targeted locations are Penang and Kuala Lumpur. This is because the Non-Bumiputera (Chinese, Indian and others) in these two states is relatively high comparing with Bumiputera and to the other states in Malaysia.

### **3.3.3 Sampling Elements**

Sampling element are people who were targeted and being chosen to take part in the research. There are some characteristics that the targeted respondents should have in this research. Since this research is to investigate the factor that influence the intention of non-Muslim to choose Takaful based on their perception. Thus, the target respondents should be focus on non-Muslims such as Buddhists and Indians. Besides, the respondents must be a citizen from Malaysia. The respondents can be anyone either the one who already owned a Takaful policy or did not purchase a Takaful before. Thus, we will have more accurate results by choosing the samples that have these characteristics.

### **3.3.4 Sampling Technique**

The population in Kuala Lumpur, Selangor and Penang state are big and it required a lot of resources and time to attain all the respondents from the population. So, sampling technique is applied in this study. Besides, a big population is impossible to contain every individual in the research. Hence, the convenient sampling is employ in this research. Convenient sampling is a non-probability sampling technique that collect the data from population

members who are convenient access to the research (“Convenience sampling,” n.d.). Convenient sampling can collect the sample from anywhere which is convenient to the researchers.

The process for this sample selection was continued until the sample size that required in the research is obtained. Moreover, the time and cost that carry from the convenient techniques are lower than the probability sampling technique (Laerd, n.d.). Therefore, a questionnaire survey is employed to distribute for the people who are qualified in term or who are ready to participate in the questionnaire. The questionnaire survey is an affordable method to conduct the research because it is cost effective. It can distribute the questionnaire survey through Google Forms and papers. It is an easy method to gather the sample by the researchers.

### **3.3.5 Sampling Size**

The sample size refers to sampling units that attached in the study. It is hard to determine how large the sample size should choose because if the sample size is too large, it might be costly and wasted of resources (Kothari, 2004). On the other hand, when the sample size is too small, the result might not be reaching the objectives. However, the larger the sample sizes the better for a study because it is more accurate and can reduce the sampling error. There is a formula to calculate the sample size which is as following:

$$N \geq 50 + 8 (m)$$

Then represented sample size and  $m$  is representing the number of independent variable (Green, 1991). The result that gets from the formula is 98 because the independent variable used is 6. Thus, this study has to conduct at least 98 respondents. According to Salman (2015), Mansor et al.

(2015) and Abduh & Isma (2017), the futures researchers are suggested to enlarge the sample size to get a more reliable and effective results. In their studies, they have used 200 respondents to run the test but still become a limitation in their studies. Therefore, in this research, 300 questionnaires would be distributed for a more reliable result throughout the targeted state that chosen in Malaysia.

### **3.4 Research Instrument**

This study is using self-administered questionnaire. It is a type of questionnaire. In the form of paper or electronic, that can be completed by the respondents easily and quickly. The reason of using this method is because of its convenience and efficiency and it can be distributed to large number of respondents. Furthermore, the interviewer bias can also be declined by using this type of questionnaire (Medanth, n.d.). The questionnaire will be distributed to non-Muslims in the states of Penang, Kuala Lumpur, and Selangor.

First, 50 questionnaires are distributed to target respondents by using Google form and data will be collected to conduct the pilot test. Pilot test is a small-scale trial. It is a test that used to try out a research and check for the dependability of the outcomes. The benefit of conduct a pilot test is to prevent the questions that are confusing and unsuitable. It can also highlight the problem of the results and make sure that the result is consistent and the research is conducted properly (Simon, 2011). Descriptive analysis is carried out to test the demographic factors. Next, Cronbach's alpha can be used in reliability test to test the dependent variable and independent variables.

### **3.4.1 Research Design**

The cover page and the contents are consisting in the questionnaires survey. Section A and Section B is divided into two sections in the content. The purpose of a cover page is to give a small brief explanation to the respondents about the objective for the research. The contents of Section A consist of 35 questions for the six independent variables and a dependent variable. The questions in Section A have employed to investigate the factors that will influence the intention of non-Muslims to choose Takaful based on their perception. Following in Section B is demographic questions to collect the personal profile of the respondents. The questions in this section are requesting for the respondent's location, gender, age, and religion. The 5-point Likert scale is employed in the research to measure the dependent and independent variable.

### **3.4.2. Descriptive analysis (Pilot)**

The descriptive study is for the researches to define and review the data after the collection from the questionnaires. It is to summarize the data that collected for researchers to be easier in understanding as it summarized in a simple way. In the pilot test ran the demographic profiles for location, gender, age and religion by using one-way frequency test. The result will show in a percentage from as shown in the table below.

Table 3.1: Descriptive analysis for the demographic profile

<b>Profile</b>	<b>Categories</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Location	Selangor	12	24
	Kuala Lumpur	18	36
	Pulau Penang	20	40
Gender	Male	17	34
	Female	33	66
Age	20-29 years old	43	86
	30-39 years old	5	10
	40-49 years old	2	4
	50 and above	0	0
Religion	Hindu	1	2
	Buddha	43	86
	Sikh	0	0
	Christian	5	10
	Others	1	2

Source: Developed for research

Table 3.2: Descriptive analysis for mean, median, mode and standard deviation

	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>Standard deviation</b>
<b>Location</b>	2.16	2.0	3.0	0.7918
<b>Gender</b>	1.66	2.0	2.0	0.4790
<b>Age</b>	1.18	1.0	1.0	0.4819
<b>Religion</b>	2.24	2.0	2.0	0.7440

Source: Developed for research

### **3.4.3 Reliability Test (Pilot)**

Reliability test is to measure the consistency and stability in measuring an item. An item is considered reliable if the measurement is consistent overtime. When the test can give similar result under a consistent situation, it said to be reliable (Heffner, n.d.). This is important to primary data researchers and advisable to conduct pilot test as the connection between the items in the questionnaire can be verified.

Cronbach's alpha is a coefficient of reliability and it is used to measure the internal consistency for a group of items. It is used to measure the strength of the consistency of the set of items. The value of Cronbach's alpha ranging

from 0 to 1. A higher alpha coefficient shows the items in the group shared the same covariance and it could be interpreted as having the same concept (Goforth, 2015).

The rules of thumb for Cronbach's Alpha coefficient size by Kelley (1942) will be used to explain the data collected in the questionnaire. The result is tabulated in Table 3.3 below.

Table 3.3: Reliability Statistics

<b>Construct</b>	<b>No of Constructs' Item</b>	<b>Cronbach's Alpha</b>
AT	5	0.886
SN	5	0.846
PB	5	0.832
AA	5	0.882
RE	5	0.773
AW	5	0.894
DV	5	0.862

Source: Developed for research

Since the coefficient of the Cronbach's Alpha is more than 0.7, the pilot test shows that the questionnaires are reliable.

## **3.5 Constructs Measurement (Scale and Operational Definitions)**

Rating scale is widely used in most of the questionnaires to determine how much a person agree or disagree with a statement and the results generated will be easy to quantify and comparable with others. The questionnaires consist of Part A, 35 questions and Part B, 4 questions asked to measure all the variables. In Part A, five points Likert Scale will be used to measure the independent variables which are attitude, subjective norms, perceived behavioural control, attributes of agent, religiosity and awareness and also the dependent variable, intention of non-Muslims to choose Takaful based on their perception. The scale will be ranked from 1 (strongly disagree) to 5 (strongly agree). Next, Part B is designated to collect the demographic information about the respondents related to their religion by using nominal scale.

### **3.5.1 Scale of Measurement**

Measurement scales are used to classify and quantify the information or data collected. The four levels of measurement are nominal scale, ordinal scale, interval scale and ratio scale.

#### **3.5.1.1 Nominal Scale**

Nominal scale is the lowest form of measurement which could only provide the answer between Yes or No; Presence or Absence. The number given for a nominal variable does not indicate any ordering. For example, taking the scale of 1 as male and 0 as female for a gender measurement, the number



given is just a label and it is a discrete answer and has no quantitative value (Watt & Berg, 2002).

### **3.5.1.2 Five Points Likert Scale**

Likert scale is a type of scale to measure the level of agreement or preferences toward a statement. It is a non-comparative scale and measure single trait in nature. Five points Likert Scale is a scale ranging from 1 to 5 (Bertram, 2009).

### **3.5.2 Origins of Questionnaire**

The questions of the four independent variables which are subjective norms, awareness, attribute of agents, and religiosity are selected from previous study to examine the relationship between these four independent variables with the dependent variable, intention of non-Muslims to choose Takaful based on their perception.

First, five questions of subjective norms are selected from the previous studies which have significant relationship between subjective norms and the intention to choose Takaful. Three questions selected from the study conducted by Salman and Htay (2014) which stated that community, peer and families will influence people have the intention to choose Takaful. The other two questions are chosen from the study conducted by Salleh et al. (2013). They developed the questions that colleagues and social media will affect the Takaful demand.

Moreover, five questions of awareness are chosen from the past studies which said that awareness has a significant relationship with the intention to

choose Takaful. The five questions are selected from the study conducted by Htay and Salman (2013). They said that the Takaful product is based on Syariah law and the interest is prohibited in Islam. Moreover, the return made by the Islamic insurance is profit sharing and gift. The conventional insurance is different from Takaful because Takaful is freed from interest, uncertainty, and gambling. Besides, the product of Takaful is similar to conventional insurance which contains general and family insurance product.

Besides, there is also five questions from Salman and Htay (2014) to test the relationship between the attributes of agents with the intention to choose Takaful. The first questions are asked about either a reasonable agent will influence their decision in choosing Takaful products. Second questions are asking about their intention to purchase Takaful if their agents are willing to stay a long-term relationship. Third, if their agent is informative in providing an exact information would they be influenced choose to buy Takaful product (Salman & Htay, 2014). For the last two questions is about the ability of an agent provide a suitable product according to customers' situation and always available to lend a helping hand when the customers in need could influence their intention in purchasing Takaful.

Next, there are five questions selected to examine the relationship between religiosity and the intention to choose Takaful. First question is taken by the study from Idris et al. (2014). Jalil and Rahman (2014) also formed the similar question to investigate the preference of Muslims and non-Muslims towards Islamic banking service. They stated that Takaful is based on Shariah principle and Al-Quran, thus Muslims will prefer to choose Takaful as compared to non-Muslims. Besides, Kasim, Htay and Salman (2016) also conducted a survey to investigate the relationship between these two variables. The third question is selected from the study conducted by Ahmad, Almsafir, and Siron (2013) indicated that most of the Muslim people will prefer Takaful because it is an Islamic product. Another two questions are chosen from the researches done by Al-Salih (2014); Soualhi and Al

Shammari (2015) stated that religiosity is significantly affect people to have the intention to choose Takaful.

The questions of the other two variables which are attitude and perceived behavioural control are came from brainstorming. Many researches showed that there is a positive relationship between attitude and the intention of non-Muslims to choose Takaful based on their perception. This is supported by Aziz et al (2015); Ali and Jama (2016); Echchabi and Ayedh (2015). The similar result showed by Husin and Rahman (2014); Shabiq and Hassan (2016) said that a person who have positive attitude towards Takaful will more prefer to choose Takaful. Thus, five questions are developed to examine the relationship between attitude and the intention to choose Takaful.

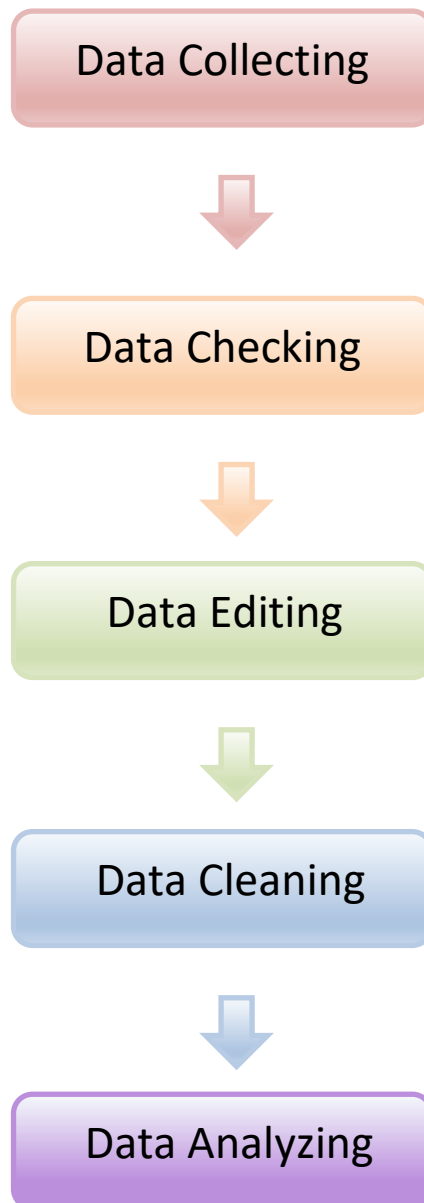
Next, five questions of perceived behavioural control are developed and the idea of developing these questions are supported from the previous studies. Husin and Rahman (2014); Echchabi and Echchabi (2013); Aziz et al. (2015) stated that there is significant relationship between perceived behavioural control and the intention to choose Takaful. Besides, Husin and Rahman (2013) also agreed that perceived behavioural control is one of the factors to affect the intention to choose Takaful.

### **3.6 Data Processing**

Data preparation processes are conducted before the data is being analyzed. Data processing is a process of collecting data, managed, and transformed to meaningful information through some techniques. The processes include data collection, data checking, data editing, data cleaning and data analyzing. Data is collected by using questionnaire and distributed to targeted sample. Next, data checking is carried out

to confirm the accurateness and availability of the data set. Data is then edited to ensure the data is correct and constant. After that, data cleaning is conducted for consistency checking. Lastly, data is analyzed and the validity of the variables is tested by using Statistical Package for Service Solution (SPSS) version 19.0.

Figure 3.1: Data Processing



### **3.6.1 Data Collecting**

Data collecting is defined as data collected from many sources and evaluated to get a complete result of a study (Rouse, 2016). Data of dependent variable and independent variables are collected by using survey. The researchers distributed 300 sets of questionnaires to non-Muslims respondents in Kuala Lumpur, Penang, and Selangor. 250 sets of questionnaires are distributed through Google form and another 50 sets of surveys are given out physically to the targeted respondents in selected areas.

### **3.6.2 Data Checking**

The meaning of data checking is to check the data to ensure that the data collected is accurate and correct. The questionnaires are checked to make sure that there are enough 300 respondents to conduct the survey and ensure the data is acceptable after the respondents collecting the questionnaires. Unacceptable questionnaires such as missing data and incomplete answer must be excluded. This process is very important to make sure there is no error occurs before analyzing the data.

### **3.6.3 Data Editing**

Data editing indicates that editing the data to make sure the data correctness and consistency before converted to useful information (Statcan.gc.ca, 2013). After checking all the questionnaires, the questionnaires must be reviewed to ensure that the data is correct and qualified. If there is any error, the data must be adjusted to make it more accurate and complete.

### **3.6.4 Data Cleaning**

The definition of the data cleaning is the step of cleaning and removing the data that is inconsistent due to illogicality, keying error, and out of range (Business dictionary, n.d.). After editing the data, it will be transferred into the computer. After that, the data will be detected and removed if there is any inconsistency. The researcher must also ensure that all of the information is completed. This process is also conducted by correcting the data if the data is not accurate or missing.

### **3.6.5 Data Analyzing**

After cleaning the data, the final data processing is data analyzing. Data analyzing is the process of analyzing, interpreting and transforming the data to meaningful information. The edited data is analyzed by the researchers and Statistical Package for Service Solution (SPSS) version 19.0 is used in order to generate the result.

## **3.7 Data Analysis**

The computer driver that used in this study is (SPSS) software in order to analyze the collected quantitative data. The collected data from questionnaires will be keyed into software and it will then help to generate and manage the statistic. The incomplete questionnaires will be scrapped to ensure that the data that used is more reliable. After tested, the result will be shown in a graphical method with description.

### **3.7.1 Descriptive Analysis**

The descriptive analysis is a summary for the information that is important which is collected from the questionnaires and arranged in a way that is easier to understand, make interpretation, data manipulation and rearrangement in order to provide a detailed descriptive information especially when the data is large (Zikmund, 2003, pp. 55). It is better in organizing and summarizing the data in numerical and tabular form (Peck, Olsen & Devore, 2011).

Besides, the common ways used to measure the central of tendency and summarize the collected data is by using mean, median and mode. All of the data will be shown in table form, graph format and chart. Thus, it will be easier for the researcher to read and understand the data about the intention for non-Muslims to purchase Takaful.

### **3.7.2 Scale Measurement**

The variable is used the scale measurement to define. Other than that, it is also used to classify or quantify variables.

#### **3.7.2.1 Reliability Test**

The consistency of the result is measure by the reliability test when doing the repeating test and it can increase the confidence level to the findings. According to Cherry (2013), the result that get the similar measurement every time is more reliable under consistent condition. The reliability test consists of inter-rater reliability, internal consistency reliability and parallel-form reliability. After all, Cronbach's alpha chooses in the study to conduct

for internal consistency reliability test. In the questionnaires, most of the questions are asked in the five-point Likert scale. Thus, Cronbach's alpha is said to be the best formula to measure internal consistency when there are variety Likert scale questions (Lund, 2013).

Table 3.4: Rules of Thumb about Cronbach's Alpha coefficient size

<b>Cronbach's Alpha</b>	<b>Internal consistency</b>
$0.5 > \alpha$	Unacceptable
$0.6 > \alpha \geq 0.5$	Poor
$0.7 > \alpha \geq 0.6$	Moderate
$0.8 > \alpha \geq 0.7$	Acceptable
$0.9 > \alpha \geq 0.8$	Very Good
$\alpha \geq 0.9$	Excellent

Source: Adopted from Kelley (1942)

The results that get from the measurement of Cronbach's alpha have to follow the rule of thumb. As shown in the table, the most reliable range is from greater than 0.6 to 1. However, if the range is below 0.6 then it means that the result is broke and unacceptable. Thus, the minimum requirement for Cronbach's alpha would be 0.6 (Hair, Celsi, Money, Samouel & Page, 2003). On the other hand, Saunders (2009) said that minimum requirement is 0.7. When the Cronbach's alpha result is greater than the number 0.9 then



it is outstanding. When it is greater than 0.8, it could be considered as very good, greater than 0.7 is acceptable. However, if the result shown 0.6 is questionable, higher than 0.5 is considered poor and if less than 0.5 then the result is unacceptable.

