

Determinant of Family Takaful Adoption Among Puncak Alam Residents

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Abstract: This study investigates the key determinants influencing the adoption of family takaful among residents of Puncak Alam, Selangor. Despite the strategic design of family takaful to provide financial protection, particularly for low-income earners in the event of financial loss, its market penetration in Malaysia remains low. This raises important questions about the barriers to its widespread adoption, despite extensive promotional efforts by the takaful industry. The research aims to address these challenges by identifying and analyzing the factors that hinder the broader uptake of family takaful. A quantitative and descriptive research approach was adopted to gain a deeper understanding of the issue. Data collection was conducted using random sampling techniques, and the responses were analyzed using descriptive statistics with the help of the Statistical Package for Social Sciences (SPSS) software. The study involved a structured survey of 100 respondents from Puncak Alam, which examined the impact of three key variables - price, knowledge, and satisfaction - on the adoption of family takaful. The findings of this study underscore the significance of these three factors in shaping consumers' decision-making processes regarding family takaful. Price, as an indicator of affordability, knowledge about family takaful products, and the level of satisfaction with existing services, were all found to significantly influence adoption rates. By highlighting these critical determinants, the research provides valuable insights for policymakers, takaful operators, and financial service providers to refine their strategies and promote wider adoption of family takaful, ultimately enhancing financial security for the Malaysian population.

Keywords: *Family takaful, Adoption, Price, Knowledge, Satisfaction.*

1. Introduction and Background

Takaful has emerged as a prominent alternative to conventional insurance within Malaysia's financial landscape. As the sector experiences rapid growth in a competitive market, offering an array of products with extensive coverage, there is an increasing need to address the financial protection needs of low-income earners. The inception of takaful in Malaysia can be traced back to the early 1980s, with the establishment of Syarikat Takaful Malaysia Berhad in 1984 following the enactment of the Takaful Act 1984. This landmark legislation marked the formal integration of takaful into the Malaysian financial system as an Islamic alternative to conventional insurance Takaful, derived from the Arabic word kafalah to means "mutual guarantee", is a form of protection in which participants help each other against pre-defined financial losses due to unforeseen events (Yakob et al., 2019).

Takaful products are broadly categorized into two main types: general takaful and family takaful. Family takaful, which serves as an Islamic alternative to conventional life insurance, has become a key component of Malaysia's financial services, catering to the ethical and religious preferences of the Muslim community. Since its inception, the family takaful sector has experienced steady growth, contributing to the broader expansion of Islamic finance in Malaysia. However, despite its potential and the increasing demand for Sharia-compliant financial solutions, the family takaful industry faces significant challenges, particularly in achieving widespread market penetration.

A takaful plan is a vital buffer against unexpected loss. However, most of the available takaful plans in the market are costly. A takaful plan usually requires a high contribution and is unaffordable to certain individuals, especially the poor and low-income earners because of their low or inconsistent income (Abdullah et al., 2019). One of the critical challenges is the low penetration rate of family takaful in Malaysia, with a considerable portion of the population either relying on conventional insurance or remaining uninsured. According to Jalil (2024), the penetration rate of takaful in Malaysia currently stands at 20%, compared to 34% for conventional insurance. This leaves approximately 46% of the population without any form of insurance coverage. Several

factors contribute to this issue, including limited awareness and understanding of family takaful, perceived product complexity, affordability concerns, and the strong presence of conventional insurance providers. Moreover, the effectiveness of distribution channels and the role of financial literacy in shaping consumer decisions are areas that warrant further investigation.

Billah (2003) describes takaful as a financial transaction rooted in cooperation between parties, designed to provide financial security in the event of unforeseen misfortune. Often referred to as Islamic insurance, the term takaful originates from the Arabic word *kafala*, meaning "joint guarantee" or "guaranteeing each other." Takaful operates on the foundational principles of social solidarity, cooperation, and collective indemnification against losses among its members.

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One of the critical challenges is the low penetration rate of family takaful in Malaysia, with a considerable portion of the population either relying on conventional insurance or remaining uninsured. According to Asila Jalil (2024), the penetration rate of takaful in Malaysia currently stands at 20%, compared to 34% for conventional insurance. This leaves approximately 46% of the population without any form of insurance coverage. Several factors contribute to this issue, including limited awareness and understanding of family takaful, perceived product complexity, affordability concerns, and the strong presence of conventional insurance providers. Moreover, the effectiveness of distribution channels and the role of financial literacy in shaping consumer decisions are areas that warrant further investigation.

This study aims to explore the factors contributing to the low penetration of family takaful among residents of Puncak Alam, Selangor. By examining market dynamics, consumer perceptions, and the challenges faced by takaful operators, the research seeks to identify strategies to improve penetration rates and expand the reach of family takaful to diverse population segments. Specifically, this study proposes to investigate the impact of three independent variables - price, knowledge, and satisfaction - on the adoption of family takaful in Puncak Alam. Addressing these issues is crucial for strengthening the role of family takaful in providing financial protection and stability to Malaysian families, particularly within the context of an evolving financial sector. Previous studies have highlighted significant relationships between price and takaful adoption (Yazid et al., 2012), a positive correlation between product knowledge and adoption (Hussels et al., 2005) and a positive association between satisfaction and takaful adoption (Saidon et al., 2019).

