THE ACCEPTANCE OF COMMERCIAL INSURANCE OR TAKAFUL DURING COVID-19 AMONG YOUNG WORKING ADULTS IN MALAYSIA

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DEPARTMENT OF BANKING AND RISK MANAGEMENT

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DECLARATION

We hereby declare that:

(1) This undergraduate FYP 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 FYP has been submitted in support of any application for any other degree or qualification of this or any other university, or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the FYP.

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DEDICATION

Dedicated to

Mr Muhammad Ashraf Bin Anuar

Mr Muhammad Ashraf Bin Anuar is our supervisor. He always motivates and guides us patiently through the whole process of the research project.

Families and friends

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

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LIST OF ABBREVIATIONS

IV   Independent Variables

DV   Dependent Variable

AW   Awareness or Knowledge

AT   Attitude

DF   Demographic Factors

AA   Attributes of Agents

BNM   Bank Negara Malaysia

SPSS   Statistical Package for Social Science

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PREFACE

In this research, we will examine the variables that would affect the acceptance of the young working adults in Malaysia towards commercial insurance or takaful during Covid-19 pandemic. After studied the past empirical research, we have recognized four independent variables which will influence the acceptance of young working adults in Malaysia toward commercial insurance or takaful which consist awareness or knowledge, attitude, demographic factors and attribute of agents. 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 acceptance of young working adults toward commercial insurance or takaful.

The result of this research study seeks to deliver a better understanding of how and why the independent variables will influence the acceptance of the young working adults in Malaysia towards the commercial insurance or takaful during Covid-19. Therefore, the insurance or takaful company could take 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 or takaful sector.

ABSTRACT

The General Insurance Industry has stated that there is a significant decrease in the gross direct premiums of commercial insurance or takaful. The objective of this research is to examine the factors affecting the acceptance of commercial insurance or takaful among the young working adults in Malaysia during Covid-19. Four independent variables that used in this study to indicate the factors that influence the acceptance of young working adults to purchase commercial insurance or takaful include awareness or knowledge, attitude, demographic factors (gender, income level, number of family members and occupation) and the attribute of agents. 300 sets of questionnaires were distributed through online in Google Form. IBM SPSS Statistics was used to analyses ad interpret the collected data. The data was analysed using descriptive analysis, reliability test, normality test, Pearson Correlation Coefficient Analysis and Multiple Linear Regression. The result shows that all the independent variables are significant to dependent variable except for the awareness or knowledge of young working adults. Nonetheless, there are some limitations and recommendations in this study that will be further discussed in later chapters.

CHAPTER 1: INTRODUCTION

1.1 Research Background

The first case of Covid-19 was discovered in Malaysia on 25 January 2020 and is a global coronavirus disease pandemic that is still happening now. According to the World Health Organisation (WHO) the latest Covid-19 deaths has exceeded 3.3 million. In severe cases of Covid-19, the infection spreads down the respiratory tract and into the lungs, causing pneumonia. If get pneumonia, lungs might not be able to supply as much oxygen to the bloodstream. The symptoms of Covid-19 like a rapid heartbeat, breathlessness, or pain in your chest. Despite the fact that coronavirus was first assumed to be a respiratory ailment, we now know it may impact various organs and systems in the body. The heart, circulatory system, brain, kidneys, liver, gastrointestinal system, and other organs and systems may be affected by the illness. (British Heart Foundation, 2021)

Even in children, the sequelae of Covid-19 are strokes, seizures, and Guillain-Barre syndrome, which is a disorder that causes temporary paralysis. Covid-19 has also been related to a higher risk of Parkinson's and Alzheimer's diseases (Mayo Clinic, 2021). According to Kagan (2021), a contract in which a company or the government agrees to pay a premium in exchange for a guarantee of reimbursement in the event of a certain loss, damage, disease, or death is known as insurance. Any sort of insurance has three essential components: premium, policy limit, and deductible.

Takaful is an Islamic kind of insurance in which members pool their resources to insure one another. Takaful insurance is based on Islamic religious law and includes health, life and other forms of insurance. The takaful fund pays out any claims made by participants. The rising cases of Covid-19 from day to day, and the side effects after taking the vaccine. This problem may affect the acceptance of insurance and takaful among Malaysian. There are many different types of insurance and takaful to pick from on the market. Customers' demands range from pricing quotations to coverage and payment information, as well as assistance with an occurrence and filling an insurance claim.

The failure of Malaysia's 'Total Lockdown' has thrown hospitals into disarray. Malaysia's healthcare system was already in dire condition when Prime Minister Muhyiddin Yassin imposed a nationwide absolute lockdown in May to combat a surge of Covid-19 infections. Hospitals around the nation, particularly in the Klang Valley, were practically at capacity due to a shortage of intensive care unit (ICU) beds and staff to provide sufficient treatment. Healthcare workers in Kuala Lumpur were compelled to send patients away due to the state's limited number of ICU beds, while doctors in the northern state of Kedah are left to choose who gets a chance to survive (Zainuddin, 2021).

The Covid-19 epidemic, along with the attendant economic lockdown and social distancing standards, has thrown the business world into disarray. The majority of executives have failed to make sense of the turmoil and complexity that surrounds them. Managers in the health insurance industry are at the forefront of this difficulty, as new Covid-19 related goods and services had to be developed quickly. Insurance companies have to launch and offer new policies and services to cover the Covid-19 pandemic. (Nayak & Bhattacharyya, 2020)

The Malaysian government has been asked to set a ceiling price for Covid-19 therapy at private hospitals so that it can be regarded as a viable option for those with a middle income. According to Dr. Maznah Dahlui, the treatment of Category 3 and severe (Categories 4 and

5) of Covid-19 requires a ceiling price of RM20,000 and RM50,000 respectively as it required supervision, beds and CT scans for treatment. Next, there has been a couple with Category 3 Covid-19 were charged a fee for a week's stay at hospital amounted to RM8,000 to RM10,000. Besides, there is also a family of a critically ill of Covid-19 patient with kidney problem was charged RM20,000 to RM30,000 per day by a private hospital. ICU fees were included in the total (Babulal, 2021).

According to the General Insurance Association of Malaysia (PIAM), most of the ordinary insurance companies do not offer the medical and health insurance policies that covered the pandemic like Covid-19. This is because pandemics are thought to be a rare occurrence, resulting in a lack of broad coverage in most policies. Pandemics are a concern for those who are exposed to a lot of germs. Insurance rates will inevitably be higher if a pandemic is covered, as premiums will be proportional to risk exposure. (Paul Raj, 2021)

According to the Malaysian Life Insurance Association, there are 7.8 million of Malaysia's 16 million working adults are uninsured. ("Is the pandemic nudging people to buy life insurances?," n.d.) Several insurance firms have taken pre-emptive measures by providing additional complimentary Covid-19 coverage. (Teoh, Sasidaran, Lim Yuet Ying, & Azami, n.d.) Life Insurance Association of Malaysia (LIAM), PIAM and Malaysian Takaful Association (MTA) has established the Covid-19 Test Fund (CTF) which aims to help the Ministry of Health (MoH) conduct more test of Covid-19 for the benefit of medical insurance policyholders as well as takaful certificate holders. The insurance and takaful industries have given RM8 million. ("INSURANCE AND TAKAFUL INDUSTRY Covid-19 TESTING FUND FOR MEDICAL INSURANCE POLICYHOLDERS," n.d.) As the country is placed on full lockdown for the second time to prevent the growth in record-breaking positive cases by flattening the curve. Moreover, the coverage for Home Quarantine which included in the Covid-19 Vaccine Complications Cover is now offered

by AIA Malaysia to Malaysians ("AIA Malaysia offers two free Covid-19 coverage," 2021).

According to Department of Statistics Malaysia official portal Mohd Uzir Mahidin,(2019) the working age is from 15-65 years old. While young adult age is generally from 18-25 years old ("Young Adult Development Project," n.d.).

1.2 Problem Statement

Insurance and Takaful in general in particular in Malaysia have been given little attention to the concept of marketing over these years. In the year 2020, the General Insurance Industry has stated that there is a significant decrease in the gross direct premiums for the first six month of 2020 compared to the same period in 2019 due to Covid-19 pandemic. So, it is important for marketers to understand the factor affecting the buyer towards the acceptance of insurance.

According to Loke and Goh (2012), Malaysia's GDP for health and life insurance was only 2.9 percent which included Takaful insurance. Malaysia's GDP for health and life insurance is 3.2 percent and 4.6 percent respectively which is much lower than that of other Asian nations like Singapore and Japan. Besides, in the year 2013, Central Bank of Malaysia (BNM) has reported that the Malaysian population insured RM1.02 trillion in 2012, an increase of 8% over the previous year's figure of RM946 billion. Nevertheless, there remains an untapped market for heath and life insurance, including Takaful among Malaysian, particularly among young working adults. As a result, the purpose of this article

is to investigate the relationship between the factors that influence the young working adults acceptance of commercial insurance or takaful in Malaysia.

Before the outbreak of the Covid-19 pandemic between 2015 to 2019, the Malaysian non-life or general insurance market including health insurance, increased at a compound annual growth rate of 0.4 percent. According to Bank Negara Malaysia (BNM), the general insurance industry shrank by 3.6 percent in the first half of 2020 compared to the previous year as a result of the government's Movement Control Order. Covid-19 has presented itself as a health and economic concern in Malaysia but it has attracted little attention during the year. According to Malaysian Insurance Highlights 2020 (2021), most of the consumers understood that the health insurance may help them receive better care and shield them from the costs of sickness. However, the researchers point out that while customer knowledge has increased, purchasing power has declined and consumers are more likely to cut down the insurance spending rather than raise it as a result of financial stress.

Besides, everyone, even single persons such as recent graduates and young working adults, has to be appropriately insured regardless of their life stage. Young working adults have different needs than a married couple or a family with children. It is critical that they obtain the appropriate insurance coverage based on their requirements. If the young working adults obtain the appropriate insurance services and operations, insurance will offer them with a safety net against obstacles that might potentially wipe out their savings. Young working adults may kick start their ambitions with peace of mind while reaching them by using adequate insurance services, preparation and coverage. Therefore, this paper will study the awareness and knowledge of the young working adults towards the acceptance of the insurance or Takaful in Malaysia.

Moreover, prescription medication costs, and other health-related costs have been spiralling out of control, resulting in an increase in medical expenses. Chin (2014) has

mentioned that the medical expenditures are likely to continue growing in the next years, according to several polls, with some predicting increases of up to 15% each year. Despite the fact that the majority of Malaysians cannot afford medical bills, many Malaysians especially young working adults did not carry their own insurance or takaful. Malaysian young working adults' inclination towards adoption of insurance depends on their awareness and knowledge of the insurance services and comparability of their religious and social value. Non-awareness of the young working adults' about the insurances products and its operation would affect their attitude towards insurances. Hence, this paper will investigate the awareness of the young working adults in Malaysia and their acceptance of insurance or Takaful.

In addition, before purchasing a product or service, young working adults often gather the information and expertise about it, which include the insurance services. According to Brucks (1985), product knowledge refers to being aware of information about a certain product or service. Product knowledge is the most critical factor that influences a customer's decision to buy a certain product. According to Burton, Howlett, and Tangari (2009), consumer behaviour and decision-making are heavily influence by the product knowledge. Ahmad, Juliana and Wan (2012) has revealed that Malaysians' comprehension of life insurance is still below the average, which has an impact on consumer inclinations to purchase on it. In this scenario, if the young working adults have a better understanding of insurance services and operations, the product value is evaluated and the risk of purchase is accepted.

The purpose of conducting this study is that many of young working adults in Malaysia did not have their own insurance or takaful, which is an unhealthy trend because it indicates that the majority of them have no idea how to undertake their own financial planning, which can lead to financial difficulties in future. As a result, the purpose of this study is to

investigate the variables that influence young working adults in Malaysia to purchase the commercial insurance of Takaful。

1.3 Research Questions

1.3.1 General Research Question:

What variables influence the acceptance level of takaful or insurance among young working adults?

1.3.2 Specific Research Question:

1: What is the link between awareness or knowledge (AW) of insurance and the acceptance of insurance or takaful among the young working adults in Malaysia during Covid-19 pandemic?

2: What is the link between the attitude (AT) of young working adults and the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia?

3: What is the link between demographic factors (DF) of young working adults and the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia?

4: What is the link between the attributes of agents (AA) and the acceptance of insurance and Takaful among young working adults during Covid-19 pandemic in Malaysia?

1.4 Research Objectives

The aim of conducting this study is to better understand the determinants of the acceptance of Takaful and insurance among young working adults during Covid-19 pandemic in Malaysia. We will be able to determine the awareness or knowledge of insurance, attitude of young working adults, income level and attribute of agents as well as gain a better understanding of the determinants of the acceptance of Takaful and insurance among young working adults during Covid-19 pandemic in Malaysia as a result of this study

1.4.1 General Research Objective:

To investigate the determinants of the acceptance of Takaful and insurance among young working adults during Covid-19 pandemic in Malaysia.