### **3.7.2.2 Normality Test**

In order to identify the relationship in between the dependent variable and independent variable, normality test is used. Besides that, it also enables to measure the sample test result with the shape of normal curve to make sure it is normally distributed. In this study, numerical method that contain Skewness and Kurtosis were chosen to test the normality by using SPSS software to run the test (Park, 2008).

The skewness is known as the degree of asymmetry of data distribution around the mean (Shanmugam & Chattamvelli, 2015). Positive skewness is more than zero and will skewed to the right which the asymmetric tail towards positive values and having more observations on the left side (Park, 2008). In contrast, the negative skewness means that the skewness is smaller than zero which it asymmetric tail is extending towards negative value. The kurtosis is known as the relative flatness and peakness of the data distribution compared to the normal distribution (Shanmugam & Chattamvelli, 2015). A positive kurtosis means the distribution is relatively peaked and if it is a negative kurtosis, the distribution is relatively flat. For the normal distribution, the skewness and kurtosis have to fall in the range between +2 (George & Mallery, 2005).

### **3.7.3 Inferential Analysis**

The inferential analysis is to analyze the relationship and conclusion on behalf of both dependent and independent variable. It consists of parametric and non-parametric statistic. Parametric statistic is used when the data is approximately normally distributed to test interval or ratio data and non-parametric is used for the data that is not normally distributed test for nominal or ordinal data (Marshall & Jonker, 2011).

#### **3.7.3.1 Pearson Correlation Coefficient Analysis**

The Pearson correlation is also known as Pearson Product-correlation by Karl Pearson (Benesty, Chen, Huang & Cohen, 2009). It is used to test the linear relationship that exists in between a paired of variable, the bond between the relationship and either their connection is in positive or negative (Hall, 2015). The range for correlation coefficient is from range -1 to +1. If there are +1 values in correlation coefficient, it provided a meaning that there is perfect positive linear relationship between the two variables where one of the variable increase will also cause the other variable to increase. Besides, if the value is -1, the variable will move in different direction and it is considered perfect negative linear relationship.

Table 3.5: Rule of Thumb about Pearson Correlation Coefficient

<b>Coefficient Range</b>	<b>Strength</b>
$\pm 0.91$ to $\pm 1.00$	Very strong
$\pm 0.71$ to $\pm 0.90$	High
$\pm 0.41$ to $\pm 0.70$	Moderate
$\pm 0.21$ to $\pm 0.40$	Small but definite relationship
0.00 to $\pm 0.20$	Slight, almost negligible

Source: Adopted from Guildford (1973)

The strength of correlation will be stronger if the relationship between the both variable is falls between -1 and +1. From the table, the correlation coefficient that in between  $\pm 1$  and  $\pm 0.71$  are generally considered high and the multicollinearity problems may occur (Sekaran, 2003). However, if it falls between  $\pm 0.21$  to  $\pm 0.40$  is weak and from 0 to  $\pm 0.20$  is considered trifling or meaningless between the two variables. If the value is falls to 0 is mean that there no correlations between the variable either it is positive or negative. The 5% significance level would be used to the significance between the independent variable in this study because it is proved to be convenience by Lehmann (2011).

In Pearson Correlation Coefficient there are four assumptions required which are:

- 1) A linear relationship occurs between the dependent and independent variable.
- 2) The variable has to be interval or ratio level of measurement.
- 3) The outliers should be minimum or removed entirely.
- 4) Both of the variables have to be normally distributed.

### **3.7.3.2 Multiple Linear Regression (MLR) Analysis**

Multiple Linear Regression model use to analyze the relationship between the dependent variable and independent variable (Burns and Bush, 2006, p.575). It is an expansion of simple linear regression. It then being innovated because in real life there will always be more than one variable affecting one decision, thus it is easier to use as it can measure more than one independent variable. The more independent variable is better because the test result will be more accurate. Few assumptions have to be made where it normally distributed, linear relationship between the dependent and independent variable and no multicollinearity problem.

The equation below is a general equation for multiple regression models:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \dots + \beta_nX_n$$

The Multiple Linear Regression is chosen to examine the six independent variables either they are significance or not to the purchase intention toward Takaful by non-Muslim in order to merge to the study. The below is the equation formed:

$$Y = \beta_0 + \beta_1AT + \beta_2SN + \beta_3PB + \beta_4AA + \beta_5RE + \beta_6AW$$

Whereby,

Y = Intention to purchase Takaful (Dependent variable)

$\beta$  = Slope of Coefficient

AT = Attitude (Independent Variable 1)

SN = Subjective Norms (Independent Variable 2)

PB = Perceived Behavioural Control (Independent Variable 3)

AA = Attribute of Agents (Independent Variable 4)

RE = Religiosity (Independent Variable 5)

AW = Awareness (Independent Variable 6)

### **3.8 Conclusion**

In research design, a qualitative research was employed for this total study and primary data has chosen as the data collection methods. The questionnaires were designed into two sections by using five-point Likert scale and nominal scale. A total number of 300 non-Muslim respondents were chosen from Selangor, Kuala Lumpur and Penang as the target respondents by using sampling technique and questionnaires were distributed to them either electronically or physically. Besides, the data collected has run through a proper process like data checking, data editing, data cleaning and data analyzing to make sure the research can be conducted properly in the future. Additionally, a pilot test was conducted for the first 50 respondents to ensure the validity of the variables by using Cronbach's Alpha test. Pearson Correlation Analysis was used to measure the correlation between the variables and Multiple Linear Regression was used to test on the significance of the variables. After that, the remaining data were collected and the total data were analyzed by using SPSS version 19.0 and the results obtained will be interpreted in the coming chapter to answer the proposed hypotheses.

## **CHAPTER FOUR: DATA ANALYSIS**

### **4.0 Introduction**

This chapter will focus on the discussion of the result from the previous chapter. The data is analyzed based on 300 respondents. 250 sets of questionnaires were distributed electronically while 50 sets of questionnaires were distributed physically. The data collected was explained by descriptive analysis, scale measurement like normality test, reliability test and also inferential analysis which included Pearson correlation analysis and multiple linear regression analysis. Software used to get the result are SPSS version 19.0 and Microsoft Excel 2013.

### **4.1 Descriptive Analysis**

Descriptive analysis is used to summarize the samples measured from the survey. The large set of quantitative information regarding location, age, gender and religion are demonstrated by using simple graphical presentation.

#### **4.1.1 Respondent Demographic Profile**

There are total four demographic questions have been asked in this survey which consist of location, age, gender and religion.

#### 4.1.1.1 Location

Figure 4.1 Percentage of Respondents based on Location

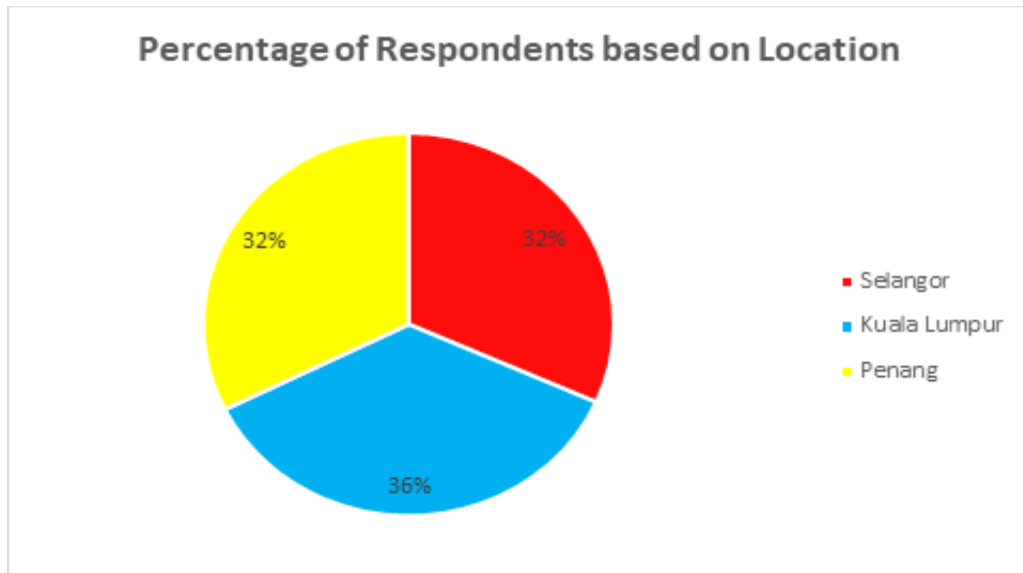


Figure 4.1 shows the percentage of respondents based on location. 32 % or equivalent to 95 of the respondents is from Selangor. 36% or equivalent to 108 of the respondents is from Kuala Lumpur and the remaining 32 % or equivalent 97 of the respondents are from Penang.

#### 4.1.1.2 Gender

Figure 4.2 Percentage of Respondents based on Gender

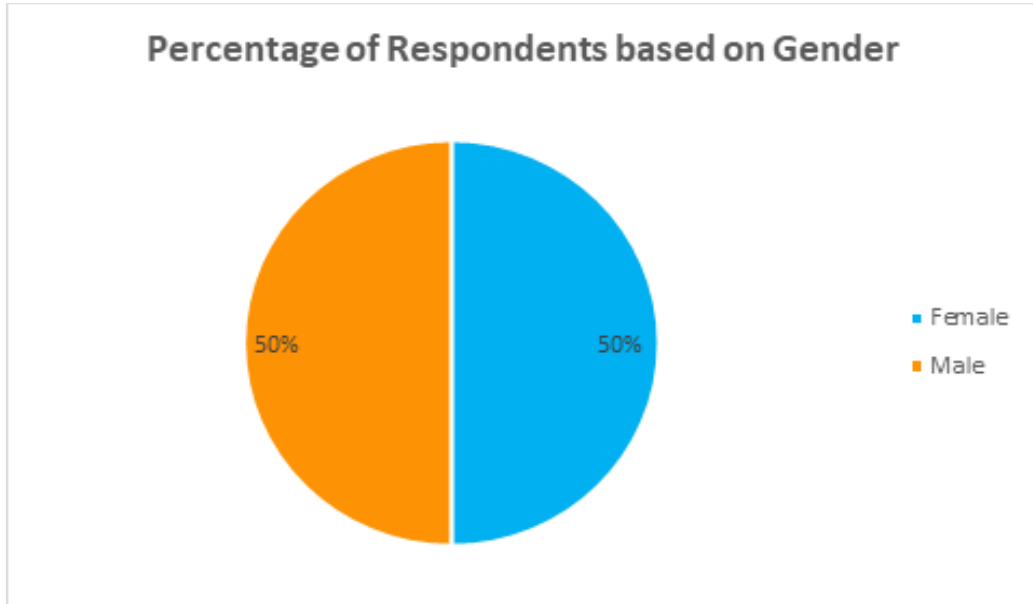


Figure 4.2 shows the percentage of respondents based on gender in the survey. There are total 300 respondents. 50 % of the respondents are male which involves of 150 respondents and 50% of the respondents are female which involves of 150 respondents in the demographic profile.



#### 4.1.1.3 Age

Figure 4.3 Percentage of Respondents based on Age

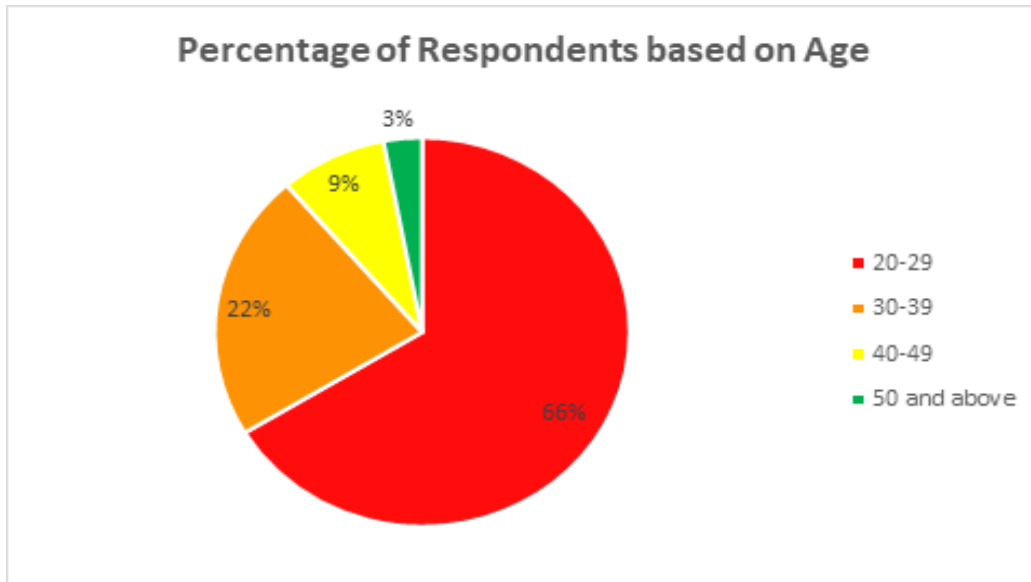


Figure 4.3 shows the result of respondent's age range through survey. Majority of the respondents are in the age 20-29 years old which stand 199 out of 300 about 66%. While there are 67 respondents consists of 22% at the age between 30 to 39 years old and 25 respondents consists of 9% at the age range between 40-49 years old. Meanwhile, the age more than 50 years old is the least, which only 9 respondents consist of 3%.

#### 4.1.1.4 Religion

Figure 4.4 Percentage of Respondents based on Religion

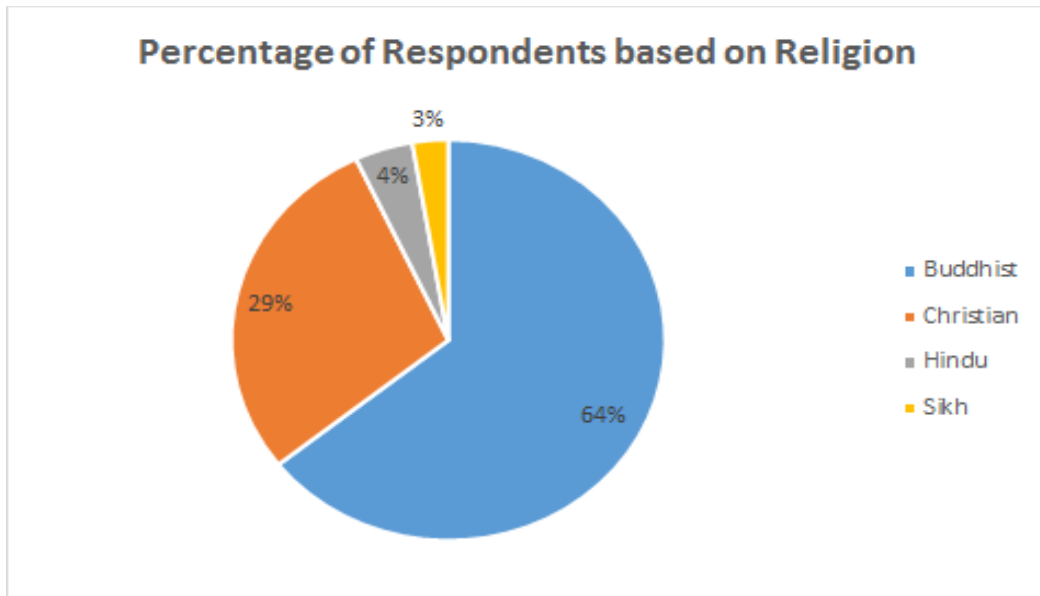


Figure above shows the percentage of respondents based on religiosity. Majority of the respondents are Buddhist which consists of 193 respondents (64%). There are 86 respondents are Christian which consist of 29%. 13 respondents (4%) are Hindu while 8 respondents (3%) are Sikh.

#### 4.1.2 Central Tendencies Measurement of Constructs

Central tendencies measurement of constructs is the idea of getting one central number from the entire set of data. Mean is the sum of all the data obtained and divided by the total set of data to get an average value. Standard deviation is used to measure the dispersion of the data from the mean value.

#### 4.1.2.1 Intention to choose Takaful based on their perception

Table 4.1: Summary for Central Tendency for Intention to Choose Takaful based on Their Perception (DV)

<b>Items</b>	<b>Statements</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Ranking</b>
DV 1	There are insurance companies offering Takaful services near my staying place.	3.1767	1.10885	5
DV 2	My confidence and trust are very high on the Takaful companies operating in Malaysia.	3.2133	1.02208	3
DV 3	The Takaful services meet my needs.	3.2000	0.95728	4
DV 4	I have intention to purchase Takaful in the near future.	3.2300	1.07437	2
DV 5	Takaful able to reduce risks.	3.3933	0.98413	1

Source: Developed for research

Table 4.1 illustrates the mean, standard deviation and ranking for five items of Intention to choose Takaful based on their perception (DV). The first

ranking is DV 5 which has the mean of 3.3933 and standard deviation of 0.98413. Following the second ranking DV 4, DV 2, and DV 3 which have mean of 3.2300, 3.2133, 3.2000 and standard deviation of 1.07437, 1.02208, and 0.95728 respectively. The last ranking is DV 1 which has mean value of 3.1767 and standard deviation of 1.10885.

