FACTORS AFFECTING THE PREFERENCE OF PURCHASING TAKAFUL MEDICAL CARD AMONG YOUTH IN SKUDAI

NOR SYAKILA BINTI MOHD YATIN

2013585101

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PASIR GUDANG**

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ABSTRACT

This study aims to identify the factor affecting the preference of purchasing among youth in Skudai, Johor Darul Takzim. Prepared for final project in completion of the courses in BBA (Hons) Finance. The dependent variable is the elements of the preference of purchasing Takaful medical card. Specifically, the study assesses the impact of independent variable are awareness of Takaful product, benefits of Takaful product and promotion of Takaful product. Thus, our research are to study the relationship and significance of the independent variables with independent variables. The questionnaire survey was being for this study in order to obtain primary data youth at Skudai, Johor Darul Takzim. These respondents help the researcher to do analysis on the preference of purchasing Takaful medical card. There were a total 187 questionnaires being conducted for this research. This analysis is done by using SPSS version 22 software. The result from SPSS have shown that awareness of Takaful product, benefits of Takaful product, and promotion of Takaful product are significant on the preference of purchasing Takaful medical card. The overall findings show that all the independent variables have positive relationship with dependent variable. This signifies that preference of purchasing Takaful medical card are playing important role. In practical, this research can contribute to practitioners to strengthen the knowledge about Takaful product. The study can also provide the benefits for Takaful company, agent of Takaful, Customer or user and researcher to understand, identify and obtain the various information and resources. This study are useful and helpful for them on the purchasing of Takaful medical card.

INTRODUCTION

CHAPTER ONE

1.1 INTRODUCTION

Islamic finance has become one of the most fast emergent segments of the global financial system and the expansion of Takaful is seen as one of the key mechanisms contributes to the expansion of Islamic finance. The Takaful industry is a relatively new industry as compared to conventional insurance. The first Takaful company was established in Sudan in 1979 (Maysami & et. Al., 1999) and today Takaful companies are spreading around the world. In Malaysia, the first Takaful Company in Malaysia is Syarikat Takaful Malaysia Berhad (STMB), established under Takaful Act 1984. Malaysia marks the second largest Takaful market in the world, showing the growth of 21% in 2012, in which is more than double the growth of the broader insurance industry at 9% and the world's largest family Takaful market (Crawford & et. Al, 2013) .

As indicated by (Billah, 2000), the word Takaful is derived from the Arabic word "kafala" which intends to ensure, care for or trust. Tabarru' is gotten from the Arabic thing that implies gift, blessing or commitment. Takaful is a protection item which depends on Shariah Compliance. Despite of the conventional practices which is not 100% shariah compliance, Takaful offers a coverage which is obliged to the said components of uncertainty (gharar), interest (riba) and gambling (maysir) that has been discussed and deliberated by Fatwa Committee of the National Council for Islamic Religious Affairs Malaysia on 15 June 1972.

1.2 BACKGROUND OF STUDY

This research intends to determine the factors affecting the preference of purchasing Takaful medical card among Youth in Skudai. The independent variable such as awareness of the Takaful product, benefits of Takaful product and promotion of Takaful product. The dependent variable is the preference of purchasing Takaful medical card among Youth in Skudai. With all the variables, researcher need to carry