1.4.2 Specific Objectives:

1: To find out the association between awareness or knowledge of insurance of young working adults and the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

2: To find out the association between the attitude of young working adults and the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

3: To find out the association between the demographic factors of young working adults and the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

4: To find out the association between the attributes of agents and the acceptance of insurance and Takaful among young working adults during Covid-19 pandemic in Malaysia.

1.5 Hypothesis of Study

Awareness or knowledge of insurance, attitude, demographic factors, and attribution of agents are the independent factors that study in this research.

1.5.1 Awareness or knowledge of insurance (AW)

H0: AW insignificantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

H1: AW significantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

1.5.2 Attitude (AT)

H0: AT insignificantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

H1: AT significantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

1.5.3 Demographic factors (DF)

H0: DF insignificantly affect young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

H1: DF significantly affect young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

1.5.4 Attributes of Agent (AA)

H0: AA insignificantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

H1: AA significantly affects young working adults to choose commercial insurance or Takaful during Covid-19 pandemic in Malaysia.

1.6 Significance of the study

Contributing in determining the factors that affect Malaysian to have a low preference in commercial insurance or Takaful. During the Covid-19 pandemic, young working adults for acceptance of commercial insurance or Takaful is of great significance for this research. Through this research, we can better understand the factors that affect young working adults' willingness to purchase commercial insurance or takaful. Therefore, acceptance of commercial insurance or takaful during Covid-19 pandemic among young working adults in Malaysia will act as the dependent variable of this study. As for the independent variables, awareness and knowledge of insurance, attitude, income level and attributes of the agent have been chosen.

The scientific study of attitudes has been investigated in previous research because it was considered that attitudes were the key to understanding human behavior (Thomas and Znaniecki, 1918; Watson, 1925). This research provides the ability to assess consumer perceptions, knowledge and investigates insurance consumption attitudes during Covid-19 pandemic. Due to the Covid-19 pandemic becoming serious, the attitude of consumers should be more aware about their health and accept commercial insurance or takaful to protect themselves. The results of this study will highlight important information about people who accept commercial insurance or takaful or policyholders can understand their needs in insurance or takaful, and these will also assist insurance companies and legislators

in the development and encouragement of the Malaysian insurance industry. On the other hand, this research can also assist organizations in gaining a better understanding of the insurance industry's demand patterns and in developing innovative insurance products that satisfy customer expectation. In addition, insurance carriers must learn how to please the clients in order to gain customer loyalty, particularly if the pandemic gets severe.

In contrast, the acceptance of commercial insurance or takaful among young working adults can be influenced by their income level. Cheney and Loubere noted that Mossin's result does not take into account the empirically plausible situation in which higher income consumers may have greater potential losses to insure against. The results present the relationship between the young working adults' acceptance and the level and composition of income that they would be willing to pay for insurance. However, the research insurance industry can rearrange the price for different coverage of insurance for all people getting benefits, and affordable pay for insurance or takaful.

It is critical to conduct this research because it can benefit the young working adults, consumers and the general public by demonstrating how the attribute of agents, their service quality, knowledge, corporate image, will influence the customer satisfactions in the insurance or takaful sector in Malaysia. It is critical to conduct this research since the customer happiness will be based on the corporate success. Customers who accept or willing to acquire insurance or takaful may be influenced by this research. When dissatisfaction occurs among the customers, it will lead to customer complaints (Singh and Widing, 1991). It is reasonable that some businesses have failed to meet the expectations of the majority of customers. As a result, after studying all of the target insurance businesses, consumers may make an informed decision about the company's performance, allowing them to select a better insurance provider.

In conclusion, the readers will have a better grasp of the kind of advantages that insurance or takaful may bring, resulting in a more favorable outlook on this research. Malaysia's government is able to better grasp the existing scenario as well as help the commercial insurance or takaful business by designing better and more policies for Malaysians by referring to this research. The insurance industry will also increase consumer acceptance and protection of insurance or takaful. The outcomes of this research will provide important information and materials for addressing the limitations of the previous studies and to determine if young working adults in Malaysia accepted insurance or takaful during the outbreak of Covid-19 pandemic.

1.7 Conclusion

In this chapter, it gives a review of commercial insurance and takaful and examines the elements such as awareness or knowledge (AW), attitude(AT), demographic factors(DF) and attribute of agent(AA) on the acceptance towards the insurance or Takaful during Covid-19 pandemic. This chapter gives a summary of the research aims and questions, as well as the importance of the study to insurance companies, takaful operators, policymakers, customers and future researchers. Overall, this research is beneficial to commercial insurance and takaful industries. The literature and theoretical models relating to this topic will be discussed in greater depth in the following chapter.

CHAPTER 2: LITERATURE REVIEW

2.1 Review of relevant Theory

2.1.1 Theory of Reasoned Action (TRA)

Martin Fishbein and Icek Ajzen are the pioneers' attempts to present the link between the consumer attitudes and behavior in the late 1960s and form TRA. According to the notion, customers will engage in activity depending on their desire to acquire or generate a certain result. It explains the relationship between the consumer attitudes and behaviors. It also discusses how pre-existing attitudes have a role in the decision-making process. Across diverse study contexts and cultures, the TRA is frequently employed to understand various behavioural intents. According to Godin (1994), the aim of the theory is to focus on social behavior deliberately.

Jogiyanto (2007) has stated that the personal's attitude toward the behaviour (a personal element) as well as the individual's perception of the public pressure to do or not perform activity, referred to as subjective norms, determine the individual's intention. Fishbein and Ajzen (1975) has described the attitude toward the behavior is a product of one's belief in the effects of one's actions and one's evaluation of those actions. Behavioral factors are the determinants of behavioural changes that are exhibited by customer attitude shift while engaging with a product or service,

according to the idea. Acceptance or rejection might be the result of a shift in mindset.

The study of Hasyim (2018) has used the TRA to study the intention of Indonesian towards the acceptance of Takaful. The findings revealed that the attitudes and subjective norms impact the adoption of commercial insurance or takaful. technically, attitude factors influence behavior either directly or indirectly through intention. However, this approach as a flaw in that it can only be used when customers are not being forced to buy something.

2.1.2 Theory of Self-regulation

According to Bagozzi (1992), the purpose of the Self-Regulation Theory is to investigate the many cognitive, motivational and emotional processes involved in the implementation of intentions and action. Bagozzi (1992) has stated that AT are commonly thought of being evaluative assessments. The AT will lead to intents to perform or not undertake a given action if the assessments are strong enough. Empirical evidence has confirmed that the distal effects of AT on intention through desires (Bagozzi & Kimmel, 1995).

2.2 Literature Review

2.2.1 Review of Variables: Acceptance level of Takaful or commercial insurance

Referring to Lawal Hussein Kehinde and Ashurov Sharofiddin (2021), they had done a research on the level of acceptance and awareness of takaful in Nigeria. The research was conducted with 209 questionnaires. Based on the research, most of the respondents do not have enough information to differentiate takaful and conventional insurance. Therefore, this ensures that people will request takaful services instead of traditional insurance when they have enough information on takaful. The raising awareness of takaful in this area will enhance takaful in Nigeria's takaful operating system to implement its development in Nigeria, especially the Shariah board. Furthermore, policy makers and other stakeholders are recommended to provide sufficient information on takaful services and products. It is necessary to raise the Nigerian public awareness of takaful although the attitude towards the takaful industry is an important determinant, which shows that the country's takaful services and product patrons have a significant impact.

Some researchers had done research about the acceptance determinants towards Takaful products in Malaysia. This research was conducted among 91 persons in Malaysia area by simple random sampling. At the end of the research, they had found that all independent variables which are perception, product features, promotion and quality services have a positive relationship with the customer's acceptance towards their purchasing decision. According to analysis, it shows that respondents have a high degree of acceptance of takaful products. The researcher had concluded that the most important factor that affects the customers' acceptance of takaful is the quality of services (MdRazak et al., 2013).

Referring to Rahman and Daud (2010), they had investigated medical and health takaful, as well as medical and health insurance, consumer purchase behaviour and claim trends. The research also looked into whether moral hazard exists in the context of insurance compensation claims. There were two groups of people took part in the study. The individual participants were preselected from the takaful operator database for the first group, while traditional insurance firms, medical and health insurance claims experience were used for the second group. In result, most of the claims were rejected because the managed care organization found some violations, while the claims experienced of Islamic insurance companies were other. When the claimed disability lasts longer than necessary, and the average claims per person per person is high even the disability lasts for a short period of time, some moral hazard will also occur.

A study has been conducted on traditional health insurance needs and demand by including the living consumption. The research data was gathered from Ningxia and Zhejiang rural areas. The primary characteristics that determine the demand for medical insurance, according to the study report, are education level, geography and income diversification. The real buying propensity is influenced by the geography and demand trends. The location variable is thought to mostly represent the income disparity between two provinces, implying that insurance affordability severely limits the potential to change purchasing demand. According to the previous researchers, fewer than half of rural inhabitants are aware of the need for medical insurance, and only one-fifth of them purchase on it. This research may not suitable for other countries although this research details the health insurance needs among rural residents in China. This is due to different cultures and perspectives. In addition, takaful seems to be not important in this research (Wang & Rosenman,2007).

2.2.2 Review of variables: Awareness or knowledge of insurance (AW) (X1)

Awareness is defined as it is important to know that something exists or interest and concern in a specific situation or areas of interest (Awareness, n.d.). There have been ongoing attempts in recent years to assist customers in better understanding insurance and protecting their interests under insurance policies. BNM is associated with PIAM and LIAM jointly play an active role in educating and protecting the interest of insured persons. These efforts are designed to cover the interests of all interests of all interested parties (Bank Negara Malaysia, n.d.).

Referring to Lukman Olorogun Ayinde and Abdelghani Echchabi, they believe that awareness will affect the willingness of customers to purchase takaful services. Based on their research result, the customers believe that they have sufficient awareness of takaful with a high average value of 4.783. This average value indicates that customers are willing to takaful, especially in three time spans namely 1 year, 2 years and 3 years. Moreover, customers positively believed that takaful is compatible with their financial needs, social and religious values. At the end of the research, the result revealed that there is a favourable association between takaful or insurance awareness and the acceptance (Ayinde & Echchabi, 2012). Takaful can only be adopted when it is accepted by the consumers.

Rusni Hassan, Syed Ahmed Salman, Salina Kassm and Hafiz Majdi (2018) had done a study on awareness and knowledge of takaful in Malaysia. They had found that only 378 of over 503 respondents were aware of takaful. The remaining 125

respondents do not know about takaful. The awareness of takaful seems to be low although it has been provided in Malaysia since 1984. The researchers claim that the takaful operators should strengthen their marketing strategies and simplify the product functions so that they can capture the unspoiled market. The awareness and education of consumers can act as an important role in the decision-making of potential customers.

Product knowledge is defined as the whole breadth of correct information stored in memory that may be utilised to aid customers in making a purchasing choice. Product knowledge is crucial because customers' memories and initial impressions are recorded with many sorts of information, meaning and belief.

Consumes that have more information will be more practical and understanding when it comes to selecting items that match their needs. Consumers can make more accurate selections if they have a better understanding of the product (Prisciallia & Ratih, 2020).

For the insurance industry or Takaful, people mostly gain knowledge through insurance agents rather than educational institutes (Waheed&Saad, 2017). They also may gain knowledge by other ways such as the actual experience with the product or advertisement that can create awareness of insurance that assists them to choose the particular product. Most people avoid buying a life insurance policy commonly because either they do not understand the importance of insurance or consider it as an unnecessary expense. On the basis of the needs of consumers, the insurance companies will normally offer various types of insurance products to suit different consumers' needs. This causes customers to get confused with different options often and makes it difficult for them to choose the correct plan which suits their needs (Reasons why people in India do not buy life insurance, n.d.).

Besides, customers will be more interested and more understanding about the insurance products if insurance agents can provide reliable information about product brands. The customer decision process to purchase life insurance of Takaful basically depends on the level of knowledge of customers. It will be difficult to seek compensation due to lack of insurance knowledge among young adults or complicated procedures. When it comes to select the insurance companies, customers who are more aware about the product have a higher level of confidence than those who are less knowledgeable. On the other hand, the role of insurance agents is important because they are the person who should provide the accurate information about the insurance products or services for consumers, so customers may undertake the wrong insurance policy if insurance agents convey the inaccurate knowledge or information. Moreover, it is found that understanding of life insurances of young adults in Malaysia is still below par level, which may affect customer decision making. Besides, in order to assist customers in making the best purchase decision, life insurance policies should be simple to understand in terms of policy terms and feel more appealing during the buy and claim process (Jonathan et al, 2019).