#### 4.1.2.2 Attitude

Table 4.2: Summary for Central Tendency for Attitude (AT)

<b>Items</b>	<b>Statements</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Ranking</b>
AT 1	I have positive attitude towards Takaful.	3.0067	1.02801	2
AT 2	I adopt Takaful because I prefer profit sharing.	2.9700	1.10143	4
AT 3	I adopt Takaful because it is freed from riba (interest), gharar (uncertainty), and maysir (gambling).	2.9933	1.14499	3
AT 4	I adopt Takaful because I prefer the service that provides by the Islamic bank.	2.8100	1.07910	5
AT 5	I adopt Takaful because the protection coverage of Takaful is same with other insurance.	3.0167	1.09867	1

Source: Developed for research

Table 4.2 illustrates the mean, standard deviation and ranking for five items of Attitude (AT). The first ranking is AT 5 which has the mean of 3.0167

and standard deviation of 1.09867. It then follows by AT 1, AT 3 and AT 2 which have mean of 3.0067, 2.9933, 2.9700 and standard deviation of 1.02801, 1.14499, and 1.10143. The last ranking is AT 4 which has mean value of 2.81 and standard deviation of 1.07910.

#### 4.1.2.3 Subjective Norms

Table 4.3: Summary for Central Tendency for Subjective Norm (SN)

Items	Statements	Mean	Standard Deviation	Ranking
SN 1	The community can influence my intention to adopt Takaful.	3.5300	0.97241	5
SN 2	Discussions with peers make me to have the intention to adopt Takaful.	3.5800	0.98327	3
SN 3	If my families purchase Takaful, I will follow them to purchase Takaful.	3.7000	1.07417	1
SN 4	Communication with my colleagues will influence me to know more about Takaful product.	3.6833	0.99651	2
SN 5	Social media will influence me to have interest in Takaful.	3.5467	1.03508	4

Source: Developed for research

Table 4.3 indicates the mean, standard deviation, and ranking for the second independent variable that is subjective norm. The first ranking is SN 3 which has the mean value of 3.7000 and standard deviation of 1.07417. SN 4 is the second ranking that its mean is 3.6833 and its standard deviation is 0.99651. Following by SN 2 and SN 5 which has the mean value of 3.5800, 3.5467 and standard deviation of 0.98327, 1.03508. The last ranking is SN 1 that the mean value is 3.5300 and the standard deviation is 0.97241.

#### 4.1.2.4 Perceived Behavioural Control

Table 4.4: Summary for Central Tendency for Perceived Behavioural Control (PB)

Items	Statements	Mean	Standard Deviation	Ranking
PB 1	I am confident that I can involve in Takaful if I want to.	3.6667	0.99273	3
PB 2	I believe I have high confidence and enough resources and information to adopt Takaful.	3.3767	1.08260	5
PB 3	If I do not have confidence and enough information toward Takaful, it would be difficult for me to adopt Takaful even though I have the passion to perform it.	3.7633	1.00533	2
PB 4	The decision to adopt Takaful is based on my control.	3.9633	0.93357	1
PB 5	To adopt Takaful is easy for me.	3.4300	0.99418	4

Source: Developed for research

Table 4.4 show the mean, standard deviation and ranking for five items of Perceived Behavioural Control (PB). The first ranking is RE4 which has mean value of 3.9633 and standard deviation of 0.93357. Following by PB3 in the second ranking which has mean value of 3.7633 and standard deviation of 1.00533. Third ranking is PB1 which has mean value of 3.6667



and standard deviation of 0.99273. PB5 and PB2 at ranking fourth with mean value of 3.4300, standard deviation of 0.99418 and fifth with mean value of 3.3767, standard deviation of 1.08260 respectively.

#### 4.1.2.5 Attributes of Agent

Table 4.5: Summary of Central Tendency for Attributes of Agent (AA)

Items	Statements	Mean	Standard deviation	Ranking
AA1	The agent is able to provide a suitable product regarding your situation.	3.7200	0.93337	4
AA2	Agent is easy to find when need help.	3.7100	0.95688	5
AA3	The agent is a responsible person.	3.8533	0.93169	1
AA4	The agent willing to maintain a long-term relationship.	3.8400	0.94022	2
AA5	The agent is knowledgeable and able to provide exact information about the product.	3.8300	0.88528	3

Source: Developed for research

The Table 4.5 in above shown the result for measurement of central tendency for the fourth independent variable which is the attributes of agent. Among the statements, AA 3 with the mean value of 3.8500 and standard deviation of 0.093169 placed the first ranking followed by AA 4 which

placed the second with the mean of 3.8400 and standard deviation of 0.94022. For the third and fourth places is fell to AA 5 and AA 1 which has the mean value of 3.8300 and 3.7200; standard deviation of 0.88528 and 0.93337. The last ranking is AA 2 which has a mean of 3.7100 and standard deviation of 0.95688.

#### 4.1.2.6 Religiosity

Table 4.6: Summary for Central Tendency for Religiosity (RE)

<b>Items</b>	<b>Statements</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Ranking</b>
RE 1	I prefer Takaful because it is based on Shariah principle and Al-Quran.	3.0900	1.09204	5
RE 2	If Takaful is acceptable for my religion, I would like to purchase Takaful.	3.4767	1.05507	2
RE 3	I believe that Takaful is Islamic while conventional insurance is a non-Islamic product.	3.4933	1.06162	1
RE 4	I believe that religion is an important factor for me in making decision to adopt Takaful.	3.4400	1.13314	3
RE 5	I will adopt Takaful although I am non-Muslim.	3.2867	1.06534	4

Source: Developed for research

Table 4.6 illustrates the mean, standard deviation and ranking for five items of Religiosity (RE). The first ranking is RE 3 which has the mean value of

3.4933 and standard deviation of 1.06162. Following by the second ranking, RE 2, which has mean value of 3.4767 and standard deviation of 1.05507. Next is RE 4 and RE 5 which has mean of 3.4400 and 3.2867; standard deviation of 1.13314 and 1.06534. Lastly is RE 1 which has mean of 3.0900 and standard deviation of 1.09204.

#### 4.1.2.7 Awareness

Table 4.7: Summary for Central Tendency for Awareness (AW)

Items	Statements	Mean	Standard Deviation	Ranking
AW 1	I am aware that the banking operation of Takaful is based on Shariah law.	3.6533	0.92521	3
AW 2	I am aware that all the transactions of Takaful are interest prohibited.	3.6667	0.93011	1
AW 3	I am aware that the return of Takaful is based on profit sharing and gift.	3.6667	0.93727	1
AW 4	I am aware that all the Takaful business is freed from riba (interest), gharar (uncertainty), maysir (gambling).	3.6567	1.00106	2
AW 5	I am aware that the products of Takaful are general and family insurance products.	3.6500	1.01205	4

Source: Developed for research

Mean, standard deviation and ranking for five items of Awareness (AW) is showed in Table 4.7. The first ranking is AW 2 and AW 3 which have the mean value of 3.6667. The standard deviation of AW2 and AW 3 are 0.93011 and 0.93727 respectively. Next, AW 4 is the second ranking which

has mean value of 3.6567 and the standard deviation of 1.00106. The third ranking is AW 1 which has mean value of 3.6533 and the standard deviation of 0.92521. The last ranking is AW 5 which has the mean value of 3.6500 and the standard deviation of 1.01205.

## **4.2 Scale Measurement**

### **4.2.1 Normality Test**

Normality test is identifying a data set's normality distribution. It is used measured by skewness and kurtosis of the variables. Skewness is determined the amount and direction of skew while kurtosis is determined the tallness and sharpness of the center point. Both values can be positive or negative. The data set is considered normally distributed if all values are close to zero and they are fall into the range between  $\pm 2.0$  (Adams, 2017).

Based on the results showed in Appendix 4.8, the skewness of all the variables are negative values. The lowest skewness is from the independent variable, perceived behavioural control (-1.069) whereas the highest skewness is from the variable, attitude (-0.063) in this study. Conversely, attitude has the lowest kurtosis which is -0.778 and perceived behavioural control has the highest kurtosis which is 1.412. In this study, all the data are fall into the scope between  $\pm 2.0$ . Thus, it is concluded that the data is normally distributed.

## 4.2.2 Reliability Test

Table 4.8: Reliability Test for Substantive Study

Variable	Constructs	Cronbach's Alpha		No. of items
		<i>Pilot test</i>	<i>Actual test</i>	
AT	Attitude	0.886	0.914	5
SN	Subjective Norms	0.846	0.877	5
PB	Perceived Behavioural Control	0.832	0.814	5
AA	Attributes of Agent	0.882	0.926	5
RE	Religiosity	0.773	0.809	5
AW	Awareness	0.894	0.920	5
DV	Intention to choose Takaful	0.862	0.892	5

Source: Developed for research

The Table 4.8 above shows the result for the reliability test which used to test the consistency for the results by using Cronbach's Alpha. As shown the in the result, the attributes of agent achieved the maximum value in actual test at 0.926 whereas Religiosity obtained the lowest value at 0.809.

Attributes of agent ( $\alpha = 0.926$ ), Awareness ( $\alpha = 0.920$ ), and Attitude ( $\alpha = 0.914$ ) are determined as having an excellent reliability. Meanwhile, the intention to choose Takaful ( $\alpha = 0.892$ ), Subjective Norms ( $\alpha = 0.877$ ), Perceived Behavioural Control ( $\alpha = 0.814$ ) and Religiosity ( $\alpha = 0.809$ ) are measured as good reliability. Thus, all of the variables are reliable because from the result of the questionnaires we founded that all of it had exceeded the benchmark of Cronbach's Alpha which is 0.70 (Kelley, 1942).

## **4.3 Inferential Analyses**

### **4.3.1 Pearson Correlation Analysis**

#### **4.3.1.1 Correlation between Attitude and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Attitude insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H<sub>1</sub>: Attitude significantly affects the intention of non-Muslims to choose Takaful based on their perception.



**Table 4.9: Correlation between Attitude and Intention of Non-Muslim to Choose Takaful based on Their Perception**

		<b>AVGDV</b>	<b>AVGAT</b>
<b>AVGDV</b>	Pearson Correlation	1	.403 **
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	97.761
	Covariance	.741	.327
	N	300	300
<b>AVGAT</b>	Pearson Correlation	.403 **	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	93.761	264.984
	Covariance	.327	.886
	N	300	300

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

Source: Developed for research

Table 4.9 shows the correlation between attitude and intention of non-Muslim to choose Takaful based on their perception is 0.403, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significant level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relation. The result shows that H<sub>1</sub> is accepted, hence attitude is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

#### **4.3.1.2 Correlation between Subjective Norms and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Subjective norms insignificantly affect the intention of non-Muslims to choose Takaful based on their perception.

H<sub>1</sub>: Subjective norms significantly affect the intention of non-Muslims to choose Takaful based on their perception.

Table 4.10: Correlation between Subjective Norms and Intention of Non-Muslim to Choose Takaful based on Their Perception

		<b>AVGDV</b>	<b>AVGSN</b>
<b>AVGDV</b>	Pearson Correlation	1	.438**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	93.578
	Covariance	.741	.313
	N	300	300
<b>AVGSN</b>	Pearson Correlation	.438**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	93.578	205.741
	Covariance	.313	.688
	N	300	300

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

Source: Developed for research

Table 4.10 shows the correlation between subjective norms and intention of non-Muslim to choose Takaful based on their perception is 0.438, the lowest among all, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significant level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relationship. The result shows that H<sub>1</sub> is accepted, hence subjective norms is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

#### **4.3.1.3 Correlation between Perceived Behavioural Control and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Perceived behavioural control insignificantly affects the intention of non-Muslims to adopt Takaful based on their perception.

H<sub>1</sub>: Perceived behavioural control significantly affects the intention of non-Muslims to adopt Takaful based on their perception.

Table 4.11: Correlation between Perceived Behavioural Control and Intention of Non-Muslim to Choose Takaful based on Their Perception

		<b>AVGDV</b>	<b>AVGPB</b>
<b>AVGDV</b>	Pearson Correlation	1	.555**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	108.488
	Covariance	.741	.363
	N	300	300
<b>AVGPB</b>	Pearson Correlation	.555**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	108.488	172.560
	Covariance	.363	.577
	N	300	300

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

Source: Developed for research

Table 4.11 shows the correlation between perceived behavioural control and intention of non-Muslim to choose Takaful based on their perception is 0.555, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significance level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relationship. The result shows that H<sub>1</sub> is accepted, hence perceived behavioural control is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

#### **4.3.1.4 Correlation between Attributes of Agent and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Attributes of agent insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H<sub>1</sub>: Attributes of agent significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Table 4.12: Correlation between Attributes of Agent and Intention of Non-Muslim to Choose Takaful based on Their Perception

		<b>AVGDV</b>	<b>AVGAA</b>
<b>AVGDV</b>	Pearson Correlation	1	.473 **
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	99.319
	Covariance	.741	.332
	N	300	300
<b>AVGAA</b>	Pearson Correlation	.473 **	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	99.319	199.174
	Covariance	.332	.666
	N	300	300

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

Source: Developed for research

Table 4.12 shows the correlation between attributes of agent and intention of non-Muslim to choose Takaful based on their perception is 0.473, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significance level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relationship. The result shows that H<sub>1</sub> is accepted, hence attributes of agent is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

#### **4.3.1.5 Correlation between Religiosity and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Religiosity insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H<sub>1</sub>: Religiosity significantly affects the intention of non-Muslims to choose Takaful based on their perception.



Table 4.13: Correlation between Religiosity and Intention of Non-Muslim to Choose Takaful based on Their Perception

		<b>AVGDV</b>	<b>AVGRE</b>
<b>AVGDV</b>	Pearson Correlation	1	.618*
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	129.466
	Covariance	.741	.433
	N	300	300
<b>AVGRE</b>	Pearson Correlation	.618**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	129.466	199.334
	Covariance	.433	.663
	N	300	300

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

Source: Developed for research

Table 4.13 shows the correlation between religiosity and intention of non-Muslim to choose Takaful based on their perception is 0.618, the highest among all, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significance level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relationship. The result shows that H<sub>1</sub> is accepted, hence religiosity is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

#### **4.3.1.6 Correlation between Awareness and Intention of Non-Muslim to Choose Takaful based on Their Perception**

H<sub>0</sub>: Awareness insignificantly affects the intention of non-Muslims to choose Takaful based on their perception.

H<sub>1</sub>: Awareness significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Table 4.14: Correlation between Awareness and Intention of Non-Muslim to Choose Takaful based on Their Perception

		<b>AVGDV</b>	<b>AVGAW</b>
<b>AVGDV</b>	Pearson Correlation	1	.513 *
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	221.614	110.569
	Covariance	.741	.370
	N	300	300
<b>AVGAW</b>	Pearson Correlation	.513 **	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	110.569	209.367
	Covariance	.370	.700
	N	300	300

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

Source: Developed for research

Table 4.14 shows the correlation between awareness and intention of non-Muslim to choose Takaful based on their perception is 0.513, which mean both variables have positive relationship due to the p-value (0.0000) lower than the significance level (0.01). Besides, the correlation range is categorized under moderate correlation hence they have positive relationship. The result shows that H<sub>1</sub> is accepted, hence awareness is significantly affects the intention of non-Muslims to choose Takaful based on their perception.

### 4.3.2 Multiple Linear Regression

$$DV = -0.136 + 0.190AT - 0.043SN + 0.196PB + 0.131AA + 0.378RE + 0.135AW$$

Whereby,

DV= Intention to choose Takaful based on their perception (Dependent Variable)

AT = Attitude (Independent Variable 1)

SN = Subjective Norms (Independent Variable 2)

PB = Perceived Behavioural Control (Independent Variable 3)

AA= Attribute of Agent (Independent Variable 4)

RE = Religiosity (Independent Variable 5)

AW= Awareness (Independent Variable 6)

Table 4.15: Model Summary of Multiple Regression Model

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimate
1	.713 <sup>a</sup>	.508	.498	.60984

Source: Developed for research

- a. Predictor: (Constant), Attitude, Subjective Norm, Perceived Behavioural Control, Attributes of agent, Religiosity, Awareness

Table 4.16: ANOVA of Multiple Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig
1	112.644	6	18.774	50.480	.000 <sup>a</sup>
Regression	108.970	293	.372		
Residual	221,614	299			
Total					

Source: Developed for research

- a. Dependent Variable: intention of non-Muslims to choose Takaful based on their perception

- b. Predictor: (Constant), Attitude, Subjective Norm, Perceived Behavioural Control, Attributes of agent, Religiosity, Awareness

**Table 4.17: Coefficients of Multiple Regression Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
		B	Std. Error	Beta			
1	(Constant)	-.136	.208		-.655	.513	
	AVGAT	.190	.040	.207	4.766	.000	1.129
	AVGSN	-.043	.063	-.041	-.675	.500	2.227
	AVGPB	.196	.088	.173	2.223	.027	3.605
	AVGAA	.131	.061	.124	2.136	.034	2.010
	AVGRE	.378	.055	.358	6.919	.000	1.592
	AVGAW	.135	.060	.131	2.245	.025	2.029

\*\* Correlation is significant at the 0.05 level (2-tailed).

Source: Developed for research

First, the summary of multiple regression models shows in table 4.15, 4.16, and 4.17 indicate about the relationship between dependent variable and independent variables. The value of coefficient correlation (R) is 0.713. This means that dependent variable and independent variables has a strong and positive linear relationship. Next, the coefficient of determination ( $R^2$ ) is

0.508. This implies that 50.8% of the changes in the dependent variable can be explained by the six variables. On the other hand, the remaining 49.20% can be explained by other variables.

Based on Table 4.16, 50.480 is the F-value and 0.000 is the p-value. The significance level which is 0.05 is more than the p-value of ANOVA, so it indicates that the dependent and six independent variables have a significant relationship. The outcome of F-test shows significant, so it means that the model is reliable and the independent variables can be used to describe the dependent variable.

Moreover, Variance Inflation Factor (VIF) which is below 10 means that there is no multicollinearity. The range of the VIF for the six independent variables is between 1.129 and 3.605. Therefore, there is no multicollinearity problem.

Refer to Table 4.17, attitude, perceived behavioural control, attributes of agents, religiosity and awareness have the p-value less than 0.05. These mean that the variables are significant. On the other side, subjective norms have p-value greater than 0.05 which mean it is not significant individually to the dependent variable. Significant level of 0.05 used to test in multiple regression model instead of 0.01 significant level as similar in Pearson Correlation Model because 0.01 level will make more than one independent variable has been not significant to individually to dependent variable.



