



**A STUDY ON THE FACTORS INFLUENCING
PARTICIPATION OF PEOPLE TO PURCHASE TAKAFUL
POLICY**

**NORSHAKILLA BINTI ABD RAHMAN
2010542919**

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Islamic Banking**

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

2013

AKNOWLEDGMENT

Alhamdulillah, in the name of Allah s.w.t. the Most Gracious, the Most Merciful. All thanks and praises are due to Allah s.w.t. for making thing possible, for giving me the strength, patience and healthy physical also inspiration to complete this project paper accordingly.

First of all, my deepest appreciation and gratitude to my advisor, Dr. Norashikin Binti Ismail for her guidance, suggestion and encouragement provided to me throughout the completion of this project paper. Thank you for the time spent to give comments and time to read my proposal to give opinion to a better outcome for this report.

It is my pleasure to acknowledge and thanked to my supervisor Encik Shamsuri Bin Othman and all departments staff Bank Rakyat Johor Bahru for their great cooperation and guidance during my practical training for 5 months. This training is absolutely beneficial for me. All their support and cooperation are much remembered and appreciated.

My warmest gratitude to all my friends for sharing ideas and helping me to complete this project paper. Last but not least, my greatest appreciation to my mom and everyone involved in this project directly and indirectly especially respondents answered my questionnaire.

TABLE OF CONTENT

CONTENT	PAGE
ACKNOWLEDGEMENT.....	i
TABLE OF CONTENT.....	ii
LIST OF TABLES.....	v
LIST OF DIAGRAM.....	vi
ABSTRACT.....	vii

CHAPTERS

1. INTRODUCTION.....	1
1.1. Background of study.....	3
1.1.1. Development of <i>Takaful</i> in Malaysia.....	3
1.2. Problem Statement.....	5
1.3. Research Objective.....	6
1.4. Research Question.....	6
1.5. Significant of study.....	7
1.6. Scope of research.....	8
2. LITERATURE REVIEW.....	9
2.1. Introduction.....	9
2.2. Concept of <i>Takaful</i>	9
2.3. Factor influencing people in participating <i>Takaful</i>	10
2.3.1. Knowledge.....	10
2.3.2. Promotion.....	12
2.3.3. Pricing.....	13
2.3.4. Benefit.....	14
2.3.5. Social influence.....	16

TABLE OF CONTENT

CONTENT	PAGE
ACKNOWLEDGEMENT.....	i
TABLE OF CONTENT.....	ii
LIST OF TABLES.....	v
LIST OF DIAGRAM.....	vi
ABSTRACT.....	vii

CHAPTERS

1. INTRODUCTION.....	1
1.1. Background of study.....	3
1.1.1. Development of <i>Takaful</i> in Malaysia.....	3
1.2. Problem Statement.....	5
1.3. Research Objective.....	6
1.4. Research Question.....	6
1.5. Significant of study.....	7
1.6. Scope of research.....	8
2. LITERATURE REVIEW.....	9
2.1. Introduction.....	9
2.2. Concept of <i>Takaful</i>	9
2.3. Factor influencing people in participating <i>Takaful</i>	10
2.3.1. Knowledge.....	10
2.3.2. Promotion.....	12
2.3.3. Pricing.....	13
2.3.4. Benefit.....	14
2.3.5. Social influence.....	16

ABSTRACT

Islamic Insurance (Takaful) is an alternative form of conventional insurance based on the concept of trusteeship and cooperation inspired by the beliefs of the followers of Islamic teaching. Muslim societies in different parts of the world are now practicing Takaful scheme as their own way of sharing financial responsibilities to assist each other. The main purpose of this study is to determine factors influencing people participating in purchase Takaful policy at Johor Bahru. A questionnaire with five points of likert-scales is applied to 133 usable responses. The respondent consists of those who already have Takaful policy. There used several method to analyze the influence of independent variables towards the dependent variable for this study. The methods are Reliability Analysis, Pearson Correlation Coefficient and Multiple Linear Regression. Four attributed will be tested namely knowledge, promotion, price, benefit and social influence. The finding revealed that there have three elements that become the factors that contribute toward the participation of people to purchase Takaful policy. However, social influence is become the best predictor of dependent variable that answered objective to determine the most important factor that influence the participation of people to purchase Takaful policy. This proves by the result from the SPSS program used. Overall, the researcher can consider the result gathered in this study is balanced.