2.2.3 Review of variables: Attitude (AT) (X2)

The term "attitude" refers to a long-term structure of ideas, AT, and behavioural patterns toward important things, organisations or vents (Vaughan & Hogg, 2005). It is a psychological propensity that manifests itself in the form of a positive or negative assessment of an entity (Eagly and haiken, 1993). AA is frequently used to predict human intents and consumption patterns (Phau and Teah, 2009). Customer attitudes could be shaped by their tradition and culture. The customer's attitude about everything such as education risk and the life cycle especially

consuming habits, is formed by their simple decisions about what they come into touch with or consume, such as products or services (Ayuba and Maiyaki, 2015).

There are some empirical results that show a relationship between the AT of customers and the acceptance of insurance or Takaful. Firstly, According to Yigzaw (2010), the customer AT is positively related to the insurance. This study has revealed the elements that influence customer perceptions of insurance or takaful which are age, gender, religion, educational status, income level and employment status. The study has discovered that demographic factors play a considerable role of varying degrees on AT of buyers of insurance.

Lim, Yusuf and Ghani (2020) have stated that the goal of the AT is to moderate the interaction between market tactics and insurance buyer bahaviour. The importance of the customer's AT regarding insurance acceptance must be recognised by insurance marketers. The stimulus response, which focuses on the consumer as a thinker and decision maker who responds to external stimuli and internal considerations while determining or not to buy insurance, is described in the research. They discovered a customer's AT toward marketing mix techniques has a major impact on their happiness as a consumer and that there is a positive association between internal elements such as a customer's AT and their insurance product behaviour.

Yusuf, Gbadamosi and Hamidu (2009) have found that the customers' AT is positively related to the acceptance of insurance. The study has described Nigerians' AT toward the insurance institution. The researchers polled 392 members of the public, both insuring and non-insuring, to get a sense of how they feel about insurance firms and their operations. The research also reveals several demographical aspects as well as their opinions toward insurance businesses and

services. They say that throughout the establishment of a connection, customers from different cultures rely on distinct elements and AT, which has resulted in Nigerians having diverse behavioural reactions to insurance services.

Omar (2007) has stated that AT is positive related to the acceptance ofcommercial insurance or takaful. The survey examined Nigerian customers' AT on purchasing life insurance as well as their desire to acquire it. For example, the study has used savings, investment and risk protection as the factor analysis of attitudinal factors which is used to predict their AT towards life insurance. The study found that the investment such as the expectation of high return is the key factor that affects the AT of the consumer towards life insurance. The research is conducted through a total sample of 240 of Nigerian.

Maiyaki and Ayuba (2015) has stated that the consumers' AT has a positive relationship toward Takaful. In Kano Metropolis, Nigeria, the past study revealed the characteristics that have a substantial impact on customers' AT regarding Takaful patronage. The population of the research is indefinite, with 384 people receiving questionnaires, and the respondents' job position serving as the foundation for their selection and participation in the study. The study discovers the factors which significantly influence customers' AT toward Takaful services. The data is analyzed using multiple-regression and found that there are several elements that influence consumers' AT regarding Takaful services, demonstrating a favorable correlation between AT and insurance acceptance. The study discovers the factors which significantly influence customers' AT toward Takaful services.

Hung, Ku and Chang (2003) have provided sufficient data to suggest that good AT lead to positive buying intentions. If a customer as a favorable opinion of a product or service, he is extremely likely to purchase that product or services. Besides, past Islamic finance research have shown a beneficial association between the AT of

consumer and buying intention. For example, Akturan and Tezcan (2012) found that AT is the main determinant of consumers' purchase intention. The study makes the empirically supported claim that future prospects of mobile banking adoption intentions are heavily impacted by their opinions regarding mobile banking.

Amin (2012) has tested the effects of AT on the Islamic insurance participation. The study provided a model to investigate the component in the context of Islamic insurance participation. The study is based on the responses of 206 people who took part in the survey. Importantly, the findings have suggested that the AT provides the most important component in influencing the acceptance of commercial insurance or takaful since it gives the greatest match to the data. The conclusions of the survey have revealed the level of customer acceptability of insurance and takaful. It also includes helpful tips for takaful operators on how to efficiently handle Islamic insurance services.

2.2.4 Review of variables: Demographic factors (DF) [gender, income level, marital status, number of family members] (X3)

According to Gandolfi and Miners (1996), the researchers have investigated the relationship between the gender and life insurance consumption. This study has proved that the demand for life insurance could be different among men and women depends on the difference of lifetime. The demand of life insurance is increasing with the probability of death, as the woman live longer than men based on the assumption, they will demand insurance less than men. However, the study of Yigzaw (2010) has shown that the gender of the customer has a negative relationship with the acceptance of insurance. The study has shown that gender is

not related with life insurance purchase AT. This is not surprising as most of the buyers taken in this study are aware and conscious enough about the importance of insurance regardless of their gender.

According to Browne and Kim (1993), the income level is shown to be positively related to the acceptance of insurance in the study. Beck and Webb (2002) has proved that an individual's consumption and capital typically increase as income increases as well. This will create a greater demand for insurance to protect the income potential of the insured and the expected consumption. Besides, increasing the income level would have higher intention to purchase a higher share of income towards retirement plans or investment-related life insurance products (Kjosevski, 2012).

According to Mantise and Famer (1968), they expected that married individuals will spend more on insurance compared to singles since they want to protect their dependents from the death risk of the family breadwinner. However, they found the contrary of their expectation. The researchers found that single people are more willing to purchase life insurance than those who are married as they have more disposable income. Curak, Dazja and Pepur (2013) also found that marital status is negatively related to the acceptance of insurance. Single individuals purchase insurance products because they have more money available than married ones who are spending more on supporting their families.

According to Lewis (1989) and Campbell (1980), they have concluded that the intention to purchase life insurance and the number of dependents are positively related. They concluded the more number of dependents will cause higher demand of life insurance since the protection of dependent family members against financial hardship in the case of a wage earner's premature death is essential to buy the

insurance. However, in the study of Yigzaw (2010) and Curak, Dazja and Pepur (2013), the number of family members is negatively related to the acceptance of insurance. Households with lesser family members will purchase insurance products because they have more money available than one who have more family members as they have to spend more on their dependents.

In a study conducted in 2015 to analyze academic staff's willingness to purchase the social health insurance at a public university in Malaysia, it was discovered that those who do not want to purchase social health insurance reported a higher mean monthly salary as compared to one who was willing to pay for social health insurance. As a result, individuals with lower salaries were more inclined to pay for the insurance than those with higher salaries. (Salameh, Juni, & K.s, 2015) However, according to Syafinaz, Juni, & Manaf, (2016), they found that higher-paid employees were have higher intention to pay for health insurance compared to lower-paid employees.

According to Mohamad Selamat, Abd Ghani, Fitra, & Daud, (2020) one of the important factor of health insurance demand is household monthly income. Those with a greater monthly income (>RM3500) were 2.5 times than those with a low income to obtain medical insurance. People with monthly incomes from RM5000 to RM15,000 were found to be more likely to purchase the social health insurance among public university employees. Monthly income was discovered to be a major predictor of health insurance affordability. There is another study discovered that a substantial difference in respondents' monthly income between those willing and unwilling to purchase, with those willing to purchase having a higher mean income than those refusing to purchase.

According to He, Li, & Li, (2017) consumers in Qingyang will regard the safety issue as their income rises, the effective demand for commercial insurance also become higher. The rise in Qingyang consumers' income levels is driven by the growth of the city's total economy, which necessitates the Chinese government, Gansu Provincial government, and Qingyang local government prioritizing economic development. As a result, steady economic growth and growing income levels would increase demand for insurance.

According to ABDULLAHI, (2012) the insured's willingness and ability to pay premiums is determined by their income level. The most common response to the factor of income level is usually centred on complaints about their income inadequacy to take care of themselves and their families, and this inadequacy cannot justify any consideration of insurance, but it was discovered that the majority of people were willing to obtain one type of insurance policy if their financial situation improved.

According to Chen & Abou Jaoude, (2021) in comparison to less economically developed locations, households in faster developed economies may earn higher wages and have higher savings, making them have higher ability to spend more on health. The income levels in the Eastern and Central regions are high enough, a rise in disposable money per capita may not result in higher commercial health insurance demand as income is diverted to other uses.

2.2.5 Review of variables: Attributes of Agents (AA) (X4)

In general, an agent is a person who acts on behalf of another. For instance, an insurance agent offers insurance products on behalf of the insurance company. Furthermore, according to Launstein (1959), rather than becoming a salesman or salesperson to sell insurance products, an insurance agent should use his understanding of insurance to advise his policyholders. Aside from that, the word "isurer" is sometimes used to refer to the middleman or customer service representative as well as agent in some studies. Nowadays, there is more rivalry among insurers since customers seek superior services from insurers over product prices (Kaur & Negi , 2010). In addition, according to a study by Siddiqui and Sharma (2010), insurance agents must constantly monitor their clients' demands because this will affect total customer satisfaction in accepting insurance or takaful based on the agents' services.

Besides that, the corporate image can be improved if the agents provide a good service to their customers and build client loyalty (Yazid, 2017). In addtion, Bashir (2013) also studied that the customer satisfaction with insurance or takaful purchases is constantly impacted by service quality and features. Thus, if the agent provided a good service quality will rises the demand of insurance or takaful. In Hui-Chen (2006) studies, results proved that when customer receive more advantages from the agents, they will have a favourable AA toward sales agents and the attribute of agent will appear to be a client loyalty or satisfaction translated to take insurance or takaful.

According to Ngah, Rashid & Mansor, 2016, when customers are satisfied with agents, the demand for insurance or takaful will higher as they have the impulse to accept then buy insurance or takaful with higher premium for higher coverage of the product since they satisfied with service provided. The service provided by insurance companies should explain clearly and provide more information about

protection of insurance or takaful as they understand deeper (Janjua & Akmal, 2014). Therefore, the motive to accept insurance or a takaful product will increase when customers are satisfied with their agent's AA, information provided, they may directly purchase insurance or a takaful product. According to Shahril et al. (2017), customer politeness will increase consumers' confidence which will affect their decision to purchase the product if effective product information is provided.

Moreover, Aziz, Ghani, and Shaari (2016) also proved that insurance brokers have a big influence on whether or not the consumers are going to purchase the insurance or takaful. In order to entice clients to acquire the insurance or takaful products, insurance agents must demonstrate their expertise and provide effective information, as well as provide greater service quality than traditional insurance. Besides, consumers will be more happy and satisfy with the goods if the agent has good qualities. This will also improve the business image and the likelihood that customers would take insurance or takaful. Abd-El-Salam, Shawky and El-Nahas (2013), Salman and Htay (2014) revealed that the happiness of customers is determined by customer's experience after utilizing the insurance or takaful service. It also aids in the maintenance and enhancement of the company's image, as well as the customer's intention to purchase the goods after they are satisfy with the product or service (Razak, Idris, Yusof, Jaapar, & Ali, 2013).

2.3 Proposed Conceptual Framework

The research framework of the study involves the dependent variable and independent variables. As seen in the figure, there are five variables that are used to determine the