## **4.4 Conclusion**

In descriptive analysis, the demographic profile of the respondents was summarized into a pie chart and the construct measurements of the six variables were also tabulated into a table. Besides, reliability test and normality test for the statement also included in scale measurement. Lastly in inferential analyses, Pearson correlation analysis was used to measure the correlation between the variables and multiple regression analysis was used to analyze the relationship between the intentions of non-Muslims to choose Takaful based on their perception with the multiple independent variables.

## **CHAPTER FIVE: DISCUSSION, CONCLUSION AND IMPLICATIONS**

### **5.0 Introduction**

Last chapter in this study will conclude all the results indicated from previous chapter in the summary of statistical analyses. Continue with discussion of major finding, implications of the study and limitation of the study which noticed during the process of this study. Lastly, some recommendations suggest that maybe useful for others who have intention to study in this area. A brief summary will be summarized in Chapter Five conclusion about the overall of the study.

### **5.1 Summary of Statistical Analyses**

The following part will indicate the summary of statistical analyses result from Chapter Four Data Analysis.

## **5.1.1 Summary of Descriptive Analysis**

### **5.1.1.1 Respondents' Demographic Profile**

Based on the research conducted, there are total 300 respondents contributed in this survey. Refer to the demographic profile of the respondents, there are total 150 females and 150 males have answered the questionnaires. 32% of the participants are from Penang and Selangor respectively while another 36% of the respondents are from Kuala Lumpur. Most of the respondents fall in the age of 20 to 29 years old and majority of them are Buddhists.

## **5.1.2 Summary of Central Tendencies Measurement of Constructs**

### **5.1.2.1 Intention to choose Takaful based on their perception**

The dependent variable intention to choose Takaful based on their perception (DV), the statement of "Takaful able to reduce risks" set the highest mean of 3.3933 while the statement of "There are insurance companies offering Takaful services near my staying place" set the lowest mean of 3.1767.

### **5.1.2.2 Attitude**

The first independent variable attitude (AT), the statement of “I adopt Takaful because the protection coverage of Takaful is same with other insurance” has achieved the highest mean while the statement of “I adopt Takaful because I prefer the service that provides by the Islamic bank” has achieved the lowest mean.

### **5.1.2.3 Subjective Norms**

The second independent variable subjective norms (SN), the statement of “If my families purchase Takaful, I will follow them to purchase Takaful” has achieved the highest mean while the statement of “The community can influence my intention to adopt Takaful” has the lowest mean.

### **5.1.2.4 Perceived Behavioural Control**

The third independent variable perceived behavioural control (PB), the statement of “The decision to adopt Takaful is based on my control” set the highest mean while the statement of “I believe I have high confidence and enough resources and information to adopt Takaful.” set the lowest mean.

### **5.1.2.5 Attributes of Agent**

The fourth independent variable attributes of agent (AA) the statement of “The agent is a responsible person” set the highest mean while the statement of “Agent is easy to find when need help” has the lowest mean.

#### **5.1.2.6 Religiosity**

The fifth independent variable religiosity (RE), the statement of “I believe that Takaful is Islamic while conventional insurance is a non-Islamic product.” has achieved the highest mean while the statement of “I prefer Takaful because it is based on Shariah principle and Al-Quran.” has the lowest mean.

#### **5.1.2.7 Awareness**

The last independent variable awareness (AW), the statement of “I am aware that all the transactions of Takaful are interest prohibited” and the statement of “I am aware that the return of Takaful is based on profit sharing and gift” set the highest mean while the statement of “I am aware that the products of Takaful are general and family insurance products” has the lowest mean.

### **5.1.3 Summary of Scale Measurement**

#### **5.1.3.1 Normality Test**

Normality test is conducted to test on the normality distribution on the data. The skewness of all the data covered from -1.069 (PB 4) to -0.063 (AT 4) while the kurtosis covered from -0.778 (AT 3) to 1.412 (PB 4). The result shows that the data collected is normally distributed as in fall within the acceptable range of  $\pm 2.0$ .

### **5.1.3.2 Reliability Test**

Cronbach's Alpha is used to test on the reliability of the six independent variables (AT, SN, PB, AA, RE, AW) and a dependent variable (DV), which total equal to 35 items. The variable that capture the greatest value of reliability to lowest value of reliability is AA (0.926), AW (0.920), AT (0.914), DV (0.892), SN (0.877), PB (0.814) and RE (0.809). Based on the actual test result, all the items have achieved the level of reliability above 0.80 which is in the category of "very good". Hence, the items in this questionnaire are reliable.

### **5.1.4 Summary of Inferential Analyses**

#### **5.1.4.1 Pearson Correlation Analysis**

Pearson correlation analysis shows the strength of linear association with the variables. The result proved that all the independent variables (AT, SN, PB, AA, RE, AW) have positive and significant correlation with the dependent variable (DV). The independent variable that has the strongest relationship with the intention of non-Muslims to choose Takaful based on their perception (DV) is religiosity (RE) followed by awareness (AW), perceived behavioural control (PB), attribute of agent (AA), subjective norms (SN) and attitude (AT) which has the level of 0.618, 0.513, 0.555, 0.473, 0.438 and 0.403. All the independent variables have p-values less than 0.05 which supported all the hypotheses made in this study.

#### 5.1.4.2 Multiple Regression Analysis

Refer to the regression result analysis, the R-Square is 0.508 which mean 50.8% of variation in the intention of non-Muslims to choose Takaful based on their perception (DV) can be explained by variation in attitude (AT), subjective norms (SN), perceived behavioural control (PB), attributes of agent (AA), religiosity (RE) and awareness (AW). Besides, the result from ANOVA also proved that the model is reliable and there is no multicollinearity problem as the Variance Inflation Factor (VIF) is below than 10.

Below is the Multiple Regression Model developed:

$$DV = -0.136 + 0.190AT - 0.043SN + 0.196PB + 0.131AA + 0.378RE + 0.135AW$$

The model above shows that attitude (AT), perceived behavioural control (PB), attributes of agent (AA), religiosity (RE) and awareness (AW) are significant to justify the relationship with the intention of non-Muslims to choose Takaful based on their perception (DV) whereas, subjective norms (SN) is insignificant and it should be dropped from the model.

## **5.2 Discussion of Major Findings**

### **5.2.1 Attitude**

H<sub>1</sub>: Attitude significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Refer to Table 4.9 indicates that the correlation value is 0.403 and the p-value (0.000) lower than significant value (0.01) for attitude, thus there is significant positive relationship between attitude and intention of non-Muslims to choose Takaful based on their perception. This result supported by most of the past researches such as Sidharta, Mentari, Waafaretta, and Nuraini (n.d.); Mas'ud (2017), Ali and Jama (2016); Echchabi and Ayedh (2015) since their research also indicate that there is positive relationship of people's attitude toward a product or service which can affect their intention to accept it. Attitude is one of the main factors that will affect people to accept the product or service. Therefore, if a person has good attitude toward the product or service, he or she will have higher intention to take place, however if a person have negative attitude toward the product or service, he or she will not be being to take place.

### **5.2.2 Subjective norms**

H<sub>1</sub>: Subjective norms significantly affect the intention of non-Muslims to choose Takaful based on their perception.



Refer to Table 4.10 indicate that the correlation value is 0.438 and the p-value (0.000) is lower than significant value (0.01) for subjective norms, thus there is a significant positive relationship between subjective norms and intention of non-Muslims to choose Takaful based on their perception. This result supported by Husin et al. (2016); Aziz et al. (2015) which they found out that the power of word of mouth can influences the people surrounding. In other words, people who have strong subjective norms will be easily influenced by people thus; they have the high potential to take Takaful and vice versa.

However, in regression analysis result shows that subjective norms have value greater than 0.05 (using significant level 0.05) which indicate insignificant relationship with intention of non-Muslims to choose Takaful based on their perception. Few researchers indicate that the result was insignificant with the intention of non-Muslims to purchase Takaful. Echchabi and Echchabi (2013), Husin and Rahman (2014), Echchabi and Ayedh (2015), Husin, Ismail, and Rustam (2015) and Obeid and Kaabachi (2016) did mentioned that their results shown subjective norms was not an important variable to determine the decision for people to adopt in Takaful. Respondents are more willing to follow their perceptions rather than being influenced by others in the case. So, they prefer to have more information on the product they desired and less confident on Takaful where they only heard it from others.

### **5.2.3 Perceived behavioural control**

H<sub>1</sub>: Perceived behavioural control significantly affects the intention of non-Muslims to adopt Takaful based on their perception.

Refer to Table 4.11 indicate that the correlation value is 0.555 and the p-value (0.000) lower than significant value (0.01) for perceived behavioural control, thus there is significant positive relationship between perceived

behavioural control and intention of non-Muslims to choose Takaful based on their perception. Husin and Rahman (2014); Razimi and Romle (2017); Echchabi and Echchabi (2013); Aziz et al. (2015); Husin and Rahman (2015) all these researches support this result since they also indicated that perceived behavioural control has positive relation with intention of non-Muslims to adopt Takaful. People with more information will have high potential to involve in taking Takaful as they have enough information about that particular to see if it able to fit their needs or objectives.

#### **5.2.4 Attributes of agents**

H<sub>1</sub>: Attributes of agent significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Refer to Table 4.12 shows that the correlation value is 0.473 and the p-value (0.000) lower than significant value (0.01) for attributes of agents, thus there is significant positive relationship between attributes of agents and intention of non-Muslims to choose Takaful based on their perception. Based on the researches of AlNemer (2015); Salleh et al. (2013); Abd-El-Salam et al. (2013); Salman and Htay (2014) stated that customer satisfaction was also one of the main factors that lead to people to choose to involve in Takaful. Agents with good behaviour will lead to customer to have good impression to continue taking the product which also important for the agent to maintain their sales target (Yazid et al., 2017).

#### **5.2.5 Religiosity**

H<sub>1</sub>: Religiosity significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Refer to Table 4.13 indicate that the correlation value is 0.618 and the p-value (0.000) lower than significant value (0.01) for religiosity, thus there is significant positive relationship between religiosity and intention of non-Muslims to choose Husin and Rahman (2013); Kontot et al. (2016); Yaqub and Dandago (2015); Kamil and Nor (2014); Mohamed et al. (2013); Al-Salih (2014); Yaqub and Dandago (2015); Mansor et al. (2015); Ustaoglu (2015); Mohamed and Alhabshi (2015) are the past researches that prove that religiosity is a strong factor to influence people in taking Takaful. All their researches show that Muslims taking Takaful higher than conventional insurance because of their beliefs in religious and Takaful is more suitable for them due to as it follows Shariah principle.

### **5.2.6 Awareness**

H<sub>1</sub>: Awareness significantly affects the intention of non-Muslims to choose Takaful based on their perception.

Refer to on the result from Table 4.14 shows that the correlation value is 0.513 and the p-value (0.000) lower than significant value (0.01) for awareness, thus there is significant positive relationship between awareness and intention of non-Muslims to choose Takaful based on their perception. Similar researches done by Husin et al. (2015); Mohamed and Alhabshi (2015); Soualhi and Al Shammari (2015); Aziz et al. (2017); Hidayat (2015); Maiyaki and Ayuba (2015); Hassanddin et al. (2016) also indicated the same result with this study. They explain that due to the low awareness of Takaful in market lead to non-Muslims prefer conventional insurance, hence low market growth of non-Muslims in taking Takaful. In order to increase the awareness level of Takaful among non-Muslims, Hanif et al. (2014) did mention in their research to run awareness campaign to increase Takaful industry.

## 5.3 Implications of the Study

The managerial implications have established for the management of Takaful insurance company to increase the intention of consumer to choose Takaful based on their perception.

### 5.3.1 Managerial Implications

Based on the result of this study, the independent variables have been ranked by the following arrangement based on their important factors to the intention of non-Muslims to choose Takaful based on their perception. The most important factor is religiosity ( $\beta = 0.378$ ). The second important factor is perceived behavioural control ( $\beta = 0.196$ ). The third important factor is attitude ( $\beta = 0.190$ ) and followed by the fourth important factor is awareness ( $\beta = 0.135$ ). The less important factor is attributes of an agent ( $\beta = 0.190$ ) while the least important factor is subjective norm ( $\beta = -0.043$ ).

Based on the ranking that shown in above, the two most vital determinants to influence the intention of a consumer to choose Takaful is religiosity and perceived behavioural control. Some of the non-Muslims think that Takaful product is only available for the Muslims. Therefore, insurance company needs to take some actions to change the mindset of the non-Muslims. The reason why non-Muslims have this idea is because they are lack of knowledge about Takaful. Therefore, insurance companies should take the right approaches by educating them through advertising method such as printing flyers or pamphlets to cater the non-Muslims demographic segments. These activities can promote to them that Takaful product is available to all Muslims and non-Muslims. When the religion is accepted Takaful product, they can make their own decision to adopt it.

Moreover, attitude is the third important factor to influence the intention of a consumer to adopt Takaful. A positive attitude will lead to consumers to purchase Takaful. Therefore, Takaful operators need to maintain a good reputation to increase the positive attitude from the customers. The company must be honest with their customers regarding the service and quality of the product offered to their customers. The customers have the right to know how their money is managed and what kind of benefits they are entitled. To raise a good image, the company can take part in the community activity like local philanthropies which can increase the business credibility. When the public started to familiarize themselves with the Takaful service provided, then the company can build trust and reputation among the people.

Furthermore, Takaful operators also need to raise the awareness of the public to increase the intention of a consumer to purchase Takaful. Understanding the Takaful product can attract the consumers to participate in Takaful. Therefore, they can design or develop some campaigns, activities and educational programs to raise the awareness and knowledge of non-Muslims especially in the early age. Through the awareness program, it can enhance the knowledge of non-Muslims on how Takaful is operated and what kind of benefit would Takaful service given to them.

Next, the study shows that attribute of agent can positively influence the intention of a consumer to purchase Takaful. The role of an agent is important because it will affect the customer satisfaction. Hence, insurance companies need to provide some intensive training to the agents to improve their knowledge or information on Takaful products. Besides, Takaful operators also need to give necessary workshop for their agents to enhance their communication skills and performance which could improve the ability of agents to acquire and maintain a good relationship with the customers. Educating the agents is important because the agents will help the companies to acquire new customers and at the same time retain the existing customers which can help in expanding their business globally.

Although subjective norms show less important in influencing the intention of a consumer to buy Takaful, yet Takaful operators cannot neglect this factor. Takaful operators are encouraged to gain positive words of mouth from the customers when purchasing the product. In order to do this, the company should increase the quality of service. Moreover, they can put more promotional efforts through magazines, television and radio to attract more consumers to purchase Takaful.

## **5.4 Limitation of the Study**

There are some limitations which should be taken into account in this study and avoid in the future study. First limitation in this research is sampling location. The targeted locations for distributing the questionnaires are Selangor, Penang, and Kuala Lumpur. This is because Selangor has the most citizens in Malaysia and the number of Non-Bumiputera in Kuala Lumpur and Penang are higher than other states. However, Malaysia has 13 states and the citizens in each state may have different opinion and perception toward Takaful. Thus, entire Malaysia's population is difficult to be represented based on the data collected from the selected three states. Besides, the targeted locations are in West Malaysia. The education level towards Takaful in West Malaysia may be different from East Malaysia. Therefore, the result might not be relevant in East Malaysia as the data just collected from West Malaysia.

The second limitation is about the targeted respondents. In this research, the targeted respondents are non-Muslims which include Buddhist, Christian, Hindu, Sikh and others. Nevertheless, the data obtained mostly are from Buddhist and Christian. There are few number of Hindu, Sikh and other religion of residents involved in this research. Since different religion background may have different perception towards Takaful, thus the result might not be the most accurate. Other than that, different age of respondents may have different opinions about Takaful

due to different educational level and background. In this research, most of the respondents were in the age between 20 and 29. They may have different view and perception towards Takaful as compare to middle-aged and eldest. Thus, the data collected may not be used to represent the whole Malaysia's population.

The third limitation is limited data collection method. The method used to collect data is through distributing questionnaires in this research. This is a one-way communication method. The respondents will only answer the questions directly asked in the survey form and will not give any further elaboration or comment. By just using questionnaires to collect data, the researchers might not know about the real idea and perception of the respondents towards Takaful.

The last limitation is inadequate independent variables. In this study, the  $R^2$  is 50.80% means that the dependent variable cannot be fully explained by the independent variables. The remaining 49.20% can be explained by other variables which are not included in this model. In this research, there are only six independent variables to be tested. Some variables that might affect non-Muslim's intention to choose Takaful based on their respective such as economic factors, and income level are not included and examined in this study.

## **5.5 Recommendations for Future Research**

The study conducted has a few recommendation and suggestion provided to improve the limitation as mentioned above for the future studies. Firstly, the sampling location in this study is limited. Thus, it is recommended to increase the sampling location to whole Malaysia. The researcher can collect the data from the respondents in West Malaysia to East Malaysia especially Sabah and Sarawak in order to have a whole view on non-Muslims in Malaysia. By doing this, the research result could be improved because the sampling covered is broader.

Secondly, it is recommended to the future researchers to be more precise in designing the survey forms and targeting the respondents. The ages for the respondent are recommended to narrow down when designing the demographic profile questions in the survey form. The reason behind is because the view from the same group of ages could get a more significance result towards their intention in purchasing Takaful. Therefore, it is important for the future researches to be careful in targeting the respondent. They have to make sure that all the respondent is in their group of targeting before distribute the questionnaires.

Thirdly, to have a reliable and precise result, the future scholars are recommended to broaden the data collection method. The future researchers able to use interview as the method to collect data as this study only use distributing questionnaires method. Interview would be a better way if compared to distributing questionnaires because the researchers able to have a two ways communication. Furthermore, it gives chances for the respondents to provide further elaborations to maximize the information. Besides that, the opinion collected could be more reliable, accurate and effectively. In additional, it is advisable to have a brief introduce of Takaful verbally in order to make sure they know what the questions are asking before letting them to fill the questionnaires.

