

**UNIVERSITI TEKNOLOGI MARA**

**THE ROLE OF CONSUMER AWARENESS IN  
ENHANCING TRUST TOWARDS TAKAFUL  
MALAYSIA: A CASE STUDY AMONG STAFF UiTM  
CAMPUS PERMATANG PAUH**

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## **ABSTRACT**

This research intends to study the role of consumers awareness in enhancing trust towards Takaful Malaysia among Staff UiTM Campus Permatang Pauh. This study shows that understanding how consumer awareness affects trust in Takaful services is important for the growth and development of the Takaful industry. This research focus on three main objectives to evaluate the level of consumer awareness about Takaful Malaysia's products and services, to determine how increasing consumer awareness can enhance trust in Takaful Malaysia and to examine the relationship between awareness and trust in Takaful Malaysia. This study used a quantitative approach with a questionnaire as the data collection instrument, involving respondents among staff at UiTM Campus Permatang Pauh. The analysis of this data is important to obtain insight and ensure the validity of the research findings. Through the result of this study, it is shown that increased awareness can lead to higher consumer confidence in Takful as a financial protection solution.

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## TABLE OF CONTENTS

<b>CONFIRMATION BY PANEL OF EXAMINERS</b> .....	i
<b>AUTHOR’S DECLARATION</b> .....	ii
<b>ABSTRAK</b> .....	iii
<b>ABSTRACT</b> .....	iv
<b>ACKNOWLEDGEMENT</b> .....	v
<b>LIST OF TABLES</b> .....	ix
<b>LIST OF FIGURES</b> .....	xi
<b>LIST OF ABBREVIATION</b> .....	xiii
<b>CHAPTER ONE: INTRODUCTION</b> .....	1
1.1 Research Background.....	1
1.2 Problem Statement .....	2
1.3 Research Objectives .....	3
1.4 Research Questions .....	4
1.5 Research Significant.....	4
1.6 Scope and Limitation of Study .....	5
1.7 Conclusion.....	5
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	6
2.1 Introduction .....	6
2.2 Definition of Takaful.....	6
2.3. Legal Evidence .....	7
2.4 Types of Takaful .....	8
2.4.1 General Takaful .....	8
2.4.2 Family Takaful.....	8

# CHAPTER ONE: INTRODUCTION

## 1.1 Research Background

Takaful, an Islamic model has seen significant growth in Malaysia driven by the demand for financial products that comply with Shariah law. Takaful has become the first choice of insurance among Muslim not only in Malaysia but also rapidly grown into worldwide. The global demand for takaful products continues to grow as a consequence of the phenomenal growth of various components in the Islamic financial system especially the Islamic banking and capital market sectors. (Muhammad Nasir et al., 2023)

Takaful operates on the principles of mutual assistance (ta'awun) and shared responsibility among participants, distinguishing it from conventional insurance where risk is transferred to the insurer (Nazarov & Dhiraj, 2019). Takaful adopts a risk-sharing model with participants contributing to a pooled fund to support one another in times of need. Rooted in Quran concept of ta'awun which promotes collaborative efforts for good causes while prohibiting unethical or harmful actions, Takaful reflects an ethical and community-focused approach. This framework appeals to many especially within the Muslim community as it avoids elements of *riba* (interest), *gharar* (uncertainty) and *maysir* (gambling) (BNM, 2022).

In Malaysia, the products offered in takaful are family takaful and general takaful. The family takaful product offering aims to provide benefits to individuals and their families in the event of misfortunes such as accidents or illness. Meanwhile, general takaful is intended to provide benefits against the loss of property or assets owned by the participants. Essentially, takaful is meant to alleviate financial burdens and protect participants from any calamities that may befall them in their lives. According to report by Minister of Finance (2014) showed that the takaful segment is expected to benefit from the various insurance schemes announced by the government to help small traders and hawkers, fisherman, soldier, police and students (Abdul Aziz et al., 2016). This showed that people began to