acceptance level of takaful or commercial insurance. These variables are proposed and integrated into one research model.
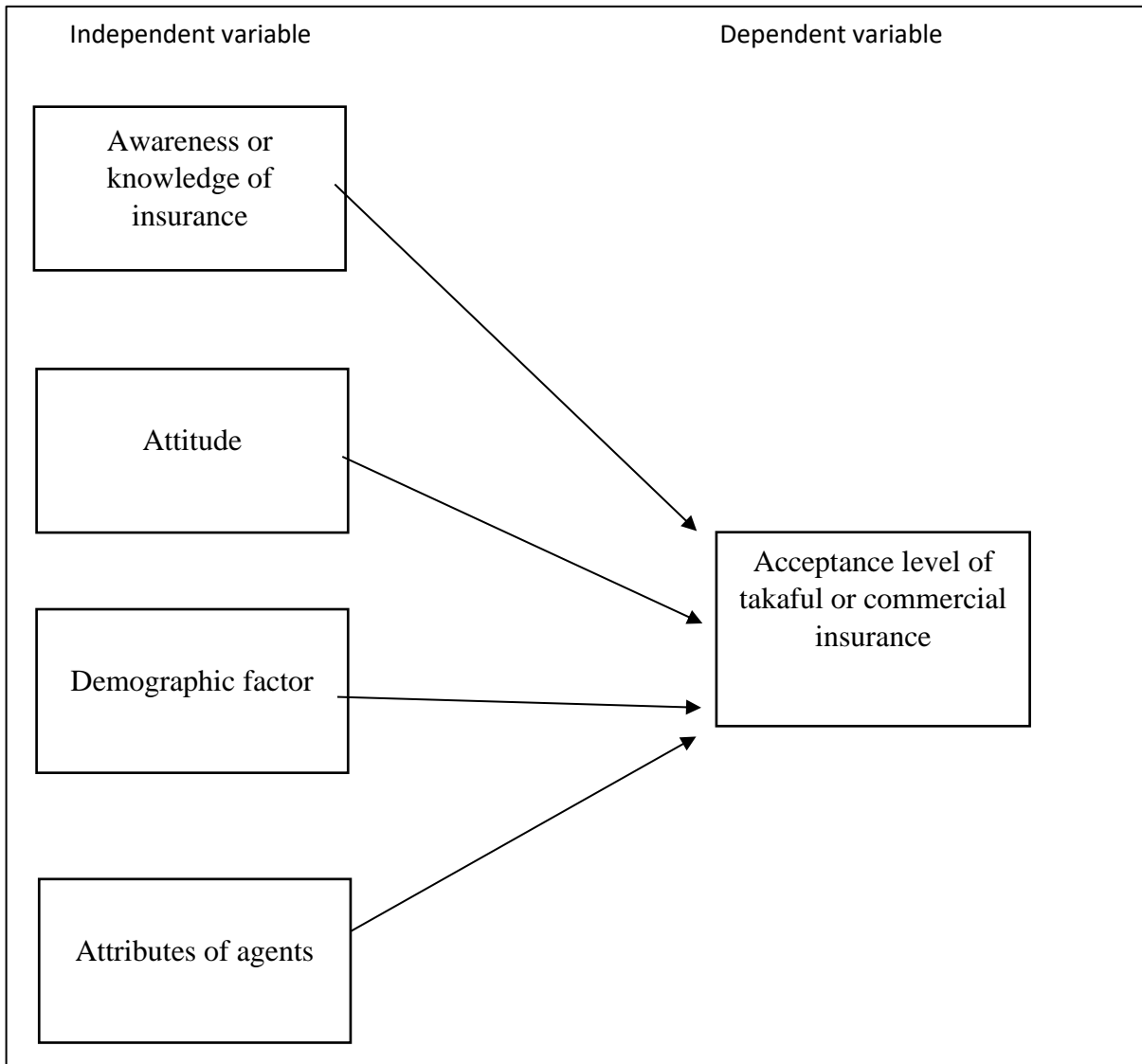
Figure 2.1

2.4 Conclusion

In this chapter 2, we have discussed the four independent variables which are awareness and knowledge, AT, income level and attribute of agent on the acceptance. In addition, by reviewing prior studies, the relationship between the DV and the IV was established. Additionally, we identified various related theoretical models and created the study framework linking each independent and dependent variable. The approach we utilized to conduct our research will be detailed in the following chapter.

CHAPTER 3: METHODOLOGY

3.1 Research Design

Qualitative and quantitative research are adopted as this research. Refer to Ashley Crossman (2020), Qualitative research is a type of social science study that includes collecting non-digital data in terms of explaining what it means to specific individuals or locations. In sociology, qualitative research is often concentrated on the micro-level social interactions that comprise everyday life, whereas quantitative data is typically emphasized on macro-level development patterns and phenomena. Qualitative research usually used in social science and humanity such as education, anthropology, health sciences, sociology, and others (Bhandari, 2020).

Quantitative research is a research that collects and analyses digital data for statistical analysis. It is normally used to make predictions, test causality, generalize the results to a wider population, and find patterns and averages. Quantitative research normally used in social sciences and natural sciences like marketing, biology, psychology, chemistry, economics, and others (Bhandari, 2020). Quantitative research includes methods such as questionnaire survey, structured observations or experiment and sharp contrast qualitative research (Coghlan & Brydon Miller, 2014).

3.2 Data Collection Method

In chapter 3, we have described the data gathering process and all of the study's tests. A pilot test is done to check the investigation is feasible and to prevent wasting time. We gathered the data by means of a questionnaire and used the SPSS software to run the tests in our research in order to test the reliability and validity. Besides, we used both primary data and secondary data as our data collection method, and the target population in our study are the young working adults in Malaysia.

3.2.1 Primary Data

Primary data is the data that is collected directly as first-hand information from the original source without someone else's view or judgment (Driscoll & Brizee, 2017). We can collect primary data in a number of ways. For examples, experiments, letters, surveys, interviews and others.

To accomplish our study purpose, we would use questionnaires to collect data. This approach enables us to collect a large amount of data from respondents and questionnaires in a timely and effective manner, and 300 questionnaires will be delivered to Malaysian young working adults.

3.2.2 Secondary Data

The term "secondary data" means the information that has already been gathered or documented through primary sources by other people. The data can be gathered from studies, surveys, or experiments that are done by other people. For example, essays, reviews, textbooks, encyclopedias and others. In our research, we use online websites, journals, articles, and so on. These methods which are no cost incurred, and timesaving helps us to complete our study more effectively and efficiently.

3.3 Sampling Design

The phrase "sampling design" refers to framework used to choose sample surveys and how it affects other important aspects (Paul, 2008). It is the detailed planning that includes the population to be sampled, the sampling frame, the sampling elements, the sampling technique, and the sample size. However, we use sampling design to get information on the target and final sample sizes, strata definitions and the sample selection methodology.

3.3.1 Target Population

According to Paul (2008), the total number of people from whom a sample can be taken in order to make conclusion is our study population. In our research, the target population would be young working adults in Malaysia. According to Key Statistics

of the Labour Force in Malaysia, the employed people in January 2021 is 15.24 million persons.

3.3.2 Sampling Frame

A researcher can select a sample of the target population known as a sampling frame (Michael, 2004). Within the sample period, everyone has an equal chance of getting picked. The sample frame was not relevant with this study because of the enormous target residents of Malaysia, which made it impossible to obtain accurate data on who is employed among the chosen respondents.

3.3.3 Sampling Elements

Sampling components are a sampling technique in which each individual will have the same opportunity to be selected as inclusion in the research sample. The target respondents are the young working adults since they either already had a commercial insurance or takaful coverage or had never purchased one before. These respondents also consist of different perspectives since they may have different income levels or different levels of knowledge of insurance. Therefore, we are able to have more accurate and common results to analyze. In this study, we would like to find out the acceptance of commercial insurance or Takaful during Covid-19 pandemic among young working adults in Malaysia.

3.3.4 Sampling Technique

Sampling strategy is critical since Malaysia's population is enormous, it may take a great deal of resources to contact all respondents. Non-probability sampling is more suited as a sample approach in our research. Non-probability sampling is a sampling technique that all individuals have the same opportunity of participating in the research (QuestionPro, n.d.). This approach is more reliant on the researcher's ability to choose sample items. A convenience sample will be used in our research since it is an easy and cheaper way to collect the initial data. This sampling technique also consumes less time and is easy to deliver results (Seema, 2018).

3.3.5 Sampling Size

The word "sampling size" refers to the amount of people and items that make up the sample size. In our research, the sample size we used is 300 respondents. The large sample size is able to get the small standard error and achieve more accurate estimation. Thus, we distributed it to our respondents by using surveys.

3.4 Research instrument

We picked a questionnaire to collect the data for this study because it is simple and quick fo respondents to complete. The questionnaire will go through electronic, because of this

Covid-19 pandemic, the distribution of a large number of responders is convenient and efficient. The questionnaires survey will be given to young working adults in Malaysia. Additionally, the questionnaire is a collection of questions on the research topic that have been developed from prior studies in order to assess the influence of factors in this study. We mostly employ measuring scales such as the Likert-Five Scale in our questionnaire. Following that, the reliability test may be performed to evaluate the dependent and independent variables using Cronbach's alpha. However, research can be conducted more effectively through online surveys.

3.4.1 Research Design

There are 3 parts in our questionnaire. Part A is asked for demographic information, part B is for the dependent variable and part C is about independent variables.

In part A, we asked questions about the demographics of the respondents. This section includes questions that the young working adults have to respond to, such as gender, monthly income, marital status, number of family members, and occupation. From this section, the demographic data of the respondents can be obtained more accurately. In part B questions will be asked about our dependent variable which is acceptance of commercial insurance or Takaful during Covid-19 pandemic among young working adults in Malaysia. Besides, the part C questions also involve 4 independent variables which are AW of insurance or Takaful, attitude, demographic factors, and attributes of the agent.

3.4.2 Pilot test

Efficiency is a critical component in conducting surveys and other data collection procedures. It is critical to maximize the use of money, time, and effort while conducting surveys, particularly ones that involve a high number of participants. Typically, researchers undertake a pilot survey to ensure survey efficiency. (Sarah Mae Sincero, 2019). A pilot survey's primary purpose is to evaluate the research tools, which include the questions, survey structure, and dissemination channels. If done correctly, it enables you to identify potential bottlenecks in the primary data collection process. According to Connelly (2008) ideally, 10% of the sample size is used for the pilot testing in the main study.

3.5 Construct Measurement (Scale and Operational Definitions)

The purpose of the scale of rating among the questionnaires to find out the degree of an individual agrees or disagrees with a statement, and the findings are simple to calculate and compare with others. Part A consists of 5 questions, Part B consists of 5 questions and Part C consists of 20 questions. In Part A, nominal scale is applied to collect the demographic information about the young working adults such as gender, marital status, monthly income, occupation and the number of family members. Its purpose is to aid in the identification of people who share similar characteristics among the respondents. The respondents will be given a few options from which to choose. Next, the following parts will use five points Likert Scale is applied to measure the dependent variable, the acceptance of young working adults in Malaysia towards the insurance or Takaful during Covid-19 and independent variables which are AW, AT, DF and AA. The scale will be scored from 1 to 5, with 1 represents strongly disagree; 5 represents strongly agree.

3.5.1 Scale of Measurement

Classification and quantification of information or data are accomplished through the use of measurement scales. Nominal scale, ordinal scale, ratio scale, and interval scale are the four levels of measurement.

3.5.1.1 Nominal scale

Nominal scale is a measurement that is used to categorize variables and does not involve a numerical value or order. For example, a nominal scale of gender. The respondents would fall into two possible classes, whether male or female. It can be measured by taking M as male and F as female. The other alternative to collect the nominal date is to include a multiple-choice question in which the answers will be labeled.

3.5.1.2 Five Points Likert Scale

The Likert scale is a scale that enables an individual to indicate their level of agreement or disagreement with a statement. It is a type of scale used to determine an individual's level of agreement or preference with a statement. Five points Likert Scale is score ranging from 1 (strongly disagree) to 5 (strongly agree).

3.5.2 Origins of Questionnaire

The 4 IV question which are AW of insurance, AT, DF and AA are chosen from the past studies with aim of determining the association between the 4 IV and the DV, the acceptance of the young working adults in Malaysia towards commercial insurance or Takaful during Covid-19 pandemic.

First, there are five questions of the dependent variables which is the acceptance of commercial insurance or Takaful among young working adults in Malaysia are selected from the study of Ho, Koh, Shirreena, Teoh and Yong (2020). Besides the five questions of AW are chosen from Benjamin, Fong, Goon, Tan and Tan (2014). The study has shown that there is a positive relationship between the AW and the acceptance of insurance or Takaful.

In addition, the five A questions are picked from earlier research that found that the consumer AT will influence the acceptance of commercial insurance or takaful. The questions are chosen from by Lee, Ling, Ng, Tan and Wong (2018) research. They have stated that the person who has a positive AT towards insurance or Takaful will prefer to purchase the products.

Moreover, five questions are chosen to investigate the association between the demographic factors and the acceptance of commercial insurance or takaful by young working adults. The questions are chosen from the previous studies from Benjamin, Fong, Goon, Tan and Tan (2014) and Goh (2015). Both studies have

found that there is a relationship between income level and the acceptance of insurance or Takaful of customers. Benjamin, Fong, Goon, Tan and Tan (2014) has stated that income level is positively correlated with the demand for health and life insurance. That is, as the income level of the health and life insurance holder increases, the holder's desire to increase the demand for health and life insurance increases as well. Goh (2015) discovered that regardless of whether an individual's income increases or drops, their consumption of life insurance remains unchanged.

Besides, there are seven questions from Lee, Ling, Ng, Tan and Wong (2018) and Choi, Chua, Katrin, Lai and Tan (2014) to determine the association between the attributes of agents and the acceptance of commercial insurance or takaful. Both research discovered that when the agents' personality or characters are considered, trust in the agents has an effect on the customer purchasing choice and relationship retention. Lee, Ling, Ng, Tan and Wong (2018) stated the significance of an agent's involvement in influencing a client satisfaction and purchasing decision. Choi, Chua, Katrin, Lai and Tan (2014) stated that the clients' purchasing decisions will be favorably influenced if the insurance or takaful agents are responsible for finding new customers and selling insurance or takaful plans.

3.6 Data Analysis

In this study, we will use the Statistical Package for the Social Sciences (SPSS) software and it is utilized for data analysis. With the quantitative data acquired from the surveys, SPSS allows for data management and statistics calculation.