Lastly, recommendation for future researchers is to include more independent variables into the model such as economic factors, and income level. Both of the independent variables are proven significance in the study by other researchers. When the economic is better, it could reduce the people's burden. Thus, it raises the intention for people to purchase Takaful products. In addition, the income level for a customer also can affect the intention to purchase Takaful. If they get a higher paid, then they are more affordable in purchasing Takaful products.



## 5.6 Conclusion

All the independent variables like attitude, subjective norms, perceived behavioural control, attribute of agent, religiosity and awareness have significant positive relationship with the dependent variable which is the intention of non-Muslims to choose Takaful based on their perception. The results indicated that the attitude on non-Muslims toward Takaful products and the influence from the society and agent would affect their behavioural control towards the intention in adopting Takaful. Besides, one's religion beliefs would also affect the intention in choosing Takaful; and lastly the awareness level of non-Muslims toward Takaful will also affect the acceptance of Takaful.

The findings in this research could be useful to the policy maker and the top management in developing their strategy. The government shall provide some lessons to the student at early stage to raise their awareness on Takaful service and come out some educational advertisement to educate the public to clarify their wrong perception toward Takaful where the product is only meant for Muslims. Furthermore, Takaful operators should be more careful in handling the quality of the service provided and their own corporate image which could affect the customers' attitude toward the company. Besides, they should provide enough of trainings and workshops to their agents who to improve their knowledge on the product. A high-quality service agent can increase customer satisfaction thus; it can generate positive word of mouth in the society and eventually bring some impact on the subjective norms and perceived behavioural control toward their intention to choose Takaful.

In a nutshell, all the research questions and the main objective of this study have achieved. Based on the recommendation above, further exploration on this topic is required to overcome the limitation in this research to come out better findings that could bring benefits to Takaful industry.

## REFERENCES

- Abd-El-Salam, E. M., Shawky, A. Y., & El-Nahas, T. (2013). The impact of corporate image and reputation on service quality, customer satisfaction and customer loyalty: Testing the mediating role. Case analysis in an international service company. *The Business and Management Review*, 3(2), 177-196.
- Abduh, M., & Isma, S. N. Z. (2017). Economic and market predictors of solvency of family Takaful in Malaysia. *Journal of Islamic Accounting and Business Research*, 8(3). doi:10.1108/JIABR-06-2015-0030
- Adams, R. (2017). Normality Testing - Skewness and Kurtosis. Retrieved from <https://help.gooddata.com/display/doc/Normality+Testing+-+Skewness+and+Kurtosis>
- Ahmad, S. A., Almsafir, M. K., & Siron, R. (2013). Using Arabic words in Malaysia Takaful industry and impact on untapped Malay market. *Journal of Islamic and Human Advanced Research*, 3(10), 740-761.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behaviour and Human Decision Processes*, 50(2), 179-211.
- Ali, A. Y. S., & Jama, A. K. A. (2016). Determinants of Islamic insurance acceptance: Empirical evidence from Somalia. *European Journal of Business and Management*, 8(15), 102-108.
- AlNemer, H. A. (2015). An empirical study of Takaful participant's perception of the distribution of the underwriting surplus and its impact on participants' behaviour. *International Journal of Economics, Commerce and Management*, 3(4), 1-16.
- AlNemer, H. A. (2015). Participants' knowledge and education background about Takaful products & services: An empirical study on Saudi Arabia. *International Journal of Business, Economic and Law Conference*, 6(1), 60-72.
- AlNemer, H. A. (2015). Participants' satisfactions about Takaful products & services: An empirical study on Saudi Arabia. *International Journal of Business and Law*, 7(1), 43-53.

- Al-Salih, A. (2014). *Takaful and conventional general Insurance: Analysing Muslim consumers' perception and choices in the UK and Saudi Arabia* (Doctoral dissertation, Royal Holloway, University of London).
- Amin, N. M. A., & Hamid, M. A. (2014). Shariah compliance of wakalah concept in Takaful operation: A case study of a Takaful operation in Malaysia. *Tazkia Islamic Finance and Business Review*, 8(2), 210-235.
- Arifin, J., Yazid, A. S., & Hussin, M. R. (2014). Demand of family Takaful in Malaysia: Critical determinant factors examined. *International Review of Management and Business Research*, 3(2), 982-992.
- Arifin, J., Yazid, A. S., & Sulong, Z. (2013). A conceptual model of literature review for family Takaful (Islamic Life Insurance) demand in Malaysia. *International Business Research*, 6(3), 210-216.
- Awang, I. L., & Redzuan, H. (2015). Persepsi pelajar bukan Islam terhadap Takaful (Non Muslim student's perception on Takaful). *Jurnal Personalia Pelajar*, 18(2), 1-9.
- Ayuba, H. A. B. I. B. U. (2014). Non-Economic Factors Influencing the Islamic Insurance (Takaful) Services Consumption in Kano Metropolis, Nigeria. *Unpublished M. Sc. Dissertation Submitted to the Department Business Administration and Entrepreneurship Studies, Bayero University Kano (BUK), Nigeria.*
- Aziz, N. A. A., Ghani, A. H. A., & Shaari, H. (2016). Issues and problems in ethical practices amongst Takaful agents. *International Review of Management and Marketing*, 6(S4), 21-26.
- Aziz, N. A. B. A., Aziz, N. N. B. A., Aris, Y. B. W., & Aziz, N. A. B. A. (2015). Factors influencing the paddy farmers' intention to participate in agriculture Takaful. *Procedia Economics and Finance*, 31, 237-242.
- Aziz, S., Husin, M. M., & Hussin, N. (2017). Conceptual framework of factors determining intentions towards the adoption of family takaful-An extension of decomposed theory of planned behaviour. *International Journal of Organizational Leadership*, 6(3), 385-399.

- Aziz, S., Husin, M. M., & Hussin, N. (2017). Intention to family Takaful adoption: A review theory and empirical work. *International Journal of Organizational Leadership*, 6, 373-384.
- Bank Negara Malaysia. (2004). "Malaysia Takaful Industry 1984-2004." Retrieved from <https://www.bnm.gov.my/files/publication/tkf/en/2004/booklet.en.pdf>
- Bank Negara Malaysia. (2017). Liberalisation of motor insurance. Retrieved from [http://www.bnm.gov.my/index.php?ch=en\\_announcement&pg=en\\_announcement&ac=529&lang=en](http://www.bnm.gov.my/index.php?ch=en_announcement&pg=en_announcement&ac=529&lang=en)
- Bank Negara Malaysia. (2018). *Licensed Insurance Companies & Takaful Operators*. Retrieved from <http://www.bnm.gov.my/index.php?ch=li&cat=insurance&type=TKF>
- Basaruddin, N. (2015). *Potensi Malaysia sebagai hab Takaful*. Retrieved from <http://www.utusan.com.my/bisnes/ekonomi/potensi-malaysia-sebagai-hab-takaful-1.154149#sthash.2IE6T3N.dpuf>
- Bashir, M. S. (2013). Analysis of customer satisfaction with the Islamic banking sector: case of Brunei Darussalam. *Asian Journal of Business and Management Sciences*, 2(10), 38-50.
- Benesty, J., Chen, J., Huang, Y., & Cohen, I. (2009). Pearson correlation coefficient. *In Noise reduction in speech processing* (pp.1-4). Springer Berlin Heidelberg.
- Bertram, D. (2009). Likert Scales. Retrieved from <http://poincare.matf.bg.ac.rs/~kristina/topic-dane-likert.pdf>
- Burns, A. C., & Bush, R. F. (2006). *Marketing Research* (5<sup>th</sup> ed., pp575). New Jersey: Pearson Prentice Hall.
- Business dictionary. (n.d.). Data cleaning. Retrieved from <http://www.businessdictionary.com/definition/data-cleaning.html>
- Business dictionary. (n.d.). Sampling frame. Retrieved from <http://www.businessdictionary.com/definition/sampling-frame.html>

- Cherry, K. (2013). Reliability- *What is reliability?* Retrieved from <http://psychology.about.com/od/researchmethods/f/reliabilitydef.htm>
- Choong, J. B., Lim C. H., Ong, K. Y., Seah, C. L., & Tan, Y. X. (2017). *Factors that affect non-Muslims customer's preference against Islamic deposit products in Malaysia*. (Doctoral dissertation, UTAR).
- Convenience Sampling*. (n.d.). Retrieved from <https://explorable.com/convenience-sampling>
- Daud, W. N. W., Rahim, M. A., Nasurdin, A. M. (2014). Quality of Islamic leadership and organizational performance within the Takaful industry in Malaysia: A conceptual study. *Canadian Center of Science and Education, 10*(21), 135-144.
- Department of Statistics Malaysia, official portal. (2017). *Population Quick info*. Retrieved from [https://www.dosm.gov.my/v1/index.php?r=column%2Fcone&menu\\_id=b2RVUmEyZ2ZZYXhaUzUrdnpaWozdz09](https://www.dosm.gov.my/v1/index.php?r=column%2Fcone&menu_id=b2RVUmEyZ2ZZYXhaUzUrdnpaWozdz09)
- Djafri, F., & Noordin, K. (2017). The impact of workplace spirituality on organizational commitment: A case study of Takaful agents in Malaysia. *Humanomics, 33*(3), 384-396.
- Echchabi, A., & Ayedh, A. M. (2015). Factors influencing the Yemeni customers' intention to adopt Takaful products. *Gadjah Mada International Journal of Business, 17*(1), 25-45.
- Echchabi, A., & Echchabi, F. (2013). Islamic insurance in the European countries: Insights from French Muslims perspective. *WSEAS Transactions on Business and Economics, 10*(3), 125-132.
- Effendi, J. (2018). Islamic insurance: A potential niche market of Indonesia. *Journal of Islamic Economics, 10*(1), 207-230.
- Ernst and Young. (2015). *Malaysian Takaful Dynamics Central Compendium 2015*.
- Fadun, O. S. (2014). Takaful (Islamic insurance) practices: Challenges and prospects in Nigeria. *Journal of Insurance Law & Practice, 4*(2), 12-28.

- Financial Mediation Bureau. (2013). *2013 annual report of the Financial Mediation Bureau*. Retrieved from [http://www.ofs.org.my/file/file/Annual%20Reports/annual\\_rep\\_2013.pdf](http://www.ofs.org.my/file/file/Annual%20Reports/annual_rep_2013.pdf)
- George, D., Mallery, P. (2005). *SPSS for windows step-by-step: A simple guide and reference 11.0 update* (4th ed.). Boston: Allyn and Bacon.
- Goforth, C. (2015). *Research Data Services + Sciences*. Retrieved from <http://data.library.virginia.edu/using-and-interpreting-cronbachs-alpha/>
- Green, S. B. (1991). How many subjects does it take to do a regression analysis? *Multivariate Behavioral Research*, 26(3), 499-510.
- Guildford, J. P. (1973). *Fundamental Statistic in Psychology and Education*. (5<sup>th</sup> ed.). McGraw-Hill, New York.
- Gumel, A. M., & Othman, M. A. (2013). Reflecting customers' innovativeness and intention to adopt islamic banking in Nigeria. *Business & Management Quaterly Review*, 4(3&4), 27-37.
- Hair, J. F., Celsi, M. W., Money, A. H., Samouel, P., & Page, M. J. (2003). *Essential of business research methods*. New York: Leyn Publishing.
- Hall, G. (2015). Person's correlations coefficient. [http://www.hep.ph.ic.ac.uk/~hallg/UG\\_2015/Pearsons.pdf](http://www.hep.ph.ic.ac.uk/~hallg/UG_2015/Pearsons.pdf)
- Hameed, W. U., Azeem, M., Ali, M., Nadeem, S., & Amjad, T. (2017). The Role of Distribution Channels and Educational level towards Insurance Awareness among the General Public. *International Journal of Supply Chain Management*, 6(4), 308-318.
- Hanif, M., & Iqbal, A. M. (2014). An evaluation of Takaful insurance: Case of Pakistan. *Journal of Islamic Economics, Banking and Finance*, 13(1), 122-146.
- Hassanuddin, N. A., Muda, N., & Karim, Z. A. (2016). Employees' intentions to participate in family Takaful plan. *Journal of Applied Environmental and Biological Sciences*, 6(8S), 64-68.

- Heffner, C. L. (n.d.). *AllPsych*. Retrieved from <https://allpsych.com/researchmethods/validityreliability/>
- Hidayat, S. E. (2015). The role of education in awareness enhancement of Takaful: A literature review. *International Journal of Pedagogical Innovations*, 3(2), 107-112.
- Hidayat, S. E., & Rafeea, A. M. (2014). Public awareness towards Takaful concept and principles: A survey in Bahrain. *International Journal of Excellence in Islamic Banking and Finance*, 4(2), 1-16.
- Htay, S. N. N., & Salman, S. A. (2013). Viability of Islamic insurance (Takaful) in India: SWOT analysis Approach. *Review of European studies*, 5(4), 145-154.
- Husin, M. M., & Rahman, A. A. (2013). The role of brand in the Malaysian Takaful industry. *Sains Humanika*, 63(1), 1-6.
- Husin, M. M., & Rahman, A. A. (2013). What drives consumers to participate into family Takaful schemes? A literature review. *Journal of Islamic Marketing*, 4(3), 264-280. doi:10.1108/JIMA-04-2012-0019
- Husin, M. M., & Rahman, A. A. (2014). Do Muslims intend to participate in Islamic insurance? *Journal of Islamic Accounting and Business Research*, 7(1), 42-58.
- Husin, M. M., & Rahman, A. A. (2015). Predicting intention to participate in family Takaful scheme using decomposed theory of planned behavioral. *International Journal of Social Economic*. 43(12), 1351-1366. doi:10.1108/IJSE-03-2015-0074
- Husin, M. M., Ismail, N., & Rahman, A. A. (2016). The roles of mass media, word of mouth and subjective norm in family Takaful purchase intention. *Journal of Islamic Marketing*, 7(1), 59-73. doi:10.1108/JIMA-03-2015-0020
- Husin, M. M., Ismail, N., & Rustam, N. (2015). The effects of compatibility, social influence, and awareness in the adoption of Takaful. Proceedings of 4<sup>th</sup> Nineteenth The IIER International Conference (pp.104-107). Bangkok, Thailand.

- Hussian, M. M., & Pasha, A. T. (2011). Conceptual and operational differences between general Takaful and conventional insurance. *Australian Journal of Business and Management Research*, 1(8), 23-28.
- Ibrahim, M, B. (2018, March 23). Governor's Remarks at the Takaful Annual Dinner and Awards 2018: "Takaful industry at crossroads: A critical examination". Retrieved from [http://www.bnm.gov.my/index.php?ch=en\\_speech&pg=en\\_speech&ac=793](http://www.bnm.gov.my/index.php?ch=en_speech&pg=en_speech&ac=793)
- Idris, N. H., Salleh, N. A., Ahmad, N., Ismail, S., & Yazid, Z. A. (2014). *Determinants of intention to use Islamic banking products among Malay Muslims: A case study in Johor Baharu*. 2nd World Conference on Islamic Thought & Civilization (pp. 606-615).
- Index Mundi. (2017). *Malaysia Religion*. Retrieved from <http://www.indexmundi.com/malaysia/religions.html>
- Ishak, N. H. I. (2017). Concept paper: Customer satisfaction in Malaysian Takaful industry. *International Journal of Academic Research in Business and Social Sciences*, 7(3), 380-391.
- Ismail, F., Jaffer, S., Unwin, L., Jamil, S., Md Hassan, A. A., Alajaji, K., & Tan, T. T. (2017). *Milliman: Global Takaful report 2017*. Retrieved from <http://www.milliman.com/uploadedFiles/insight/2017/Takaful-2017-full-report.pdf>
- Ismail, N., Othman, A. N., Yousop, N. L., Mat Din, S. Z., Abu Bakar, N., Noh, M. K., & Shafi, R. M. (2013). A study of the awareness level of Takaful products among micro enterprises in Malaysia. *Journal of Modern Accounting and Auditing*, 9(11), 1535-1542.
- Jalil, M. A. & Rahman, M.K. (2014). The impact of Islamic branding on consumer preference towards Islamic banking services: An empirical investigation in Malaysia. *Journal of Islamic Banking and Finance*, 2(1), 209-229.
- Jamil, H., & Akhter, W. (2016). Investigating the impact of Shari'ah perception on customer switching intentions: A study of Takāful and conventional insurance. *Cogent Business & Management*, 3(1), 1-11.



- Janjua, P. Z., & Akmal, M. (2014). A comparative analysis of customers' satisfaction for conventional and Islamic insurance companies in Pakistan. *International Journal of Economics and Finance*, 6(4), 36-50.
- Juhari, A. S., Bhatti, M. A., & Piaralal, S. K. (2016). Service quality and customer loyalty in Malaysian Islamic insurance sector exploring the mediating effects of customer satisfaction. *International Journal of Academic Research in Business and Social Sciences*, 6(3), 17-36.
- Kamil, N. M., & Nor, N. B. M. (2014). Factors influencing the choice of Takaful over conventional Insurance: The Case of Malaysia. *Journal of Islamic Finance*, 3(2), 1-14.
- Kasim, N., Htay, S. N. N., & Salman, S. A. (2016). The religious perspective of Takaful as ethical insurance. *Mediterranean Journal of Social Sciences*, 7(4), 96.
- Kasule, S. (2011). *Consumer attitudes, financial literacy and consumption of insurance in Kampala, Uganda* (Doctoral dissertation, Makerere University).
- Kelley, T. L. (1942) "The reliability coefficient". *Psychometrika*, 7(2), pp.75-83. doi:10.1007/BF02288068
- Khan, H. (2015). Optimal incentives for takaful (Islamic insurance) operators. *Journal of Economic Behavior & Organization*, 109, 135-144.
- Kontot, K., Hamali, J., Abdullah, F. (2016). Determining factors of customers' preferences: A case of deposit products in Islamic banking. *Procedia - Social and Behavioral Sciences*, 224, 167-175.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Laerd. (n.d.). *Convenience sampling*. Retrieved from <http://dissertation.laerd.com/convenience-sampling.php>
- Lehmann, E. (2011). *Fisher, Neyman, and the creation of classical statistics*. New York: Springer.

