

**UNIVERSITI TEKNOLOGI MARA**

**FACTORS THAT INFLUENCES THE ADOPTION OF  
TAKAFUL PRODUCT IN SELANGOR: A CASE  
STUDY IN SELANGOR**

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Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
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## AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.


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## ABSTRACT

The aim of this research is to investigate the factors that influence the adoption of Takaful product (Islamic Insurance) in Selangor. As for this research, causal research will be used to analyse cause and effect relationship among factors that may affect adoption of Takaful product in Selangor and a cross sectional survey methods using a survey questionnaire is used. The dependent variable used in this research is Adoption of Takaful Product. While the independent variables are Compatibility, Social influences, Awareness of Shariah Compliance, Knowledge and Perception. The research is an empirical investigation based on surveys completed 100 respondents in Selangor. The data will be analysed through IBM SPSS Statistics VV22.0. The results are interpreted using these methods which are descriptive statistics, KMO test, reliability and validity tests, correlation and regression analysis. This research revealed that there are significant relationship between compatibility, social influence and knowledge towards adoption of Takaful product. However, this research did not find significant relationship between awareness of Shariah compliance and perception towards adoption of Takaful product. This research is very beneficial for those who work in Insurance industry, especially in market where Muslims are dominant to improve and develop of Takaful industry to be better than before.

**Key Terms:** Takaful, Adoption, Compatibility, Social Influences, Awareness of Shariah Compliance, Knowledge, Perception, Selangor.

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