3.6.1 Descriptive Analysis

Descriptive analysis refers to the act of gathering substantial information from a questionnaire and organizing it in a more understandable manner, as well as analyzing, modifying, and reorganizing data to provide description details, specifically if the amount of data is high (Zikmund, 2003). Descriptive analysis will also analyze and rearrange the data in order to provide detailed descriptive information. Furthermore, to quantify central tendency and aggregate collected data, the mean, median, and mode are widely used. For researchers, it gives a quick rundown of samples and indications. It is also better at arranging the data for the analysis of quantitative in tabular, graphical and histogram forms with basic graph analysis (Trochim & Donnelly, 2001). However, it will be more simple for the investigators to describe and find out the content shown in the data in questionnaire, and perform descriptive statistics on the acceptance of commercial insurance or takaful during the Covid-19 pandemic among young working adults in Malaysia.

3.6.2 Scale Measurement

The unit of scale of measurement is provided by this variable. The scale measurement is applied to identify and measure variables.

3.6.2.1 Reliability Test

The questionnaire can be evaluated by reliability test. By using the consistency of the results to measure, it can increase the confidence in the results when repeating the test. Once the repeated test gets a consistent and trustworthy response from the participants, the variables derived on the test instrument are considered real. According to Cherry (2013), it is more reliable to obtain similar measurements every time under constant conditions. Cronbach's alpha was then chosen for the study's internal consistency reliability test. The majority of the items in the survey involve a five-point Likert scale. Cronbach's alpha is generally used for measuring reliability when there are multiple Likert scale difficulties (Chowdhury, 2016). The basic premise for interpreting Cronbach's alpha internal consistency is summarized in Table 3.1.

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

Table 3.1: The rule of thumb for interpreting Cronbach's alpha internal consistency
Source: From Chaudhary, (2016).

Cronbach's alpha values must adhere to a rule of thumb. The most trustworthy range, as shown in the table, is more than 0.6 to 1. If the range is less than 0.6, however,

the result is distorted and undesirable. As a result, the minimum value for Cronbach's alpha is 0.6. Saunders (2009), alternatively, indicated that the minimal criterion is 0.7. When the Cronbach's alpha value is >0.9, its outcome is excellent. When it exceeds 0.8, it is considered excellent, and when it exceeds 0.7, it is deemed adequate. If the displayed result of 0.6 is troublesome, any value greater than 0.5 is regarded as terrible, and any value lower than 0.5 is considered unacceptable.

3.6.2.2 Normality Test

In this study, we used a normality test to find out the connection between the DV and IV. This study used SPSS software to test for normality and used a numerical technique that incorporated skewness and kurtosis to confirm that the normal distribution was satisfied (Park, 2008).

The degree of asymmetry in a data distribution's distribution around the mean is referred to as skewness (Shanmugam and Chattamveli, 2015). The distribution will be skewed to the right if the positive skewness is greater than zero, with the asymmetric tail facing a positive value and more observations will move to the left (Park, 2008). Negative skewness, on the other hand denotes a skewness less than zero and an asymmetric tail that extends to a negative integer. In relation to the normal distribution, kurtosis refers to the relative flatness and peak value of the data distribution (Shanmugam & Chattamveli, 2015). Positive kurtosis shows a skewed distribution toward the peak, while negative kurtosis shows a generally flat distribution. The data is appropriately distributed when the skewness value exist around +2 as well as kurtosis value. (George & Mallery, 2005).

3.6.3 Inferential Analysis

Inferential analysis refer to an inferential study which compares a treatment groups and generalizes to a wider group in an experiment using measured values from a sample of individuals (Frost, 2018). There are both parametric and non-parametric statistics. Parametric statistics are applied if the data is roughly regularly distributed to the test interval or ratio data, When testing nominal or ordinal data for non-normally distributed data, non-parametric data is employed (Marshall and Jonker, 2011).

3.6.3.1 Pearson Correlation Coefficient Analysis

The Pearson correlation coefficient can be used to determine the strengthness and connection of 2 variables' linear correlation. The coefficient has no unit and varies with ranging -1 to +1 Sedgwick (2012). If correlation coefficient is +1, it suggests that there is a perfect positive linear link between the two variables, and that increasing one variable causes the other to rise as well. In addition, the variable will travel in opposite directions if the value is -1, which known as a perfect negative linear connection.

Coefficient Range	Strength
± 0.91 to ± 1.00	Very strong
± 0.71 to ± 0.90	High

± 0.41 to ± 0.70	Moderate
± 0.21 to ± 0.40	Small but definite relationship
0.00 to ± 0.20	Slight, almost negligible

Table 3.2 Rule of Thumb about Pearson Correlation Coefficient

Source: From Guildford

Correlation is stronger if link between two variables is between the value of -1 and +1. The table 3.2 shows that correlation coefficients between ±1 and ±0.71 are generally considered to be strong, implying the possibility of multicollinearity concerns (Sekaran, 2003). It is regarded as weak if it falls between 0.21 and 0.40, while the difference between two variables is between 0 and 0.20, it is considered trivial and meaningless. If the value reaches 0, it indicates that there is no connection between the variables, whether positive or negative. In this study, the 5 percent significance threshold will be used to evaluate the significance of independent variables as Lehmann (2011) shown that it is practical.

3.6.3.2 Multiple Linear Regression (MLR) Analysis

Multiple linear regressions can find out the correlation between at least two IV and one continuous DV. To maximize MLR equations, also called as the fitted multiple regression model, the independent variables must be logically dissected into one another (Smalheiser, 2017). It is then innovated since, in real life, there are always multiple variables influencing a decision, making it easier to utilize because it can

quantify multiple independent variables. The more independent variables, the more accurate the test outcome.When it is normally distributed, the dependent variable and the independent variable are linear and there is no multicollinearity problem, there is almost no need to make any assumptions.

The MLR equation is as below:

$$Y = \beta_0 + \beta_1 \, X1 + \beta_2 \, X2 + \ldots\ldots + \beta_n \, Xn$$

Our research is using Multiple Linear Regression to find out the relationship between acceptance insurance or takaful during Covid-19 pandemic and the four IV among working adults. Equation formed as below:

$$Y = \beta_0 + \beta_1 \, AW + \beta_2 \, AT + \beta_3 \, DF + \beta_4 \, AA$$

Whereby,

Y = Acceptance level of commercial insurance or takaful during Covid-19 pandemic (Dependent variable)

β = Slope of Coefficient

AW = Awareness or knowledge of insurance (Independent Variable 1)

AT = Attitude (Independent Variable 2)

DF = Demographic Factors (Independent Variable 3)

AA = Attribute of Agents (Independent Variable 4)

3.7 Conclusion

The data collection procedure and all of the study's tests were covered in chapter three. When running tests using SPSS software in this study, data was collected through questionnaires. The questionnaire is divided into two sections, and each of which uses five-point Likert scale and numerical scale. The target respondents of our research are 300 or more young working adults in Malaysia, who are distributed to them electronically through the use of sampling techniques and questionnaires. Furthermore, the obtained data has undergone data inspection, data editing, data cleansing, and data analysis to ensure that future research runs smoothly. Descriptive statistics and inference statistics are used to analyze the output of the test. Additionally, a pilot test using Cronbach's Alpha was conducted on the first 50 responders to check the variables' validity. Pearson correlation analysis is applied for determining relationship among variables, whereas MLR is applied to determine a variable's significance.

The method of analyzing the data and the method of interpreting the results of this study has been shown in detail and tested through a pilot study. The questionnaire was corrected and distributed using convenience sampling and snowball sampling from the results of the pilot study, In a nutshell, this study has covered the research methodology in detail. This could provide relevant and applicable information for further researchers.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

Our survey is done by Google Forms to deliver 300 questions. In addition, the questionnaire is broken down into three pieces. The demographic characteristics of respondents will be determined in Section A. Sections B and C are the dependent and independent variables, respectively. The information gathered in the survey is analyzed and presented in a way that is relevant to the acceptance of insurance or Takaful during Covid-19 pandemic.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

The data below shown about young working adults' gender, monthly income, marital status, number of family members, and occupation.

4.1.1.1 Gender

1. You are Male or Female?

300 responses
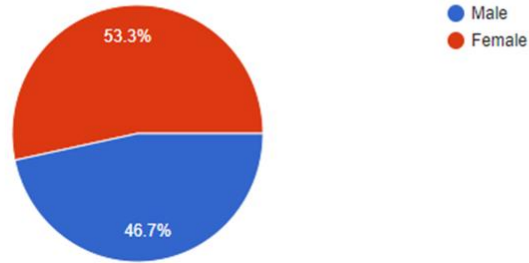
Figure 4.1

In appendix 4.1, there are 46.7 percent of male respondents while 53.3 percent of female respondents participated in the study.

4.1.1.2 Monthly income

2. Monthly income

300 responses
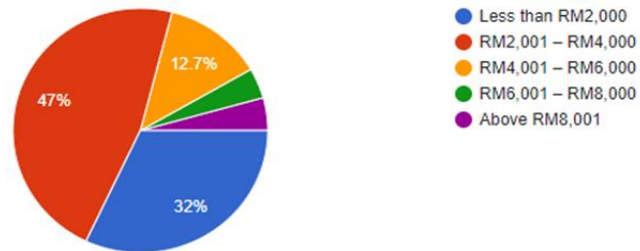
Figure 4.2

Appendix 4.2 shows that 32% of respondents' income level is below RM2000, 47% of respondents' income level is between RM2001-RM4000, 12.7% of respondents' income level is between RM4001-RM6000, 4% of respondents' income level is

between RM6001-RM8000, and there is only 4.3% of respondents' income level is above RM8001.

4.1.1.3 Marital Status
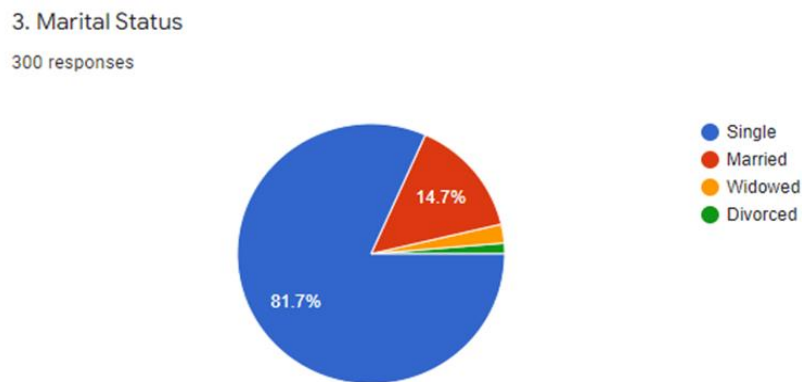
Figure 4.3

Appendix 4.3 shows 81.7% respondents are single, while 14.7% respondents are married , 2.3% respondents are widowed, and 1.3% respondents are divorced.

4.1.1.4 Number of family members

4. Number of Family Members

300 responses
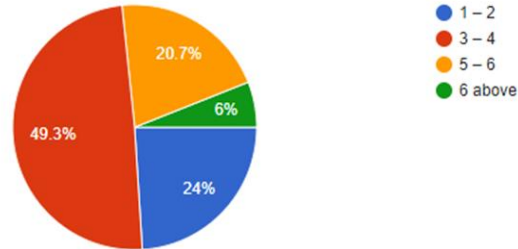
Figure 4.4

In appendix 4.4, 24% respondents have 1-2 family members, 49.3% respondents have 3 to 4 family members, while 20.7% respondents have 5 to 6 family members, and 6% respondents have 6 family members and above.

4.1.1.5 Occupation

5. Occupation

300 responses
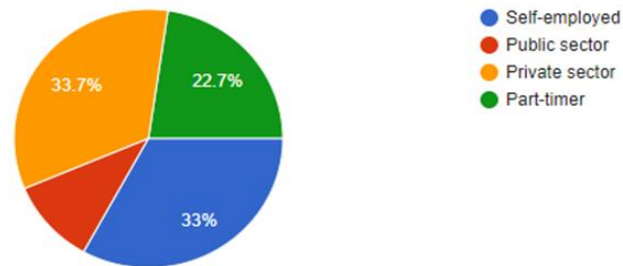
Figure 4.5

Appendix 4.5 shows that 33% of respondents are self-employed, while public sector is 10.7%, private sector is 33.7%, and 22.7% of respondents are part-timers.

4.1.2 Central Tendencies Measurement of Constructs

Based on our research, we interpret standard deviation and mean for the acceptance towards the insurance or Takaful during Covid-19. We are using SPSS Statistical Software to interpret results using 25 questions in section B and C.

4.1.2.1 The acceptance towards the insurance or takaful during Covid-19

The acceptance towards the commercial insurance or Takaful during covid 19					
	I think that life insurance or Takaful is important for my protection needs	I am afraid to purchase insurance or Takaful as I think the insurance or Takaful companies only want to earn profits from their customers and do not priority customers' protection needs.	I have a positive perception towards insurance or Takaful and is always ready to know about the latest products or services	Insurance or Takaful products or services is a subsidy to reduce the burden of family member, when dealing with the adverse financial consequence	The benefits can only be claimed when the insured pass away.