- Lim, J., Idris, M. F., & Carissa, Y. (2010). History, progress and future challenge of Islamic insurance (takaful) in Malaysia. *Oxford Business & Economics Conference Program*.
- Lund, A. L., (2013). Cronbach's alpha ( $\alpha$ ) using SPSS. Retrieved from <https://statistics.laerd.com/spss-tutorials/cronbachs-alpha-using-spss-statistics.php>
- Maiyaki, A. A., & Ayuba, H. (2015). Consumers' attitude toward Islamic Insurance services (Takaful) Patronage in Kano Metropolis, Nigeria. *International Journal of Marketing Studies*, 7(2), 27-34.
- Mansor, K. A., Masduki, R. M. N., Mohamad, M., Zulkarnain, N., & Aziz, N. A. (2015). A study on factors influencing Muslim's consumers preferences towards Takaful products in Malaysia. *Romanian Statistical Review*, 63(2), 78-89.
- Marshall, G & Jonker, L. (2011). An introduction to inferential statistics: A review and practical guide. *Radiography*, 17(1). doi:DOI/10.1016/j.radi.2009.12.006
- Mas' ud, A. (2017). Risk vulnerability and Takaful acceptance: Evidence from a frontier market. *International Journal of Economics, Management and Accounting*, 25(2), 411.
- Mathras, D., Cohen, A. B., Mandel, N., & Mick, D. G. (2016). The effects of religion on consumer behavior: A conceptual framework and research agenda. *Journal of Consumer Psychology*, 26(2), 298-311.
- Medanth. (n.d.). Self-administered Questionnaire. Retrieved from <https://medanth.wikispaces.com/Self-administered+Questionnaire>.
- Mohamad, J., & Majid, M. F. C. (2016). A study on the customer's acceptance towards Islamic banking products among non-Muslim in dual banking system. *International Journal of Management Studies (IJMS)*, 23(1), 1-11.
- Mohamed, O. E. B., & Alhabshi, D. D. S. O. (2015). Low market penetration of Takāful among Malaysians: Non-Takāful customers' perspective. *International Journal of Ethics in Social Sciences*, 3(1), 5-22.

- Mohamed, O. E. T. B., Alhabshi, S. O., & Sharif, K. (2013). Factors influencing market penetration of Takāful Industry in Malaysia: (1985-2008). *International Journal of Management Sciences*, 1(12), 470-481.
- Murugiah, S. (2016). *Growth potential for Takaful sector is favourable, says Fitch Ratings*. Retrieved from <http://www.theedgemarkets.com/article/growth-potential-takaful-sector-favourable-says-fitch-ratings>
- Ngah, H. C., Rashid, K. M., & Mansor, N. (2016). Determinants of customer satisfaction in Takaful products and services. *Journal of Applied Environmental and Biological Sciences*, 6(1S), 7-15.
- Obeid, H., & Kaabachi, S. (2016). Empirical investigation into customer adoption of Islamic banking services in Tunisia. *The Journal of Applied Business Research*, 32(4), 1243-1256.
- Othman, M. B. (2017). Development and Shari'ah issues of the Takaful industry in Malaysia—Effects of the regulatory framework on the implementation and growth. *Journal of Finance and Banking Review*, 2(1), 38-43.
- Park, H. M. (2008). Univariate analysis and normality test using SAS, Stata, and SPSS. Working Paper. The University Information Technology Service (UITS) Center for Statistical and Mathematical Computing, Indiana University.
- Peck, R., Olsen, C., & Devore, J. L (2011). *Introduction to statistics and data analysis*. Wadsworth, USA: Cengage Learning.
- Razak, M. I. M., Idris, R., Yusof, M. M., Jaapar, W. E., & Ali, M. N. (2013). Acceptance determinants towards Takaful products in Malaysia. *International Journal of Humanities and Social Science*, 3(17), 243-252.
- Redvers, L. (2014). Insurance: Takaful is not just for Muslims- Hassan Bashir. Retrieved from <http://www.theafricareport.com/East-Horn-Africa/insurance-takaful-is-not-just-for-muslims-hassan-bashir.html>
- Rouse, M. (2016). *Data collection*. Retrieved from <http://searchcio.techtarget.com/definition/data-collection>

- Roushdy, A. S., & Ali, G. (2017). The impact of customers engagement repurchase intention: A mediation role of customers satisfaction – the case of Takaful insurance industry. 1-18.
- Said, M., Hassan, F., Musa, R., & Rahman, N. A. (2014). Assessing Consumers' Perception, Knowledge and Religiosity on Malaysia's Halal Food Products. *Procedia-Social and Behavioral Sciences*, 130, 120-128.
- Salleh, F., Ibrahim, M. D., Awang, Z., Yazid, A. S., Wan Daud, W. N., Abdul Razak, R., Yaakub, N., Ghazali, P. L., Mohamad, M., & Hashim, N. H. (2017). Does perception towards insurable risks mediate the relationship between firm's leverage and general Takaful demand? *World Applied Sciences Journal*, 35(8), 1423-1433.
- Salleh, M. C. M. (2014). Islamic relationship marketing practice, customer satisfaction, and retention: A mediation analysis. *Australian Journal of Basic and Applied Sciences*, 8(5), 51-55.
- Salleh, M. C. M., Abdullah, N. I., Razali, S. S. (2013). The relationship of Takaful agents' Islamic ethical behaviour towards customers' satisfaction, trust and commitment: A preliminary analysis. *Journal of Islamic Finance and Business Research*, 2(1), 77-88.
- Salman, S. A., & Htay, S. N. N. (2014). Potential push-pull factors to introduce Takaful (Islamic Insurance) as a new product in India: Preliminary overview. *Research Journal of Applied Sciences, Engineering and Technology*, 8(20), 2121-2125.
- Salman, S. A., Rashid, A., Majdi, H., Htay, N., & Nu, S. (2015). This is the time to offer Takaful (Islamic Insurance) in India. *Journal of Islamic Banking & Finance*, 32(4).
- Salman, S. A., Rashid, H. M. A., & Hassan, R. (2017). Awareness and knowledge of Insurance and Takaful in India: A survey on Indian Insurance Policy Holders. *Man In India*, 97(11), 127-140.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (5th edi.). New Jersey: Prentice Hall.
- Sekaran, U. (2003). *Research method for business: A skill building approach* (4<sup>th</sup> ed.). New York: John Wiley & Sons, Inc.

- Shabiq, A., & Hassan, Z. (2016). Factors affecting adoption of Takaful (Islamic insurance) in the Maldives. *International Journal of Accounting & Business Management*, 4(1), 86-97. doi:10.24924/ijabm/2016.04/v4.iss1/86.97
- Shafifuddin, S. S., Kasmoen, N. A., Taha, N. H. M., Talaat, N. S. M. A., & Talaat, A. Z. M. A. (2016). The concept of Takaful (Islamic insurance) and its functions in the establishment of syarikat Takaful Malaysia; the first Takaful operator in Malaysia. *International Journal of Humanities and Social Science Invention*. 5(12), 43-48.
- Shahril, M., Razimi, A., & Romle, A.R. (2017). Non-Muslim perception on Islamic banking products and services in Malaysia. *World Journal of Islamic History and Civilization*, 7(1), 7-11.
- Shamsuddin, N. E., Eng, T. H., & Lajim, S. F. (2016). The preferences of the Muslim consumers between Takaful and conventional policy: A study on motor insurance consumers. In *Regional Conference on Science, Technology and Social Sciences (RCSTSS 2014)*, 225-236.
- Shanmugam, R., & Chattamvelli, R. (2015). *Statistics for Scientist and Engineers*. John Wiley & Sons. (pp.89-110).
- Siala, H. (2013). Religious influences on consumers' high-involvement purchasing decision. *Journal of Services Marketing*, 27(7), 579-589.
- Sidharta, E. A., Mentari, S., Waafaretta, V., & Nuraini, U. (2017). Attitude and perception towards Sharia insurance product. *International Journal of Business and Commerce*, 6(5), 11-23.
- Simon, M. K. (2011). Conducting pilot studies. *Dissertation and scholarly research: Recipes for success*. Seattle, WA: Dessetation Success, LLC.
- Sohail, A., Hamza, M., Jiza, F., & Azeem, M. (2014). Perception of individual consumers toward Islamic banking products and services in Pakistan. *Journal of Poverty, Investment and Development*, 5, 179-185.
- Soualhi, Y., & Al Shammari, A. A. R. (2015). Indicators of Takaful Awareness among Kuwaitis. *Journal of Islamic Banking and Finance*, 3(2), 75-89. doi:10.15640/jibf.v3n2a8

- Soud, N. S. & Sayilir, O. (2017). Perceptions of Islamic banking among Muslim and Non-Muslim citizens in Tanzania. *International Journal of Islamic Economics and Finance Studies*, 3(3), 15-29.
- Statcan.gc.ca. (2013). *Data processing*. Retrieved from <http://www.statcan.gc.ca/edu/power-pouvoir/ch3/5214783-eng.htm#tphp>
- Swartz, N. P., & Coetzer, P. (2010). Takaful: An Islamic insurance instrument. *Journal of Development and Agricultural Economics*, 2(10), 333-339.
- Tahira, H., & Arshad, Z. (2014). Comparative performance of Islamic and conventional insurance companies in Pakistan. *Journal of Business and Management*, 16(6), 33-45.
- Takaful Malaysia. (2011). *2010 annual report of the Takaful Malaysia*. Retrieved from [https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202010/Takaful\\_Annual%20Report%202010.pdf](https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202010/Takaful_Annual%20Report%202010.pdf)
- Takaful Malaysia. (2012). *2011 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202011/Annual%20Report%202011.pdf>
- Takaful Malaysia. (2013). *2012 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202012/Takaful%20Annual%20Report%202012%20-%20Full%20-%20low%20res-010413.pdf>
- Takaful Malaysia. (2014). *2013 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202013/Annual%20Report%202013.pdf>
- Takaful Malaysia. (2015). *2014 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202014/Annual%20Report%202014.pdf>

- Takaful Malaysia. (2016). *2015 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202015/Annual%20Report%202015.pdf>
- Takaful Malaysia. (2017). *2016 annual report of the Takaful Malaysia*. Retrieved from <https://www.takaful-malaysia.com.my/corporate/aboutus/Financial%20Reports/Annual%20Report%202016/STMB%20ANNUAL%20REPORT%202016.pdf>
- Takaful sector set to double growth rate. (2016, May 2). *The Star*. Retrieved from <http://www.thestar.com.my/business/business-news/2016/05/02/takaful-sector-set-to-double-growth-rate/#OtYRzpQIAIMJwWtA.99>
- Tan, S. S., & Lim, C. C. (2017). A preliminary study on the relationship between psychographic factors and the purchase of life insurance. *International Journal of Management Studies*, 24(1), 1-22.
- Thibaut, J., & Kelley, H. (1959). *The social psychology of groups*. New York: Wiley.
- Uddin, M. B., Shammo, A. M., Mahbub, M., & Ahmed, N. (2016). Non-Muslim customers' attitude and perceptions toward the products and services of Islamic banks: An exhaustive study on Islamic Bank Bangladesh limited. *IOSR Journal of Business and Management*, 18(10), 72-79.
- Ustaoglu, M. (2015). Public awareness, understanding and attitudes towards interest-free insurance (Takaful) services evaluation by education level: Survey based on empirical analysis for Turkey. *Journal of Asian and African Studies*, 50(4), 445-456. doi:10.1177/0021909614533095
- Watt, James H & Berg, S. A. (2002). *Research method for communication science* [e-book]. Retrieved from <http://ciosmail.cios.org:3375/readbook/rmcs/ch07.pdf>
- Yaqub, H. A., & Dandago, K. I. (2015). Determinants of motor Takaful patronage among commercial vehicle operators: A conceptual review. *The 1<sup>st</sup> Academic Conference of the Institute of Chartered Accountants of Nigeria (ICAN)*, 368-393.

- Yazid, A. S., Ariffin, J., Awang, Z., Daud, W. N. W., Zainol, F. A., Salleh, F., ... & Hamid, N. A. (2017). Does Education Moderates the Relationship Between Decision Factors and Purchase Decision of Family Takaful Protection in Malaysia?. *World Applied Sciences Journal*, 35(9), 1849-1863.
- Yusuf, T. O., Adeleke, I. A., & Ojikutu, R. K. (2014). The demand for Takaful (Islamic insurance) in Nigeria. *Journal of Islamic Banking and Finance*, 31(1), 78-89.
- Yusuf, T. O., Gbadamosi, A., & Hamadu, D. (2009). Attitudes of Nigerians toward Insurance Services: An Empirical Study. *African journal of Accounting, Economics Finance and Banking Research*, 4(4), 34-46.
- Zakaria, Z., Azmi, N. M., Hassan, N. F. H. N., Salleh, W. A., Tajuddin, M. T. H. M., Sallem, N. R. M., & Noor, J. M. M. (2016). The intention to purchase life insurance: A case study of staff in public universities. *Procedia Economics and Finance*, 37, 358-365.
- Zikmund, W. G. (2003). *Business Research Methods* (7 Edition). South-Western Publishing. pp. 54, 55, 65, 402, 738.



## Appendices

### Appendix 3.1: Permission Letter to Conduct Survey



## UNIVERSITI TUNKU ABDUL RAHMAN

Wholly Owned by UTAR Education Foundation (Company No. 578227-M)

15<sup>th</sup> August 2017

#### To Whom It May Concern

Dear Sir/Madam,

#### Permission to Conduct Survey

This is to confirm that the following students are currently pursuing their *Bachelor of Business Administration (Hons) Banking and Finance* program at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct their research at your institution. All information collected will be kept confidential and used only for academic purposes.

The students are as follows:

<u>Name of Student</u>	<u>Student ID</u>
Lee Pui Yee	14ABB03180
Ling Woan Yun	14ABB03673
Ng Siew Chan	14ABB02232
Tan Kar Rui	14ABB03189
Wong Xin Yi	14ABB00908

If you need further verification, please do not hesitate to contact me.

Thank you.

Yours sincerely,

Ms Kuah Yoke Chin  
Head of Department  
Faculty of Business and Finance  
Email: [kuahyc@utar.edu.my](mailto:kuahyc@utar.edu.my)

Puan Noor Azizah binti Shaari  
Supervisor  
Faculty of Business and Finance  
Email: [azizah@utar.edu.my](mailto:azizah@utar.edu.my)

Appendix 3.2: Questionnaire Survey Form



**FACTORS THAT AFFECT THE INTENTION OF NON-MUSLIMS TO  
ADOPT TAKAFUL IN MALAYSIA**  
*FAKTOR-FAKTOR YANG MEMPENGARUHI KAUM BUKAN ISLAM UNTUK  
MENGAMBIL TAKAFUL DI MALAYSIA*

Survey Questionnaire  
*Soalan Kajian Selidik*

---

Dear respondent,  
*Responden yang dihormati,*

We are the final year undergraduate students of Bachelor of Banking and Finance (Hons), from Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to carry out a research to investigate the factors that affect the intention of non-Muslims to adopt Takaful in Malaysia. Please answer all the questions to the best of your knowledge. All responses are completely confidential. Thank you for your participation.

*Kami adalah pelajar tahun akhir Sarjana Muda Perbankan dan Kewangan (Kepujian), dari Universiti Tunku Abdul Rahman (UTAR). Tujuan kajian ini adalah untuk menjalankan penyelidikan untuk menyiasat faktor-faktor yang mempengaruhi kaum bukan Islam untuk mengambil Takaful di Malaysia. Sila jawab semua soalan dengan pengetahuan yang terbaik. Semua jawapan adalah sulit. Terima kasih atas penyertaan anda.*

<b>Name / Name</b>	<b>Student ID / ID Pelajar</b>
1. Lee Pui Yee	14ABB03180
2. Ling Woan Yun	14ABB03673
3. Ng Siew Chan	14ABB02232
4. Tan Kar Rui	14ABB03189
5. Wong Xin Yi	14ABB00908

---

**Instructions:**

*Arahan:*

1. There are TWO (2) sections in this questionnaire. Please answer ALL the questions in every section.

*Terdapat DUA (2) bahagian dalam soal selidik ini. Sila jawab SEMUA soalan dalam setiap bahagian.*

2. Completion of this form will take you approximately 5 to 10 minutes.  
*Jawabkan soalan kajian selidik ini akan memeluhkan anda kira-kira 5 hingga 10 minit.*

### **Introduction about Takaful (Must Read)**

In recent years, the demand of Takaful is raising and it is expected to have positive growth for the coming years. Muslims are encouraged to choose Takaful because it is based on Shariah Principle; yet, non-Muslims also can purchase Takaful.

Takaful is an Arabic word, means "jointly guarantee". It is an Islamic insurance which jointly guarantee the risk among Takaful participants. It is a form of mutual help from the participants to those who are in hardships. The element such as riba (interest), gharar (uncertainty), and maysir (gambling) are totally prohibited in Takaful.

There are two types of Takaful business which is Family Takaful and General Takaful. Family Takaful means you will contribute a sum of money to a common takaful fund to help each other if one of the participants in misfortune such as the death or permanent disability. Besides, part of your contributions will go into savings and investments. Whereas, General Takaful gives protection against accident, fire, flood, liability and burglary.

