



UNIVERSITI TEKNOLOGI MARA

**FACTORS CONTRIBUTING TO
CUSTOMER PREFERENCES ON
PARTICIPATING IN LIFE TAKAFUL
SCHEMES: A CASE STUDY IN
KUANTAN, PAHANG.**

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ABSTRACT

Takaful in Malaysia has emerging rapidly since peoples start to have the awareness on the importance of insurance that is Shariah Compliance in their daily life. Since it is growing faster nowadays, it showed that Islamic products had a big potential than conventional products. Therefore, this study attempted to investigate the factors contributing to customer preferences on participating in Life Takaful scheme in Kuantan. There was increased number of customers who purchase Life Takaful scheme, but we do not know what factors influenced them to choose this product. From this research, the researcher wants to determine the factors of religious obligations, subjective norm and level of knowledge. In this research, customer preferences are the dependent variable. Meanwhile, religious obligation, level of knowledge and subjective norm are the independent variables. All the variables are used to find the relationship between dependent and independent variables in order to get the final result of this research. A self-administered questionnaire will be adapted from reputable journal (Nu, Htay, & Zaharin, 2012) to measure the research variables, as well as to collect demographic information. The sample for this study consisted of 18 to 60 years old Muslims in Kuantan who participate with life takaful scheme. The questionnaires will be distributed to 150 respondents. The study will use a quantitative method approach. In order to identify the factors that contribute to the customer preferences in subscribing Life Takaful schemes, the multiple regressions are used. In addition, this study conducted using SPSS statistical software. From this research, the factors that contribute to the customer preferences in subscribing Life Takaful schemes can be identified so that further recommendations can be developed in order to attract more peoples in participating with Life Takaful schemes.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

First and foremost, the researcher will be discussing a few things such as background of study, problem statement, research question, research objective, significance of study, scope of study, limitation of study and summary of the research itself. This research will be specifically focus on the factors contributing to customer preferences on participating Life takaful schemes in Kuantan, Pahang.

For the background of study, this research will explain roughly regarding the dependent variable and together with the independent variables. Customer preferences become the dependent variable for this research. Whilst, the independent variables involved are the factors contributing to customer preferences on participating in Life takaful schemes that are religious obligation, subjective norm and also level of knowledge. The gap of problem that existed will be further discussed in problem statement.

Apart from that, the research questions will be discussed in the form of question that is absolutely related with the theoretical framework of this research. There are two types of research questions that involved in this research. Firstly, the question that is solely related with the dependent variable is known as main research question. Secondly, the questions that support the main research question are known as specific research question. Same goes with research objective where it can be divided into two which are main research objective and specific research objective.

Furthermore, the significance of study will cover all the parties that involved like individual, organization, or country. When doing research of course there would be certain limitation that will occur for instances like the unavailability of the data, the difficulty in attaining the accuracy of the data itself and so on. Last but not least, all the related information that included in chapter one will be summarized in the summary section.