N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		4.07	3.19	3.85	3.91	2.94
Median		4.00	3.00	4.00	4.00	3.00
Std. Deviation		1.023	1.262	1.047	.997	1.306
Variance		1.046	1.593	1.095	.995	1.705
Skewness		-1.117	-.192	-.796	-.952	.009
Kurtosis		.990	-.960	.281	.901	-1.119

Table 4.6

Based on Table 4.6, the question "I think that life insurance or Takaful is important for my protection needs" displayed the greatest mean value of 4.07. But its standard deviation illustrates the value of 1.023. Besides, the question " I am afraid to purchase insurance or Takaful as I think the insurance or Takaful companies only want to earn profits from their customers and do not priority customers' protection needs. " have the mean value of 3.19 and standard deviation value of 1.262. Not only that, question "I have a positive perception towards insurance or Takaful and is always ready to know about the latest products or services" have 3.85 mean value and 1.047 standard deviation. Furthermore, question "Insurance or Takaful products or services is a subsidy to reduce the burden of family member, when dealing with the adverse financial consequence" shows the second greatest mean value of 3.91 and the lowest standard deviation value of 0.997. Lastly, question "The benefits can only be claimed when the insured passes away." have 2.94 mean value and 1.306 standard deviation.

4.1.2.2 Awareness and knowledge (AW)

		I aware that the knowledge of insurance or Takaful protection is one of the factors that influence me on insurance or Takaful demand.	I have a positive perception towards life insurance of Takaful and are always ready to know about the latest products or services.	I am very confident that I have enough insurance or Takaful knowledge which incentives me to purchase.	I am very comfortable to give advice to my friends and family members on the insurance or Takaful product that will suit their needs and is worth buying.	I have positive attitude towards insurance or Takaful products.
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.91	3.77	3.49	3.48	3.70
Median		4.00	4.00	4.00	4.00	4.00
Std. Deviation		.967	.977	1.077	1.114	.976
Variance		.936	.955	1.160	1.240	.953
Skewness		-.897	-.707	-.418	-.599	-.627
Kurtosis		.875	.516	-.308	-.176	.288

Awareness and Knowledge (AW)

Table 4.7

According to Table 4.7, the question "I aware that the knowledge of insurance or Takaful protection is one of the factors that influence me on insurance or Takaful demand." has the highest mean value of 3.91 and the smallest standard deviation value of 0.967. Compared to others, question " I have a positive perception towards life insurance of Takaful and are always ready to know about the latest products or services. " showed mean value (3.77) and the standard deviation value of 0.977. Next, question "I am very confident that I have enough insurance or Takaful knowledge which incentives me to purchase. " showed the mean value (3.49) and a standard deviation (1.077). Furthermore, question"I am very comfortable to give advice to my friends and family members on the insurance or Takaful product that will suit their needs and is worth buying. " has the smallest mean value (3.48) while largest standard deviation (1.114).. Lastly, question "I prefer to have a professional advice about insurance or Takaful products before purchasing. " shows a mean of 3.83 and a standard deviation of 1.004.

4.1.2.3 Attitude (AT)

Attitude (AT)					
	I have positive attitude towards insurance or Takaful	I adopt the insurance or Takaful because the companies are near	My confidence and trust are very high on insurance or Takaful companies	The insurance or Takaful services meet	I have the intention to purchase insurance or Takaful in the

		products.	my staying place.	operating in Malaysia.	my needs	near future.
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.70	3.27	3.61	3.71	3.77
Median		4.00	3.00	4.00	4.00	4.00
Std. Deviation		.976	1.187	1.024	1.020	1.042
Variance		.953	1.410	1.049	1.041	1.086
Skewness		-.627	-.253	-.582	-.771	-.857
Kurtosis		.288	-.876	-.023	.436	.520

Table 4.8

Based on Table 4.8, the question "I have positive attitude towards insurance or Takaful products. " gets a mean value (3.7) and the lowest standard deviation value (0.976). Compared to others, question "I adopt the insurance or Takaful because the companies are near my staying place. " obtain 3.27, the smallest mean value. It has largest standard deviation of 1.187. Next, question "My confidence and trust are very high on insurance or Takaful companies operating in Malaysia. " gets a mean of 3.61 and a standard deviation of 1.024. Furthermore, the question "The insurance or Takaful services meet my needs" gets a mean value of 3.71 and standard deviation of 1.020. Lastly, question "I have the intention to purchase insurance or Takaful in the near future. " gets the highest mean value which is 3.77 and a standard deviation value of 1.042.

4.1.2.4 Demographic Factors

		I am satisfied with my current income and is enough for my monthly spending.	I have a habit of monthly saving and always spend according to my budget	Once income increases, I will demand more health and life insurance or Takaful	My primary commitment is on health and life insurance or Takaful.	I will place portion of my monthly income as health and life insurance of Takaful premium.
Demographic Factors(DF)						
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.20	3.71	3.43	3.55	3.62
Median		3.00	4.00	4.00	4.00	4.00
Std. Deviation		1.188	1.048	1.112	1.110	1.038
Variance		1.411	1.098	1.236	1.231	1.078
Skewness		-.188	-.778	-.345	-.439	-.729
Kurtosis		-.873	.240	-.585	-.560	.194

Table 4.9

Based on Table 4.9, the question "I am satisfied with my current income and is enough for my monthly spending. " obtain 3.20 mean value and 1.188 standard deviation value. Besides, the question "I have a habit of monthly saving and always

spend according to my budget " obtains the greatest mean value of 3.71 and 1.048 standard deviation value. Furthermore, the question "Once income increases, I will demand more health and life insurance or Takaful " gets 3.43 mean value and standard deviation of 1.112. Furthermore, question "My primary commitment is on health and life insurance or Takaful. " shows the value of 3.55 in mean and 1.110 in standard deviation. Lastly, question "I will place portion of my monthly income as health and life insurance of Takaful premium. " gets the second greatest mean value of 3.62 and the lowest standard deviation value of 1.038.

4.1.2.5 Attribute of Agent

Attribute of Agent (AA)						
		The agent of insurance or Takaful company is able to communicate efficiently.	The agent explains the information regarding the insurance or Takaful products well.	The agent is knowledgeable in diagnosing problems or doubts related to insurance or Takaful policy.	The agent is always available to give helps to me.	The agent provides updates of the insurance or Takaful products.
N	Valid	300	300	300	300	300
	Missing	0	0	0	0	0
Mean		3.94	3.90	3.90	3.91	3.90
Median		4.00	4.00	4.00	4.00	4.00

Std. Deviation	1.065	1.002	1.047	1.067	1.083
Variance	1.134	1.004	1.096	1.139	1.174
Skewness	-.985	-.929	-.883	-.999	-.928
Kurtosis	.560	.743	.426	.674	.389

Table 4.10

According to Table 4.10, question "The agent of insurance or Takaful company is able to communicate efficiently. " has the highest mean of 3.94 among these five questions and 1.065 of standard deviation. Besides, question "The agent explains the information regarding the insurance or Takaful products well. " has a mean value of 3.90 and standard deviation of 1.065. Compared to other questions, question "The agent is knowledgeable in diagnosing problems or doubts related to insurance or Takaful policy. " has a mean value of 3.90 same with previous question and a standard deviation of 1.002. Next, question "The agent is always available to give helps to me." has a mean of 3.91 and a standard deviation of 1.067. Lastly, question "The agent provides updates of the insurance or Takaful products. " has same mean value of 3.90 and the highest standard deviation of 1.083.

4.2 Scale measurement

4.2.1 Reliability Analysis Table

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.916	.917	5

Table 4.11

Table 4.11 shows the results of applying the Cronbach's coefficient to analyze the variables' reliability as indicated in the preceding table. The mean of Cronbach's alpha value for four IV and one DV is 0.917. As a result, the construct measurements are regarded dependable, and all construct components are preserved.

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
MeanY	14.7220	10.195	.722	.525	.909
Mean_AW	14.6173	9.268	.823	.711	.889
Mean_AT	14.6993	9.084	.851	.755	.883
Mean_DF	14.8093	9.241	.790	.644	.896
Mean_AA	14.4027	9.071	.748	.565	.906

Table 4.12

Based on Table 4.12, among the four independent variables, "AT" indicated the highest corrected item- total correlation. On the other hand, the variable "attribute of agents" had the lowest value in correlation in total. Hence, the alpha value would expand to 0.906 if items were deleted in Cronbach's alpha.

4.3 Inferential Analysis

4.3.1 Pearson's Correlation Analysis

Pearson's Correlations

		MeanY	Mean_A W	Mean_A T	Mean_D F	Mean_A A
MeanY	Pearson Correlation	1	.631**	.662**	.625**	.644**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	300	300	300	300	300
Mean_A W	Pearson Correlation	.631**	1	.818**	.724**	.679**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	300	300	300	300	300
Mean_A T	Pearson Correlation	.662**	.818**	1	.773**	.680**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	300	300	300	300	300

Mean_DF	Pearson Correlation	.625**	.724**	.773**	1	.641**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	300	300	300	300	300
Mean_AA	Pearson Correlation	.644**	.679**	.680**	.641**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	300	300	300	300	300

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

Table 4.13

The correlations between IV are shown in Table 4.13 which include AW of insurance, AT, DF, AA, with acceptance level takaful or commercial insurance during Covid-19 pandemic among young working adults in Malaysia.

According to Frost (2020), the correlation coefficient absolute value increases as the relation becomes stronger. The positive correlation coefficient indicates the value of one variable rises, value of another rises as well. It is a moderate link, according to Jaadi (2019), with the correlation coefficient's absolute value lying between 0.5 and 0.7.

The DV and IV possess a moderately favourable correlation, according to Table 4.9. The correlation between Y and AW, AT, DF, and AA is 0.631 (63.1%), 0.662 (66.2%), 0.625 (62.5%), and 0.644 (64.4%), respectively, all of which are positively connected. Furthermore, because all of the P-values are smaller than the 0.01 significance level, the link between the DV and IV is significant.

4.3.2 Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725[a]	.525	.519	.53449

a. Predictors: (Constant), Mean_AA, Mean_DF, Mean_AW, Mean_AT

Table 4.14

Refer to Table 4.14, in this analysis, all independent variables are considered. According to the table, adjusted is 0.519, indicating that AW of insurance, AT, DF, and AA may explain 51.90 percent of the variation in spending behavior (independent variable). The remaining 48.1 percent, on the other hand, is left unexplored in this study.

ANOVA of Multiple Regression

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	93.298	4	23.324	81.645	<.001[b]
	Residual	84.276	295	.286		
	Total	177.574	299			

a. Dependent Variable: MeanY
b. Predictors: (Constant), Mean_AA, Mean_DF, Mean_AW, Mean_AT

Table 4.15

Table 4.15 shows that the F-value is 81.645, p-value is 0.001. Because the significance level of 0.05 is more than the ANOVA p-value, the DV and IV have a significant connection. It indicates that the IV can used to explain DV, which means the model is credible.

Coefficients Multiple Regression

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.024	.147		6.988	<.001
	Mean_AW	.102	.066	.114	1.531	.127
	Mean_AT	.207	.070	.235	2.940	.004
	Mean_DF	.146	.057	.169	2.548	.011
	Mean_AA	.239	.047	.298	5.124	<.001

a. Dependent Variable: MeanY

Table 4.16

Refer to Table 4.16, coefficient shows that AW of insurance have the p-value more than the significance level 0.05. It means that the variable is not significant individually to the DV. The P-value of AT, DF and AA is less than 0.05. It denotes the importance of the variables. The reason for not adopting 0.01 as significant level in multiple regression models as in Pearson Correlation Model is as it has more than one IV not significant independently to the DV.

The following equation is formed based on the tables above,

Equation 4.1: Multiple Regression Analysis

$$Y = 1.024 + 0.102AW + 0.207AT + 0.146DF + 0.239AA$$

Whereby,

Y = The acceptance of commercial insurance or Takaful during Covid-19 pandemic

AW = Awareness or knowledge of insurance

AT = Attitude

DF = Demographic factors

AA = Attribute of Agents

4.3.3 Normality Test

Variables	Skewness	Kurtosis
The acceptance of commercial insurance or Takaful	-0.991	2.730
Awareness or knowledge of insurance	-0.975	1.442
Attitude	-0.963	1.051
Demographic factors	-0.734	0.517
Attribute of agents	-1.106	1.224

Table 4.17

The normality distribution between the variables is provided in Table 4.17, which depends on the measurement of skewness and also kurtosis. It can evaluate if the data fits the normal distribution well and to figure out how data should be distributed normally. All of the variables in the table have negative values in the skewness results. In this study, the independent variable, attributes of agents (-1.106), has the lowest skewness, whereas demographic characteristics (-0.734) have the most. On the other hand, demographic characteristics have 0.517, the lowest kurtosis value, whereas acceptance of commercial insurance or Takaful has the greatest kurtosis value of 2.730. According to Hair, Black, Babin & Anderson (2010), it stated the data is considered to be normal if skewness is between -2 to +2 and kurtosis is between -7 and +7. Since the skewness of all variables fall between -2 and +2 while the kurtosis of all variables fall between -7 and +7, hence, the data can be inferred to be regularly distributed.