*Kebelakangan ini, permintaan Takaful semakin meningkat dan ia dijangka mempunyai pertumbuhan positif bagi tahun-tahun yang akan datang. Muslims digalakkan memilih Takaful kerana ia berdasarkan Prinsip Syariah; namun, kaum bukan Islam juga boleh membeli Takaful.*

*Takaful adalah perkataan Arab, bererti "menjamin bersama". Ia merupakan insurans yang bersama-sama menjamin risiko di kalangan pembeli Takaful. Ini adalah satu bentuk bantuan bersama dari anda kepada mereka yang berada dalam kesulitan. Unsur seperti riba (faedah), gharar (ketidakpastian), dan maysir (perjudian) adalah dilarang dalam Takaful.*

*Terdapat dua jenis Takaful iaitu Takaful Keluarga dan Takaful Am. Keluarga Takaful bermakna anda akan menyumbang sejumlah wang kepada dana takaful bersama untuk membantu satu sama lain jika salah seorang peserta dalam kemalangan seperti kematian atau hilang keupayaan yang kekal. Selain itu, sebahagian daripada sumbangan anda akan masuk ke simpanan dan pelaburan. Bahawa, Takaful Am memberikan perlindungan terhadap kemalangan, kebakaran, banjir, liabiliti dan pencurian.*

**Section A: Factors that affect the intention of non-Muslims to adopt Takaful in Malaysia.**

*Bahagian A: faktor-faktor yang mempengaruhi kaum bukan Islam untuk mengambil Takaful di Malaysia.*

Please circle your answer by using five points Likert Scale:

*Sila bulatkan jawapan anda dengan menggunakan lima mata Skala Likert:*

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree  
 1 = Sangat Tidak Setuju; 2 = Tidak Setuju; 3 = Neutral; 4 = Setuju; 5 = Sangat Setuju

**(A) Attitude / Sikap**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
AT 1.	I have positive attitude towards Takaful. <i>Saya mempunyai fikiran yang positif terhadap Takaful.</i>	1	2	3	4	5
AT 2.	I adopt Takaful because I prefer profit sharing. <i>Saya memilih Takaful kerana saya lebih suka berkongsi keuntungan.</i>	1	2	3	4	5
AT 3.	I adopt Takaful because it is freed from riba (interest), gharar (uncertainty), and maysir (gambling). <i>Saya memilih Takaful kerana bebas dari riba (faedah), gharar (ketidakpastian), dan maysir (perjudian).</i>	1	2	3	4	5
AT 4.	I adopt Takaful because I prefer the service that provides by the Islamic bank. <i>Saya memilih Takaful kerana saya lebih suka perkhidmatan yang disediakan oleh bank Islam.</i>	1	2	3	4	5

AT 5.	I adopt Takaful because the protection coverage of Takaful is same with other insurance. <i>Saya memilih Takaful kerana perlindungan dari Takaful adalah sama dengan insurans lain.</i>	1	2	3	4	5
-------	--	---	---	---	---	---

**(B) Subjective Norms/ Norma subjektif**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SN 1.	The community can influence my intention to adopt Takaful. <i>Masyarakat boleh mempengaruhi niat saya untuk menerima Takaful.</i>	1	2	3	4	5
SN 2.	Discussions with peers make me to have the intention to adopt Takaful. <i>Perbincangan dengan rakan sebaya boleh mempengaruhi niat saya untuk menerima Takaful.</i>	1	2	3	4	5
SN 3.	If my families purchase Takaful, I will follow them to purchase Takaful. <i>Jika keluarga saya membeli Takaful, saya akan mengikutinya untuk membeli Takaful.</i>	1	2	3	4	5
SN 4.	Communication with my colleagues will influence me to know more about Takaful product. <i>Komunikasi dengan rakan sekerja saya akan mempengaruhi saya untuk lebih mengetahui tentang produk Takaful.</i>	1	2	3	4	5

SN 5.	Social media will influence me to have interest in Takaful. <i>Media sosial akan mempengaruhi saya untuk mempunyai minat dalam Takaful.</i>	1	2	3	4	5
-------	--	---	---	---	---	---

**(C) Perceived Behavioural Control / Kawalan Tingkah Laku**

Items	Questions/ Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
PB 1.	I am confident that I can involve in Takaful if I want to. <i>Saya yakin saya boleh melibatkan diri dalam Takaful jika saya mahu.</i>	1	2	3	4	5
PB 2.	I believe I have high confidence and enough resources and information to adopt Takaful. <i>Saya percaya saya mempunyai keyakinan yang tinggi dan sumber dan maklumat yang mencukupi untuk menerima Takaful.</i>	1	2	3	4	5
PB 3.	If I do not have confidence and enough information toward Takaful, it would be difficult for me to adopt Takaful even though I have the passion to perform it. <i>Sekiranya saya tidak mempunyai keyakinan dan maklumat yang mencukupi terhadap Takaful, saya berasa sukar untuk menerima Takaful walaupun saya mempunyai semangat untuk melaksanakannya.</i>	1	2	3	4	5

PB 4.	The decision to adopt Takaful is based on my control. <i>Keputusan untuk menerima Takaful adalah berdasarkan kawalan saya.</i>	1	2	3	4	5
PB 5.	To adopt Takaful is easy for me. <i>Saya berasa menerima Takaful adalah mudah.</i>	1	2	3	4	5

**(D) Attributes of Agent / Sifat-sifat ejen**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
AA 1.	The agent is a responsible person. <i>Ejen itu adalah seorang yang bertanggungjawab.</i>	1	2	3	4	5
AA 2.	The agent willing to maintain a long term relationship. <i>Ejen itu sanggup mengekalkan hubungan yang jangka panjang.</i>	1	2	3	4	5
AA 3.	The agent is knowledgeable and able to provide exact information regarding the product. <i>Ejen itu mempunyai pengetahuan yang luas dan mampu memberi maklumat yang tepat mengenai produk tersebut.</i>	1	2	3	4	5
AA 4.	The agent is able to provide a suitable product regarding my situation. <i>Ejen itu mampu memberi produk yang sesuai dengan keadaan saya.</i>	1	2	3	4	5
AA 5.	Agent is always available to give helps to me.	1	2	3	4	5

<i>Ejen itu sentiasa bersedia untuk memberi bantuan kepada saya.</i>					
--	--	--	--	--	--

**(E) Religiosity/ Keagamaan**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
RE 1.	I prefer Takaful because it is based on Shariah principle and Al-Quran. <i>Saya lebih suka Takaful kerana ia berdasarkan prinsip Syariah and Al-Quran.</i>	1	2	3	4	5
RE 2.	If Takaful is acceptable for my religion, I would like to purchase Takaful. <i>Sekiranya Takaful boleh diterima oleh agama saya, saya ingin membeli Takaful.</i>	1	2	3	4	5
RE 3.	I believe that Takaful is Islamic while conventional insurance is a non-Islamic product. <i>Saya percaya bahawa Takaful adalah Islam manakala insurans konvensional adalah produk bukan Islam.</i>	1	2	3	4	5
RE 4.	I believe that religion is an important factor for me in making decision to adopt Takaful. <i>Saya percaya bahawa agama adalah faktor yang penting kepada saya dalam membuat keputusan untuk menerima Takaful.</i>	1	2	3	4	5



RE 5.	I will adopt Takaful although I am non-Muslim. <i>Saya ingin menerima Takaful walaupun saya bukan orang Islam.</i>	1	2	3	4	5
-------	---	---	---	---	---	---

**(F) Awareness/ Kesedaran**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
AW 1.	I am aware that the banking operation of Takaful is based on Syariah law. <i>Saya sedar bahawa operasi perbankan Takaful adalah berdasarkan hukum Syariah.</i>	1	2	3	4	5
AW 2.	I am aware that all the transactions of Takaful are interest prohibited. <i>Saya sedar bahawa faedah adalah dilarang dalam semua usrus niaga Takaful.</i>	1	2	3	4	5
AW 3.	I am aware that the return of Takaful is based on profit sharing and gift. <i>Saya sedar bahawa pulangan dari Takaful adalah berdasarkan perkongsian keuntungan dan hibah.</i>	1	2	3	4	5
AW 4.	I am aware that all the Takaful business is freed from riba (interest), gharar (uncertainty), and maysir (gambling). <i>Saya sedar bahawa semua perniagaan Takaful bebas dari riba (faedah), gharar (ketidakpastian), dan maysir (perjudian).</i>	1	2	3	4	5

AW 5.	I am aware that the products of Takaful are general and family insurance products. <i>Saya sedar bahawa product Takaful melibatkan product insurans am dan keluarga.</i>	1	2	3	4	5
-------	---	---	---	---	---	---

**(G) Intention to adopt Takaful / Niat untuk mengambil Takaful**

Items	Questions / Soalan	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	There are insurance companies offering Takaful services near my staying place. <i>Terdapat syarikat insurans yang menawarkan perkhimatan Takaful berdekatan dengan tempat tinggal saya.</i>	1	2	3	4	5
2.	My confidence and trust are very high on the Takaful companies operating in Malaysia. <i>Keyakinan dan kepercayaan saya sangat tinggi terhadap syarikat Takaful yang beroperasi di dalam Malaysia.</i>	1	2	3	4	5
3.	The Takaful services meet my needs. <i>Perkhimatan Takaful memenuhi keperluan saya.</i>	1	2	3	4	5
4.	I have intention to purchase Takaful in the near future. <i>Saya mempunyai niat untuk membeli Takaful pada masa depan.</i>	1	2	3	4	5
5.	Takaful able to reduce risks.	1	2	3	4	5

	<i>Takaful boleh mengurangkan risiko.</i>					
--	---	--	--	--	--	--

**Comment:**

---

---

---

---

**Section B: Demographic Profile**

*Bahagian B: Profil Demografi*

Please cross ( × ) or fill in the blank provided.

*Sila tandakan ( × ) atau isikan tempat kosong.*

1. Location / *Lokasi*:

- (        ) Selangor / *Selangor*
- (        ) Penang / *Pulau Pinang*
- (        ) Kuala Lumpur / *Kuala Lumpur*

2. Gender / *Jantina*:

- (        ) Male / *Lelaki*
- (        ) Female / *Perempuan*

3. Age / *Umur* :

- (        ) 20 - 29 years old / *20– 29 Tahun*
- (        ) 30 - 39 years old / *30 – 39 Tahun*
- (        ) 40 - 49 years old / *40 – 49 Tahun*
- (        ) 50 years old and above / *50 Tahun ke atas*

4. Religion / *Agama*:

- (        ) Hindu / *Hindu*
- (        ) Buddhist / *Buddha*

- (     ) Sikh / *Sikh*
- (     ) Christian / *Kristian*
- (     ) Others / *Yang lain*: .....

\*\*\*\*\* THANK YOU \*\*\*\*\*

Appendix 3.3: Origins of Statement in Questionnaire Survey

<b>Variable</b>	<b>Authors</b>	<b>Item Measure</b>
Intention to Adopt Takaful	Ayuba (2014).  Husin, Ismail, and Rahman (2016).  Samuel (2011).	1. There are insurance companies offering Takaful services near my staying place.  2. My confidence and trust are very high on the Takaful companies operating in Kano Metropolis, Nigeria.  3. The Takaful services meet my needs  4. I have intention to purchase Takaful in the near future.  5. Takaful able to reduce risks.
Subjective Norms	Salman and Htay (2014).  Salleh, Abdullah, and Razali (2013).	1. The community can influence my intention to adopt Takaful.  2. Discussion with peers makes me to have the intention to adopt Takaful.  3. If my families purchase Takaful, I will follow them to purchase Takaful  4. Communication with my colleagues will influence me to know more about Takaful product.  5. Social media will influence me to have interest in Takaful.
Awareness	Htay and Salman (2013).	1. I am aware that the banking operation of Takaful is based on Syariah law.  2. I am aware that all the transactions of Takaful are interest prohibited.  3. I am aware that the return of Takaful is based on profit sharing and gift.  4. I am aware that all the Takaful business is freed from riba (interest),

		<p>gharar (uncertainty), and maysir (gambling).</p> <p>5. I am aware that the products of Takaful are general and family insurance products.</p>
Attribute of agents	Salman and Htay (2014)	<ol style="list-style-type: none"> <li>1. The agent is a responsible person.</li> <li>2. The agent willing to maintain a long-term relationship.</li> <li>3. The agent is knowledgeable and able to provide exact information regarding the product.</li> <li>4. The agent is able to provide a suitable product regarding your situation.</li> <li>5. Agent is always available to give helps to customers.</li> </ol>
Religiosity	<p>Idris, Salleh, Ahmad, Ismail, and Yazid (2014).</p> <p>Salman, Rashi, and Htay (2015).</p> <p>Ahmad, Almsafir, and Siron (2013).</p> <p>Al-Salih (2014).</p> <p>Soualhi and Al Shammari (2015).</p>	<ol style="list-style-type: none"> <li>1. I prefer Takaful because it is based on Shariah principle and Al-Quran.</li> <li>2. If Takaful is acceptable for my religion, I would like to purchase Takaful.</li> <li>3. I believe that Takaful is Islamic while conventional insurance is a non-Islamic product.</li> <li>4. I believe that religion is an important factor for me in making decision to adopt in Takaful.</li> <li>5. I will adopt Takaful although I am non-Muslim.</li> </ol>

Appendix 4.1: Demographic Profiles of Respondents

		<b>Statistics</b>			
		LOCATION	GENDER	AGE	RELIGION
N	Valid	300	300	300	300
	Missing	0	0	0	0
Mean		2.0000	1.5000	1.4700	1.6767
Median		2.0000	1.5000	1.0000	1.0000
Mode		2.00	1.00 <sup>a</sup>	1.00	1.00
Std. Deviation		.80134	.50084	.76006	1.02418
Variance		.642	.251	.578	1.049
Skewness		.000	.000	1.597	1.170
Std. Error of Skewness		.141	.141	.141	.141
Kurtosis		-1.441	-2.013	1.876	.257
Std. Error of Kurtosis		.281	.281	.281	.281
Range		2.00	1.00	3.00	4.00
Minimum		1.00	1.00	1.00	1.00
Maximum		3.00	2.00	4.00	5.00

a. Multiple modes exist. The smallest value is shown

**LOCATION**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SELANGOR	96	32.0	32.0	32.0
	KUALA LUMPUR	108	36.0	36.0	68.0
	PENANG	96	32.0	32.0	100.0
	Total	300	100.0	100.0	

**AGE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	200	66.7	66.7	66.7
	30-39	67	22.3	22.3	89.0
	40-49	25	8.3	8.3	97.3
	50 AND ABOVE	8	2.7	2.7	100.0
	Total	300	100.0	100.0	

**GENDER**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	150	50.0	50.0	50.0
	FEMALE	150	50.0	50.0	100.0
	Total	300	100.0	100.0	

**RELIGION**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BUDDHIST	200	66.7	66.7	66.7
	HINDU	13	4.3	4.3	71.0
	CHRISTIAN	76	25.3	25.3	96.3
	SIKH	6	2.0	2.0	98.3
	OTHERS	5	1.7	1.7	100.0
	Total	300	100.0	100.0	



Appendix 4.2: Statistic of Subjective Norm

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.877	.879	5

**Item Statistics**

	Mean	Std. Deviation	N
SN1	3.5300	.97241	300
SN2	3.5800	.98327	300
SN3	3.7000	1.07417	300
SN4	3.6833	.99651	300
SN5	3.5467	1.03508	300

**Item Statistics**

	Mean	Std. Deviation	N
SN1	3.5300	.97241	300
SN2	3.5800	.98327	300
SN3	3.7000	1.07417	300
SN4	3.6833	.99651	300
SN5	3.5467	1.03508	300

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SN1	14.5100	11.401	.739	.571	.844
SN2	14.4600	11.286	.749	.584	.841
SN3	14.3400	11.443	.634	.415	.870
SN4	14.3567	11.247	.742	.561	.843
SN5	14.4933	11.361	.684	.497	.857

**Statistics**

		SN1	SN2	SN3	SN4	SN5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.5300	3.5800	3.7000	3.6833	3.5467
Median		4.0000	4.0000	4.0000	4.0000	4.0000
Mode		4.00	4.00	4.00	4.00	4.00
Std. Deviation		.97241	.98327	1.07417	.99651	1.03508
Variance		.946	.967	1.154	.993	1.071
Skewness		-.458	-.438	-.716	-.842	-.645
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		-.098	-.186	-.049	.541	.029
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**SN1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	9	3.0	3.0	3.0
	DISAGREE	33	11.0	11.0	14.0
	NEUTRAL	92	30.7	30.7	44.7
	AGREE	122	40.7	40.7	85.3
	STRONGLY AGREE	44	14.7	14.7	100.0
Total		300	100.0	100.0	

**SN2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	8	2.7	2.7	2.7
	DISAGREE	32	10.7	10.7	13.3
	NEUTRAL	90	30.0	30.0	43.3
	AGREE	118	39.3	39.3	82.7
	STRONGLY AGREE	52	17.3	17.3	100.0
Total		300	100.0	100.0	

**SN3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	13	4.3	4.3	4.3
	DISAGREE	30	10.0	10.0	14.3
	NEUTRAL	63	21.0	21.0	35.3
	AGREE	122	40.7	40.7	76.0
	STRONGLY AGREE	72	24.0	24.0	100.0
	Total	300	100.0	100.0	

**SN4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	13	4.3	4.3	4.3
	DISAGREE	22	7.3	7.3	11.7
	NEUTRAL	67	22.3	22.3	34.0
	AGREE	143	47.7	47.7	81.7
	STRONGLY AGREE	55	18.3	18.3	100.0
	Total	300	100.0	100.0	

**SN5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	15	5.0	5.0	5.0
	DISAGREE	30	10.0	10.0	15.0
	NEUTRAL	79	26.3	26.3	41.3
	AGREE	128	42.7	42.7	84.0
	STRONGLY AGREE	48	16.0	16.0	100.0
	Total	300	100.0	100.0	

Appendix 4.3: Statistic of Perceived Behavioural Control

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.814	.815	5

**Item Statistics**

	Mean	Std. Deviation	N
PB1	3.6667	.99273	300
PB2	3.3767	1.08260	300
PB3	3.7633	1.00533	300
PB4	3.9633	.93357	300
PB5	3.4300	.99418	300

**Inter-Item Correlation Matrix**

	PB1	PB2	PB3	PB4	PB5
PB1	1.000	.606	.490	.434	.627
PB2	.606	1.000	.279	.275	.567
PB3	.490	.279	1.000	.497	.450
PB4	.434	.275	.497	1.000	.464
PB5	.627	.567	.450	.464	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PB1	14.5333	9.119	.721	.542	.742
PB2	14.8233	9.571	.550	.431	.796
PB3	14.4367	9.999	.538	.354	.798
PB4	14.2367	10.402	.524	.329	.801
PB5	14.7700	9.221	.699	.502	.749