4.4 Conclusion

This chapter has shown all the results related to the research. There are interpretations on Descriptive Analysis, Scale Measurement and Inferential Analysis in this chapter. A regression equation was established. Therefore, the following chapter will determine the major findings, recommendations, conclusions and limitations of our study.

CHAPTER 5: DISCUSSION AND CONCLUSION

5.0 Introduction

This chapter summarizes all the findings from the prior chapter's statistical analysis. In addition, this chapter will continue with a discussion of the study's major findings, implications, and limitations identified during the research process. Finally, this chapter will include some recommendations that might be valuable for future studies in the related field. In the conclusion of the last chapter, a concise review of the study will be given.

5.1 Summary of Statistic Analysis

5.1.1 Descriptive Analysis

Demographic Factor	Categories	Frequency	Percentage (%)
Gender	Male	140	46.7
	Female	160	53.3
Monthly Income	Below RM2000	96	32.0
	RM2001-RM4000	141	47.0
	RM4001-RM6000	38	12.7

	RM6001-RM8000	12	4.0
	Above RM8001	13	4.3
Marital Status	Single	245	81.7
	Married	44	14.7
	Widowed	7	2.3
	Divorced	4	1.3
Numbers of family members	1 - 2	72	24.0
	3 - 4	148	49.3
	5 - 6	62	20.7
	6 above	18	6.0
Occupation	Self-employed	99	33.0
	Public sector	32	10.7
	Private sector	101	33.7
	Part-timer	68	22.7

Table 5.1 Summary of Demographic Information

Table 5.1 has summarized the demographic information of 300 respondents. There were five demographic variables tested in this research. Firstly, we obtained 46.7% or 140 of male respondents and 53.3% or 160 of female respondents. Next, the second demographic variable is monthly income level from this research of the respondent's income level is below RM2000 which is 32% or 96 respondents. Furthermore, the majority respondent's income level is between RM2001 to RM4000 which is 141 or 47% of respondents. Out of the 300 respondents, 38 or 12.7% respondents are between RM4001 to RM6000. Following by 4% and 4.3% or 12 and 13 of the respondent's income level are between RM6001 to RM8000 and above RM8001, respectively.

Furthermore, the third demographic variable is marital status of the respondents which is single, married, widowed, and divorced. The majority of respondents are still single which is 245 or 81.7% respondents while 44 or 14.7% of the respondents are married. Following by 2.3% and 1.3% or 7 and 4 of the respondent's marital status are widowed and divorced, respectively. Besides, the number of family members of the respondents who had 1 to 2 children is 72 or 24%. Next, 148 or 49.3% of respondents had 3 to 4 children while 62 or 20.7% of respondents had 5 to 6 children. 18 or 6% of respondents had 6 and above children in their family. The last demographic variable is occupation in the working adults respondents. The self-employed respondents had 99 or 33% out of the 300 respondents. Besides, 32 or 10.7% respondents are in the public sector while 101 or 33.7% which is the majority of respondents are in the private sector. In contrast, 68 or 22.7% of respondents are part-timers from this research.

5.1.2 Central Tendencies Measurement of Construct

Variable	Dimension	Mean		Standard Deviation	
		Highest	Lowest	Highest	Lowest
Dependent Variable	Acceptance Insurance or Takaful during Covid-19	4.07	2.94	1.306	0.997
Independent Variable	Awareness and Knowledge(AW)	3.91	3.48	1.114	0.967
	Attitude (AT)	3.77	3.27	1.187	0.976

Demographic Factors (DF)	3.71	3.20	1.188	1.038
Attribute of Agent (AA)	3.94	3.90	1.083	1.002

Table 5.2 Central Tendencies Measurement of Construct

The table 5.2 is summary statistic of central tendencies measurement of construct among 300 respondents. The table above lists the highest and lowest mean and standard deviation between DV and IV in this research. For acceptance insurance or Takaful during Covid-19, the question "I think that life insurance or Takaful is important for my protection needs" had the highest mean at 4.07. This shows that most respondents consider insurance or takaful to be important to life. Besides, the question " The benefits can only be claimed when the insured passes away." had the smallest mean at 2.94 and the greatest standard deviation is 1.306. It means that some of the respondents believe Benefits are only available when the insured dies, some of them don't think so. Next, the standard deviation of this question "Insurance or Takaful products or services is a subsidy to reduce the burden of family members, when dealing with the adverse financial consequence" is lowest among five questions which is 0.997. It means that every respondent in this research thinks that purchasing insurance or Takaful can reduce their burden.

Next, in the awareness and knowledge variable, "I aware that the knowledge of insurance or Takaful protection is one of the factors that influence me on insurance or Takaful demand" had the mean is the highest and the standard deviation is the lowest, at 3.91 and 0.967, respectively. It indicates that most of the respondents are aware that knowledge of insurance or Takaful protection will affect them to purchase

insurance or Takaful during Covid-19. In contrast, the question "I am very comfortable to give advice to my friends and family members on the insurance or Takaful product that will suit their needs and is worth buying." had the smallest mean and greatest standard deviation are 3.48 and 1.114, respectively. It refers to some people who are willing to advise their friends and family about insurance or Takaful and some of them are not.

Furthermore, attitude is the second independent variable in this research. For the question "I have the intention to purchase insurance or Takaful in the near future. " had the greatest mean which is 3.77. It finds out that major respondent's attitude agree to purchase insurance or Takaful in the near future. While "I adopt the insurance or Takaful because the companies are near my staying place." the mean is lowest and the standard deviation value is highest, which is 3.27 and 1.187, respectively. This means that some of the people agree with the statement and some do not. Moreover, "I have positive attitude towards insurance or Takaful products. " the standard deviation value is lowest of 0.976 which means that the majority of respondents would have a positive attitude.

Thirdly, demographic factors. "I have a habit of monthly saving and always spend according to my budget" had the highest mean which is 3.71. It indicates the respondents more agree that they have a habit of monthly saving and spending according to their budget. While the question "I will place a portion of my monthly income as health and life insurance of Takaful premium." had a lowest standard deviation which is 1.038. This indicates that major respondents agree to the statement with consistent answer to this question. "I am satisfied with my current income and it is enough for my monthly spending." the mean value is lowest and standard deviation is highest which is 3.2 and 1.188, respectively. The question for lowest

mean indicates the respondents more disagree with the statement and the question with the higher standard deviation indicates that some of the respondents are satisfied with their current income for their spending and some are unsatisfied.

Lastly, Attribute of Agent. "The agent of insurance or Takaful company is able to communicate efficiently." had the highest mean which is 3.94 and "The agent explains the information regarding the insurance or Takaful products well.", "The agent is knowledgeable in diagnosing problems or doubts related to insurance or Takaful policy. ", and "The agent is always available to give helps to me." had the lowest mean which is 3.90. It can be seen that the majority of respondents believe that insurance agents or takaful companies can communicate effectively. The question "The agent explains the information regarding the insurance or Takaful products well." also had the lowest standard deviation and "The agent provides updates of the insurance or Takaful products." had a highest standard deviation which is 1.002 and 1.083. The results show that the respondents are more consistent and agree that agents will explain well the information and details about the insurance or Takaful products. Next, some of the respondents strongly agree that agents will update the insurance or Takaful products for them and some of the respondents disagree with the statement.

5.1.3 Summary of the Inferential Analysis

5.1.3.1 Normality

The normality test is applied to test the normal distribution of the data. Since the variables have skewness between -2 and +2, and all variables have kurtosis between -7 and +7. Therefore, it can be proved that the data are normally distributed.

5.1.3.2 Reliability Test

Cronbach's Alpha was applied for determining the credible of this study. Based on the results, we get 0.917 which is Cronbach's Alpha and it is acceptable because it follows a rule of thumb. From the results, this test is above 0.80 and has achieved a reliability level, which is in the "very good" category. Therefore, the IV of this questionnaire are reliable to the DV.

5.1.3.3 Pearson Correlation Analysis

N = 300

The acceptance of commercial insurance or Takaful during Covid 19			
Variable	Dimension	Pearson Correlation	Strength of Assocation

Independent Variable	Awareness and Knowledge (AW)	0.631	Moderate
	Attitude (AT)	0.662	Moderate
	Demographic Factors (DF)	0.625	Moderate
	Attribute of Agent (AA)	0.644	Moderate

Table 5.3 Summary of Pearson Correlation Result

Pearson correlation analysis had proved all independent variables (AW, AT, DF, AA) were positively and significantly correlated with the dependent variable (DV). Attitude has the greatest Pearson correlation which is 0.662. Independent variables related to acceptance of commercial insurance or takaful, based on their awareness and knowledge (AW), followed by attitudes (AT), demographic factors (DF) and agent attributes (AA) with a level of 0.631 respectively , 0.62, 0.625 and 0.644, respectively. The p-values for all IV are less than 0.05, which supports all the hypotheses in this study.

5.1.3.4 Multiple Regression Linear

Independent Variables	R-Square	Sig.Value	Findings
Awareness and Knowledge (AW)	0.5025	0.127	Insignificant

Attitude (AT)		0.004	Significant
Demographic Factors (DF)		0.011	Significant
Attribute of Agent (AA)		<0.001	Significant

Table 5.4 Summary of Multiple Regression Linear

From Table 5.4, the R-Square is 0.5025. This value indicates that IVs like AW, AT, DF, and AA can be used to explain that there is 50.25% of variation in the acceptance of commercial insurance or Takaful during Covid-19 pandemic among the working adults. It means that 49.75% of the other independent variables can form up the acceptance of insurance or Takaful. For the finding in the multiple regression linear, we come out that only AW is insignificant with the dependent variable due to a significant value greater than alpha (0.05).

5.2 Discussion of Findings

5.2.1 Awareness and Knowledge (AW)

H_0: AW of insurance insignificantly affects the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

According to results computed by SPSS, awareness and knowledge is insignificantly related to the acceptance of commercial insurance or Takaful during Covid-19 pandemic among the working adults due to the significant value (0.127) is larger than alpha (0.05) as shown in table 5.4. Therefore, the alternative

hypothesis (H1) is rejected. This means that young working adults to the acceptance of commercial insurance or takaful during the Covid-19 pandemic will not be affected, regardless of whether they are aware of the importance of insurance/takaful or how much they know about insurance/takaful. However, insurers leave customers with a lack of trust and confidence may be the reason why they have not taken out insurance/takaful insurance for young working adults in Malaysia during the Covid-19 pandemic.

5.2.2 Attitude (AT)

H_1: AT significantly affects the acceptance of insurance or Takaful during Covid-19 pandemic in Malaysia.

According to results computed by SPSS, attitude is significantly related to the acceptance of commercial insurance or Takaful during Covid-19 pandemic among the working adults due to the significant value (0.004) is lower than alpha (0.05) as shown in table 5.4. Hence, the alternative hypothesis is accepted in our study. The results are similar to previous studies mentioned in Chapter 2 by Yigzaw (2010), Lim, Yusuf and Ghani (2020), Yusuf, Gbadamosi and Hamidu (2009), Omar (2007), Maiyaki and Ayuba (2015), Hung, Ku and Chang (2003), and Amin (2012). Attitude is an important independent variable influencing people's acceptance of commercial insurance or takaful during the Covid-19 pandemic. Therefore, if a customer has a positive AT towards a product or service, he/she will be more willing to buy that particular product or service; if a person has a negative attitude towards a product or service, he/she will not buy that particular product or service.

5.2.3 Demographic Factors (DF)

H_1: DF significantly affect the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

According to results computed by SPSS, demographic factors are significantly related to the acceptance of commercial insurance or Takaful during Covid-19 pandemic among the working adults due to the significant value (0.011) is lower than alpha (0.05) as shown in table 5.4. Hence, the alternative hypothesis is being accepted. The findings of this study are similar to previous studies mentioned in Chapter 2 by Gandolfi and Miners (1996), Browne and Kim (1993), (Kjosevski, 2012), Mantise and Famer (1968), Lewis (1989) and Campbell (1980). For example, unmarried people are more willing to buy life insurance as disposable income than married people. Those with higher incomes will also have higher demand for insurance or takaful. Additionally, if their income levels rise, they will be more able to devote a higher share of their income to retirement and investment-related life insurance products. In addition, the demand for insurance or takaful increases with the probability of death, as men have shorter lifespans than women, so they need more coverage.

5.2.4 Attributes of agent (AA)

H_1: AA significantly affects the acceptance of insurance and Takaful during Covid-19 pandemic in Malaysia.

According to results computed by SPSS, attitude is significantly related to the acceptance of commercial insurance or Takaful during Covid-19 pandemic among the working adults due to the significant value (<0.001) is lower than alpha (0.05)

as shown in table 5.4. Hence, the alternative hypothesis is being accepted. The results for this study are similar to previous studies mentioned in Chapter 2 by Bashir (2013), Hui-Chen (2006), Ngah, Rashid & Mansor (2016), and Shahril et al. (2017).

Hence, the increased demand for insurance or takaful will be attributed to the premium services of the agents. If customers are not aware of the service quality of the agent , they may not support them. Moreover, it will create customer's loyalty if the service provided is satisfied by the customer. The customer loyalty relationship is important because it is crucial in the insurance sector because it provides uniform goods and services.

5.3 Implication of study

From our study, there are four independent variables (AW, AT, DF, AA) that have a relationship with the dependent variable. In other words, AW of insurance, AT, DF, AA will positively affect acceptance level takaful or commercial insurance during Covid-19 pandemic among young working adults in Malaysia.

5.3.1 Managerial implication

Our research is helpful and educational to the insurance or takaful companies, since insurers may utilise the findings to enhance their customer service. The information supplied in our research provides adequate proof in supporting the elements that

impact the impression of commercial insurance and takaful, takaful and commercial insurance firms might make significant adjustments and amendments to their products based on the findings. In addition, commercial insurance and takaful firms can create precise and accurate predictions about the future requirements and expectations of their target customers.

Furthermore, our findings show that certain predictors and prospects in a given situation can influence consumers' attitudes and beliefs about whether commercial insurance or takaful is necessary, their ultimate choice on whether to buy an insurance or takaful product is influenced as a result. Insurance companies may use this information to develop products tailored to their target population and the Covid-19 pandemic.

As these strategies are implemented, insurance institutions must develop employee training programs, especially for the sales department, to facilitate the promotion of products and services. This is because it can influence customer attitudes towards commercial insurance products and takaful. Besides, it can expand the customer base, and attract more commercial Insurance and takaful customers.

5.4 Limitation of study

Some limitations would affect the reliability of the results when conducting the research. The limitations should be considered when other researchers want to use the results or proposed significance of research.

5.4.1 Time Constraints

The research is completed at a limited time. It has affected our ability to conduct the research at a bigger sample size and populations as more time will be needed because more data needed to generate an accurate result. Therefore, the data collected in this study may not accurately reflect the factors affecting the acceptance of commercial insurance or Takaful during Covid-19 among the young working adults in Malaysia.

5.4.2 Language Barrier

The survey forms are set as an international language which is English. Some of the respondents may have some lack of understanding for the questions in the survey form and not be able to answer the questions properly. It would cause the results of the research to be less accurate.

5.4.3 Sampling Size

The samples collected do not reflect the general population concerned. A total of 300 sets of survey questionnaires are being distributed to the young working adults in Malaysia. The total sets of questionnaires being distributed to the different areas

may result in bias. The results collected from the urban area may different from the rural area. Hence, it may cause the results to be unreliable.

5.4.4 Sampling Method

As the survey is carried through Google Form, it will limit the respondents' choice on providing the information and their opinion, especially on their acceptance towards the commercial insurance or Takaful. During the survey time, the respondents might be different comprehensive or ambiguous about the question that was asked in the questionnaires, which causes them to simply answer the questions. Hence, the results become inaccurate.

5.4.5 Sampling Elements

The research is used to study the acceptance of young working adults toward the commercial insurance and Takaful in Malaysia specifically which may result in different conclusions when it is conducted in other countries or different age groups. This is because the penetration of insurance in Malaysia is relatively low compared to other Asian countries (Loke and Goh, 2012).

5.5 Recommendations

There are some recommendations for future researchers to overcome the limitations. Future researchers should consider other variables that may influence the acceptance of commercial insurance or Takaful of young working adults during Covid-19 in Malaysia such as the services of an insurance agent, the image or perceived usefulness of an insurance company.

Moreover, future researchers are suggested to set the questionnaires at different language such as Bahasa Malaysia, Tamil, Mandarin language rather then English version. It allows the respondents with different racial more understand about the questions and answer the questions more properly. Therefore, the data collected will more accurate and meaningful.

Beyond that, future researchers could distribute more questionnaires across the country, not just a few states in a country, because the sample size was insufficient to support data analysis. Future researchers could evenly distribute the questionnaires to rural or urban areas to obtain more reliable and unbiased data. For example, 200 questionnaires were distributed to rural and urban areas. The greater the sample size, the accuracy of the data collected will be higher.

Last but not least, the researchers might use another method of data collection which is to interview if the Covid-19 pandemic has been improved in future. This is because in the case of two-way communication, the information collected may be more accurate and correct. Respondents can ask the researcher if they do not understand the questionnaire. As a result, researchers were able to collect data more accurately and consistently through interviews.

5.6 Conclusion

The objective of conducting our study is to identify whether young working persons in Malaysia accepted commercial insurance or takaful during the Covid-19 pandemic. This study examines four elements that influence acceptance of commercial insurance or takaful, including insurance AW, AT, DF, and AA. Except for awareness or knowledge of insurance, all independent variables (AT, DF, AA) are significant to the DV the acceptance of commercial insurance or Takaful during Covid-19 pandemic among young working adults, as shown in the results. The study discovered that insurance AW of insurance had no discernible impact on acceptance of commercial insurance or takaful. In summary, commercial insurance or takaful is important to human life as human life is a valuable asset. Commercial insurance or takaful is a way of providing financial security for a person and his family against unforeseen events especially during this Covid-19 pandemic. Following the completion of the study, several flaws were discovered that needed to be addressed, and recommendations for shortcomings were made, which may aid future researchers in their research.

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Appendix 1

<u>PERSONAL DATA PROTECTION STATEMENT</u>

Please be informed that in accordance with Personal Data Protection Act 2010 ("PDPA") which came into force on 15 November 2013, Universiti Tunku Abdul Rahman ("UTAR") is hereby bound to make notice and require consent in relation to collection, recording, storage, usage and retention of personal information.

<u>Notice:</u>

1. The purposes for which your personal data may be used are inclusive but not limited to:-
   - For assessment of any application to UTAR
   - For processing any benefits and services
   - For communication purposes
   - For advertorial and news
   - For general administration and record purposes
   - For enhancing the value of education
   - For educational and related purposes consequential to UTAR
   - For the purpose of our corporate governance
   - For consideration as a guarantor for UTAR staff/ student applying for his/her scholarship/ study loan

2. Your personal data may be transferred and/or disclosed to third party and/or UTAR collaborative partners including but not limited to the respective and appointed outsourcing agents for purpose of fulfilling our obligations to you in respect of the purposes and all such other purposes that are related to the purposes and also in providing integrated services, maintaining and storing records. Your data may be shared when required by laws and when disclosure is necessary to comply with applicable laws.

3. Any personal information retained by UTAR shall be destroyed and/or deleted in accordance with our retention policy applicable for us in the event such information is no longer required.

4. UTAR is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to us and it has been our ongoing strict policy to ensure that your personal information is accurate, complete, not misleading and updated. UTAR would also ensure that your personal data shall not be used for political and commercial purposes.

<u>Consent:</u>

1. By submitting this form you hereby authorise and consent to us processing (including disclosing) your personal data and any updates of your information, for the purposes and/or for any other purposes related to the purpose.

2. If you do not consent or subsequently withdraw your consent to the processing and disclosure of your personal data, UTAR will not be able to fulfill our obligations or to contact you or to assist you in respect of the purposes and/or for any other purposes related to the purpose.

3. You may access and update your personal data by writing to us at <u>st27363@1utar.my</u> or jaymin2000@1utar.my.

<u>Acknowledgment of Notice</u>

[   ] I have been notified by you and that I hereby understood, consented and agreed per UTAR above notice.

[   ] I disagree, my personal data will not be processed.

....

Name:

Date:

Research Topic: Factors affecting the acceptance of commercial insurance or Takaful during COVID-19 among young working adults in Malaysia

Questionnaire

We are students from Universiti Tunku Abdul Rahman (UTAR) undergoing Bachelor of Business Administration (Hons) Banking and Finance program. Hereby, we are doing research regarding the factors affecting the acceptance of commercial insurance or Takaful during COVID-19 among young working adults in Malaysia. The purpose of this study is to determine and investigate the factors affecting the acceptance of commercial insurance or Takaful during COVID-19 among young working adults in Malaysia. This survey is private and confidential. Your responses are highly appreciated. Please tick one answer for each question unless otherwise specified. Thank you.

Instructions:

1. There are TWO (3) sections (A,B and C) in this questionnaire. Please answer ALL questions in ALL sections.

2. Complete of this form will take you approximately 5 to 10 minutes.

3. The contents of this questionnaire will be kept strictly confidential.

<u>Questionnaires</u>

Part A : Demographic factors

Please tick (√) in the space provided.

1. Gender
    - ☐ Male
    - ☐ Female

2. Monthly Income
    - ☐ Less than RM2,000
    - ☐ RM2,001 – RM4,000
    - ☐ RM4,001 – RM6,000
    - ☐ RM6,001 – RM8,000
    - ☐ Above RM8,001

3. Marital Status
    - ☐ Single
    - ☐ Married
    - ☐ Widowed
    - ☐ Divorced

4. Number of Family Members
    - ☐ 1 – 2
    - ☐ 3 – 4
    - ☐ 5 – 6
    - ☐ 6 above

5. Occupation
    - ☐ Self-employed
    - ☐ Public sector
    - ☐ Private sector
    - ☐ Part-timer

Part B: Dependent Variable

The acceptance towards commercial insurance or Takaful during Covid 19 among young working adults in Malaysia

We would like to understand your acceptance towards insurance or Takaful during Covid-19 pandemic. For each statement, please circle the number that indicate your degree of agreement.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1.	I think that insurance or Takaful is important for my needs.	1	2	3	4	5
2.	I am afraid to purchase insurance or Takaful as I think the insurance or Takaful companies only want to earn profits from their customers and do not prioritise customers' protection needs.	1	2	3	4	5
3.	I have a positive perception towards insurance or Takaful and is always ready to know about the latest products or services.	1	2	3	4	5
4.	Insurance or Takaful products or services is a subsidy to reduce the burden of family member, when dealing with the adverse financial consequence.	1	2	3	4	5
5.	The benefits can only be claimed when the insured pass away.	1	2	3	4	5

Part C: Independent Variable

Awareness or knowledge

We would like to understand your awareness or knowledge on insurance or Takaful during COVID-19 pandemic. For each statement, please circle the number that indicate your degree of agreement.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1.	I aware that the knowledge of insurance or Takaful protection is one of the factors that influence me on insurance or Takaful demand.	1	2	3	4	5
2.	I have a positive perception towards life insurance of Takaful and are always ready to know about the latest products or services.	1	2	3	4	5
3.	I am very confident that I have enough insurance or Takaful knowledge which incentives me to purchase.	1	2	3	4	5
4.	I am very comfortable to give advice to my friends and family members on the insurance or Takaful product that will suit their needs and is worth buying.	1	2	3	4	5
5.	I prefer to have a professional advice about insurance or Takaful products before purchasing.	1	2	3	4	5

Attitude

We would like to understand your attitude toward the acceptance on insurance or Takaful during COVID-19 pandemic. For each statement, please circle the number that indicate your degree of agreement.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1.	I have positive attitude towards insurance or Takaful products.	1	2	3	4	5
2.	I adopt the insurance or Takaful because the companies are near my staying place.	1	2	3	4	5
3.	My confidence and trust are very high on insurance or Takaful companies operating in Malaysia.	1	2	3	4	5
4.	The insurance or Takaful services meet my needs.	1	2	3	4	5
5.	I have the intention to purchase insurance or Takaful in the near future.	1	2	3	4	5

Income Level

We would like to understand your income level during COVID-19 pandemic. For each statement, please circle the number that indicate your degree of agreement.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1.	I am satisfied with my current income and is enough for my monthly spending.	1	2	3	4	5
2.	I have a habit of monthly saving and always spend according to my budget.	1	2	3	4	5
3.	Once income increases, I will demand more health and life insurance or Takaful.	1	2	3	4	5
4.	My primary commitment is on health and life insurance or Takaful.	1	2	3	4	5
5.	I will place portion of my monthly income as health and life insurance of Takaful premium.	1	2	3	4	5

Attribute of agent

We would like to understand the attribute of agent of insurance or Takaful during COVID-19 pandemic. For each statement, please circle the number that indicate your degree of agreement.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1.	The agent of insurance or Takaful company is able to communicate efficiently.	1	2	3	4	5
2.	The agent explains the information regarding the insurance or Takaful products well.	1	2	3	4	5
3.	The agent is knowledgeable in diagnosing problems or doubts related to insurance or Takaful policy.	1	2	3	4	5
4.	The agent is always available to give helps to me.	1	2	3	4	5
5.	The agent provides updates of the insurance or Takaful products.	1	2	3	4	5