**Statistics**

		PB1	PB2	PB3	PB4	PB5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.6667	3.3767	3.7633	3.9633	3.4300
Median		4.0000	3.0000	4.0000	4.0000	3.0000
Mode		4.00	4.00	4.00	4.00	3.00
Std. Deviation		.99273	1.08260	1.00533	.93357	.99418
Variance		.986	1.172	1.011	.872	.988
Skewness		-.717	-.332	-.744	-1.069	-.247
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		.449	-.464	.350	1.412	-.289
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**PB1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	13	4.3	4.3	4.3
	DISAGREE	17	5.7	5.7	10.0
	NEUTRAL	85	28.3	28.3	38.3
	AGREE	127	42.3	42.3	80.7
	STRONGLY AGREE	58	19.3	19.3	100.0
Total		300	100.0	100.0	

**PB2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	17	5.7	5.7	5.7
	DISAGREE	43	14.3	14.3	20.0
	NEUTRAL	96	32.0	32.0	52.0
	AGREE	98	32.7	32.7	84.7
	STRONGLY AGREE	46	15.3	15.3	100.0
Total		300	100.0	100.0	

**PB3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	11	3.7	3.7	3.7
	DISAGREE	18	6.0	6.0	9.7
	NEUTRAL	75	25.0	25.0	34.7
	AGREE	123	41.0	41.0	75.7
	STRONGLY AGREE	73	24.3	24.3	100.0
	Total	300	100.0	100.0	

**PB4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	9	3.0	3.0	3.0
	DISAGREE	10	3.3	3.3	6.3
	NEUTRAL	52	17.3	17.3	23.7
	AGREE	141	47.0	47.0	70.7
	STRONGLY AGREE	88	29.3	29.3	100.0
	Total	300	100.0	100.0	

**PB5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	10	3.3	3.3	3.3
	DISAGREE	37	12.3	12.3	15.7
	NEUTRAL	111	37.0	37.0	52.7
	AGREE	98	32.7	32.7	85.3
	STRONGLY AGREE	44	14.7	14.7	100.0
	Total	300	100.0	100.0	

Appendix 4.4: Statistic of Attributes of Agent

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.926	.926	5

**Item Statistics**

	Mean	Std. Deviation	N
AA1	3.7200	.93337	300
AA2	3.7100	.95688	300
AA3	3.8533	.93169	300
AA4	3.8400	.94022	300
AA5	3.8300	.88528	300

**Inter-Item Correlation Matrix**

	AA1	AA2	AA3	AA4	AA5
AA1	1.000	.766	.733	.677	.780
AA2	.766	1.000	.687	.655	.680
AA3	.733	.687	1.000	.729	.736
AA4	.677	.655	.729	1.000	.699
AA5	.780	.680	.736	.699	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AA1	15.2333	10.661	.840	.729	.902
AA2	15.2433	10.814	.782	.635	.913
AA3	15.1000	10.793	.816	.671	.907
AA4	15.1133	10.964	.772	.609	.915
AA5	15.1233	11.052	.819	.686	.906

**Statistics**

		AA1	AA2	AA3	AA4	AA5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.7200	3.7100	3.8533	3.8400	3.8300
Median		4.0000	4.0000	4.0000	4.0000	4.0000
Mode		4.00	4.00	4.00	4.00	4.00
Std. Deviation		.93337	.95688	.93169	.94022	.88528
Variance		.871	.916	.868	.884	.784
Skewness		-.607	-.544	-.703	-.672	-.679
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		.402	.269	.508	.397	.697
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**AA1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	8	2.7	2.7	2.7
	DISAGREE	16	5.3	5.3	8.0
	NEUTRAL	88	29.3	29.3	37.3
	AGREE	128	42.7	42.7	80.0
	STRONGLY AGREE	60	20.0	20.0	100.0
Total		300	100.0	100.0	

**AA2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	9	3.0	3.0	3.0
	DISAGREE	14	4.7	4.7	7.7
	NEUTRAL	97	32.3	32.3	40.0
	AGREE	115	38.3	38.3	78.3
	STRONGLY AGREE	65	21.7	21.7	100.0
Total		300	100.0	100.0	



**AA3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	7	2.3	2.3	2.3
	DISAGREE	12	4.0	4.0	6.3
	NEUTRAL	77	25.7	25.7	32.0
	AGREE	126	42.0	42.0	74.0
	STRONGLY AGREE	78	26.0	26.0	100.0
	Total	300	100.0	100.0	

**AA4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	7	2.3	2.3	2.3
	DISAGREE	13	4.3	4.3	6.7
	NEUTRAL	79	26.3	26.3	33.0
	AGREE	123	41.0	41.0	74.0
	STRONGLY AGREE	78	26.0	26.0	100.0
	Total	300	100.0	100.0	

**AA5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	6	2.0	2.0	2.0
	DISAGREE	11	3.7	3.7	5.7
	NEUTRAL	78	26.0	26.0	31.7
	AGREE	138	46.0	46.0	77.7
	STRONGLY AGREE	67	22.3	22.3	100.0
	Total	300	100.0	100.0	

Appendix 4.5: Statistic of Religiosity

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.809	.809	5

**Item Statistics**

	Mean	Std. Deviation	N
RE1	3.0900	1.09204	300
RE2	3.4767	1.05507	300
RE3	3.4933	1.06162	300
RE4	3.4400	1.13314	300
RE5	3.2867	1.06534	300

**Inter-Item Correlation Matrix**

	RE1	RE2	RE3	RE4	RE5
RE1	1.000	.529	.377	.398	.642
RE2	.529	1.000	.494	.529	.494
RE3	.377	.494	1.000	.581	.309
RE4	.398	.529	.581	1.000	.241
RE5	.642	.494	.309	.241	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
RE1	13.6967	10.821	.636	.495	.759
RE2	13.3100	10.770	.679	.463	.747
RE3	13.2933	11.379	.569	.394	.780
RE4	13.3467	11.070	.561	.434	.783
RE5	13.5000	11.562	.536	.457	.789

**Statistics**

		RE1	RE2	RE3	RE4	RE5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.0900	3.4767	3.4933	3.4400	3.2867
Median		3.0000	4.0000	4.0000	4.0000	3.0000
Mode		3.00	4.00	3.00	4.00	4.00
Std. Deviation		1.09204	1.05507	1.06162	1.13314	1.06534
Variance		1.193	1.113	1.127	1.284	1.135
Skewness		-.133	-.549	-.396	-.454	-.443
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		-.525	-.065	-.264	-.509	-.284
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**RE1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	27	9.0	9.0	9.0
	DISAGREE	55	18.3	18.3	27.3
	NEUTRAL	112	37.3	37.3	64.7
	AGREE	76	25.3	25.3	90.0
	STRONGLY AGREE	30	10.0	10.0	100.0
Total		300	100.0	100.0	

**RE2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	18	6.0	6.0	6.0
	DISAGREE	28	9.3	9.3	15.3
	NEUTRAL	94	31.3	31.3	46.7
	AGREE	113	37.7	37.7	84.3
	STRONGLY AGREE	47	15.7	15.7	100.0
Total		300	100.0	100.0	

**RE3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	15	5.0	5.0	5.0
	DISAGREE	30	10.0	10.0	15.0
	NEUTRAL	103	34.3	34.3	49.3
	AGREE	96	32.0	32.0	81.3
	STRONGLY AGREE	56	18.7	18.7	100.0
	Total	300	100.0	100.0	

**RE4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	20	6.7	6.7	6.7
	DISAGREE	41	13.7	13.7	20.3
	NEUTRAL	80	26.7	26.7	47.0
	AGREE	105	35.0	35.0	82.0
	STRONGLY AGREE	54	18.0	18.0	100.0
	Total	300	100.0	100.0	

**RE5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	23	7.7	7.7	7.7
	DISAGREE	38	12.7	12.7	20.3
	NEUTRAL	101	33.7	33.7	54.0
	AGREE	106	35.3	35.3	89.3
	STRONGLY AGREE	32	10.7	10.7	100.0
	Total	300	100.0	100.0	

Appendix 4.6: Statistic of Awareness

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.920	.921	5

**Item Statistics**

	Mean	Std. Deviation	N
AW1	3.6533	.92521	300
AW2	3.6667	.93011	300
AW3	3.6667	.93727	300
AW4	3.6567	1.00106	300
AW5	3.6500	1.01205	300

**Inter-Item Correlation Matrix**

	AW1	AW2	AW3	AW4	AW5
AW1	1.000	.794	.734	.694	.631
AW2	.794	1.000	.716	.721	.615
AW3	.734	.716	1.000	.754	.652
AW4	.694	.721	.754	1.000	.677
AW5	.631	.615	.652	.677	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AW1	14.6400	11.542	.812	.698	.898
AW2	14.6267	11.526	.810	.695	.898
AW3	14.6267	11.452	.816	.674	.897
AW4	14.6367	11.088	.812	.670	.898
AW5	14.6433	11.535	.720	.527	.917

**Statistics**

		AW1	AW2	AW3	AW4	AW5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.6533	3.6667	3.6667	3.6567	3.6500
Median		4.0000	4.0000	4.0000	4.0000	4.0000
Mode		4.00	4.00	4.00	4.00	4.00
Std. Deviation		.92521	.93011	.93727	1.00106	1.01205
Variance		.856	.865	.878	1.002	1.024
Skewness		-.635	-.520	-.492	-.578	-.619
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		.509	.190	.122	.036	.140
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**AW1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	9	3.0	3.0	3.0
	DISAGREE	18	6.0	6.0	9.0
	NEUTRAL	90	30.0	30.0	39.0
	AGREE	134	44.7	44.7	83.7
	STRONGLY AGREE	49	16.3	16.3	100.0
Total		300	100.0	100.0	

**AW2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	7	2.3	2.3	2.3
	DISAGREE	21	7.0	7.0	9.3
	NEUTRAL	91	30.3	30.3	39.7
	AGREE	127	42.3	42.3	82.0
	STRONGLY AGREE	54	18.0	18.0	100.0
Total		300	100.0	100.0	

**AW3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	7	2.3	2.3	2.3
	DISAGREE	21	7.0	7.0	9.3
	NEUTRAL	93	31.0	31.0	40.3
	AGREE	123	41.0	41.0	81.3
	STRONGLY AGREE	56	18.7	18.7	100.0
	Total	300	100.0	100.0	

**AW4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	10	3.3	3.3	3.3
	DISAGREE	25	8.3	8.3	11.7
	NEUTRAL	84	28.0	28.0	39.7
	AGREE	120	40.0	40.0	79.7
	STRONGLY AGREE	61	20.3	20.3	100.0
	Total	300	100.0	100.0	

**AW5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	12	4.0	4.0	4.0
	DISAGREE	22	7.3	7.3	11.3
	NEUTRAL	86	28.7	28.7	40.0
	AGREE	119	39.7	39.7	79.7
	STRONGLY AGREE	61	20.3	20.3	100.0
	Total	300	100.0	100.0	

Appendix 4.7: Statistic of Intention of Non-Muslims of Choose Takaful based on Their Perception

**Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.892	.893	5

**Item Statistics**

	Mean	Std. Deviation	N
DV1	3.1767	1.10885	300
DV2	3.2133	1.02208	300
DV3	3.2000	.95728	300
DV4	3.2300	1.07437	300
DV5	3.3933	.98413	300

**Inter-Item Correlation Matrix**

	DV1	DV2	DV3	DV4	DV5
DV1	1.000	.628	.613	.569	.466
DV2	.628	1.000	.667	.689	.618
DV3	.613	.667	1.000	.706	.623
DV4	.569	.689	.706	1.000	.676
DV5	.466	.618	.623	.676	1.000

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
DV1	13.0367	12.203	.658	.468	.887
DV2	13.0000	12.000	.775	.601	.859
DV3	13.0133	12.381	.777	.606	.860
DV4	12.9833	11.622	.785	.635	.856
DV5	12.8200	12.697	.694	.521	.877



**Statistics**

		DV1	DV2	DV3	DV4	DV5
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.1767	3.2133	3.2000	3.2300	3.3933
Median		3.0000	3.0000	3.0000	3.0000	3.0000
Mode		4.00	3.00	3.00	4.00	3.00
Std. Deviation		1.10885	1.02208	.95728	1.07437	.98413
Variance		1.230	1.045	.916	1.154	.969
Skewness		-.236	-.249	-.111	-.323	-.452
Std. Error of Skewness		.141	.141	.141	.141	.141
Kurtosis		-.666	-.268	.053	-.480	.147
Std. Error of Kurtosis		.281	.281	.281	.281	.281
Range		4.00	4.00	4.00	4.00	4.00
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

**DV1**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	24	8.0	8.0	8.0
	DISAGREE	58	19.3	19.3	27.3
	NEUTRAL	91	30.3	30.3	57.7
	AGREE	95	31.7	31.7	89.3
	STRONGLY AGREE	32	10.7	10.7	100.0
Total		300	100.0	100.0	

**DV2**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	19	6.3	6.3	6.3
	DISAGREE	45	15.0	15.0	21.3
	NEUTRAL	118	39.3	39.3	60.7
	AGREE	89	29.7	29.7	90.3
	STRONGLY AGREE	29	9.7	9.7	100.0
Total		300	100.0	100.0	

**DV3**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	15	5.0	5.0	5.0
	DISAGREE	40	13.3	13.3	18.3
	NEUTRAL	143	47.7	47.7	66.0
	AGREE	74	24.7	24.7	90.7
	STRONGLY AGREE	28	9.3	9.3	100.0
	Total	300	100.0	100.0	

**DV4**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	22	7.3	7.3	7.3
	DISAGREE	49	16.3	16.3	23.7
	NEUTRAL	98	32.7	32.7	56.3
	AGREE	100	33.3	33.3	89.7
	STRONGLY AGREE	31	10.3	10.3	100.0
	Total	300	100.0	100.0	

**DV5**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	16	5.3	5.3	5.3
	DISAGREE	26	8.7	8.7	14.0
	NEUTRAL	117	39.0	39.0	53.0
	AGREE	106	35.3	35.3	88.3
	STRONGLY AGREE	35	11.7	11.7	100.0
	Total	300	100.0	100.0	

Appendix 4.8: Normality Test

<b>Variables</b>	<b>Items</b>	<b>Skewness</b>	<b>Kurtosis</b>
Attitude	AT 1	-0.255	-0.189
	AT 2	-0.167	-0.626
	AT 3	-0.121	-0.778
	AT 4	-0.063	-0.521
	AT 5	-0.140	-0.632
Subjective Norm	SN 1	-0.458	-0.098
	SN 2	-0.438	-0.186
	SN 3	-0.716	-0.049
	SN 4	-0.842	-0.541
	SN 5	-0.645	0.029
Perceived Behavioural Control	PB 1	-0.717	-0.449
	PB 2	-0.332	-0.464
	PB 3	-0.744	-0.350
	PB 4	-1.069	1.412
	PB 5	-0.247	-0.289
Attributes of Agent	AA 1	-0.607	0.402
	AA 2	-0.544	0.269
	AA 3	-0.703	0.508
	AA 4	-0.672	0.397
	AA 5	-0.679	0.697
Religiosity	RE 1	-0.133	-0.525
	RE 2	-0.549	-0.065
	RE 3	-0.396	-0.264
	RE 4	-0.454	-0.509
	RE 5	-0.443	-0.284
Awareness	AW 1	-0.635	0.509
	AW 2	-0.520	0.190
	AW 3	-0.492	0.122
	AW 4	-0.578	0.036
	AW 5	-0.619	0.140
Intention to Choose Takaful based on Perception	DV 1	-0.236	-0.666
	DV 2	-0.249	-0.268
	DV 3	-0.111	0.053
	DV 4	-0.323	-0.480
	DV 5	-0.452	0.147

Source: Developed for research

Appendix 4.9: Pearson Correlation Analysis

	AVGD V	AVGAT	AVGSN	AVGPB	AVGA A	AVGRE	AVGAW
AVGD Pearson Correlation V	1	.403**	.438**	.555**	.473**	.618**	.513**
Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
Sum of Squares and Cross-products	221.614	97.761	93.578	108.488	99.319	129.466	110.569
Covariance	.741	.327	.313	.363	.332	.433	.370
N	300	300	300	300	300	300	300
AVGA Pearson Correlation T	.403**	1	.201**	.209**	.170**	.333**	.214**
Sig. (2-tailed)	.000		.000	.000	.003	.000	.000
Sum of Squares and Cross-products	97.761	264.984	46.858	44.648	39.126	76.239	50.436
Covariance	.327	.886	.157	.149	.131	.255	.169
N	300	300	300	300	300	300	300
AVGS Pearson Correlation N	.438**	.201**	1	.728**	.555**	.466**	.582**
Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
Sum of Squares and Cross-products	93.578	46.858	205.741	137.224	112.302	94.222	120.859
Covariance	.313	.157	.688	.459	.376	.315	.404
N	300	300	300	300	300	300	300
AVGP Pearson Correlation B	.555**	.209**	.728**	1	.705**	.535**	.685**
Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
Sum of Squares and Cross-products	108.488	44.648	137.224	172.560	130.752	98.992	130.176
Covariance	.363	.149	.459	.577	.437	.331	.435
N	300	300	300	300	300	300	300
AVGA Pearson Correlation A	.473**	.170**	.555**	.705**	1	.414**	.505**
Sig. (2-tailed)	.000	.003	.000	.000		.000	.000
Sum of Squares and Cross-products	99.319	39.126	112.302	130.752	199.174	82.321	103.124
Covariance	.332	.131	.376	.437	.666	.275	.345
N	300	300	300	300	300	300	300
Pearson Correlation	.618**	.333**	.466**	.535**	.414**	1	.506**

AVGR	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
E	Sum of Squares and Cross-products	129.466	76.239	94.222	98.992	82.321	198.334	103.031
	Covariance	.433	.255	.315	.331	.275	.663	.345
	N	300	300	300	300	300	300	300
AVGA	Pearson Correlation	.513**	.214**	.582**	.685**	.505**	.506**	1
W	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	Sum of Squares and Cross-products	110.569	50.436	120.859	130.176	103.124	103.031	209.367
	Covariance	.370	.169	.404	.435	.345	.345	.700
	N	300	300	300	300	300	300	300

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