2. Literature Review

Family Takaful Adoption: Family takaful is fundamentally a long-term policy, similar to conventional life insurance. The primary goal of participants in family takaful plans is to save for their long-term financial needs, such as funding their children's education, securing a pension, or providing financial compensation to dependents in the event of death or disability. Unlike conventional insurance, family takaful integrates both savings and investment components, typically managed through two distinct funds: the participant account (savings) and the participant's special account or *tabarru'* (investment).

There are three primary motivations for the adoption of family takaful. First, participants contribute takaful

premiums over a specified period, which aligns with their financial planning for future needs. Second, these plans offer Shariah-compliant returns on investments, appealing to individuals seeking ethical financial products. Third, family takaful provides comprehensive coverage benefits, including payouts in cases of death, disability, or illness, making it an attractive option for those seeking both financial security and religious compliance (Hendon et al., 2009; Ahmad et al., 2012).

Moreover, Muhammad et al. (2019) emphasize that consumer attitude and knowledge significantly influence awareness and adoption of family takaful. As consumers become more informed about the benefits and principles of family takaful, their willingness to participate increases, thereby enhancing market penetration. This highlights the importance of educating potential customers and raising awareness about the unique features and advantages of family takaful, which could lead to broader acceptance and growth of this financial product in the market.

Price: According to Kotler and Armstrong (2016), price is defined as the amount of money exchanged for a product or service, or the total value that customers are willing to trade for the benefits of ownership or usage. Price plays a critical role in influencing consumers' purchasing decisions, as noted by Smith and Carsky (2016).

Numerous studies have demonstrated the positive impact of price on consumer behavior and purchasing intentions. For instance, Moorthy et al. (2014) found that pricing variables significantly shape customers' perceptions and influence their purchase decisions. Similarly, Subhani et al. (2012) identified price as one of the most significant factors among the ten analyzed variables, emphasizing its importance in the selection of Islamic banks. In line with these findings, Idris et al. (2011) confirmed that price is a crucial determinant in customers' decisions to patronize Islamic banks. Mohamed (2017) further established a significant relationship between insurance pricing and the selection of takaful products in Kenya.

The literature consistently highlights the strong relationship between price and consumer adoption behavior. Research by Akbar et al. (2020), Devi and Harjatno (2019), and Hermiyenti and Wardi (2019) supports the notion that price is a key factor influencing consumer choices. In the context of Family Takaful, the price must be perceived as offering good value for money, with affordability being particularly important for attracting low-income earners. A reasonably priced Family Takaful product is more likely to appeal to consumers, encouraging broader adoption. Therefore, it can be hypothesized that:

H1: Price significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

Knowledge: Bolisani and Bratianu (2018) define knowledge as the process of legitimizing genuine belief, encompassing elements such as truth, justification, and belief. This conceptualization highlights the importance of knowledge in shaping how individuals perceive and interact with the world. According to Cheung et al. (2009), prior knowledge is one of the most crucial factors that influence an individual's ability to understand and process information about products and services. This foundational understanding is critical in the context of consumer behavior, where knowledge plays a pivotal role in shaping attitudes and intentions toward specific products.

Empirical research consistently demonstrates the significant impact of knowledge on consumer behavior. For instance, Ayinde and Echchabi (2012) found that knowledge significantly influences Malaysians' approval of Islamic insurance services, indicating that informed consumers are more likely to embrace such products. Similarly, Azhar (2015) revealed that the public's response to any takaful program is largely determined by their level of knowledge, underscoring the necessity of enhancing public awareness to increase participation rates.

In a related study, Akotey et al. (2011) discovered that knowledge is a key factor driving demand for microinsurance in Ghana, suggesting that better-informed consumers are more likely to recognize the value of such financial products. Rahman et al. (2021) further established a positive correlation between financial literacy and financial well-being, indicating that individuals with sufficient financial knowledge are better equipped to manage their finances and mitigate risks effectively.

Additional studies reinforce this relationship between knowledge and consumer behavior. Dan and Jing (2017)

found a positive correlation between product knowledge and purchasing intent, while Md Husin and Ab Rahman (2016) demonstrated that customer knowledge significantly influences purchase intention. Moreover, Yusoff et al. (2020) identified knowledge as the most critical factor in the decision to purchase microtakaful services, emphasizing the need for targeted educational initiatives to enhance consumer understanding and drive adoption. Based on the existing literature, it is hypothesized:

H2: Knowledge significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

Satisfaction: Consumer satisfaction is an emotional response that emerges when a consumer compares the actual performance of a product with their prior expectations. According to Kotler and Armstrong (2008), consumer satisfaction reflects how well a product's performance aligns with the buyer's expectations. When a product meets or exceeds expectations, the consumer experiences satisfaction; conversely, if the product falls short, disappointment ensues.

Customer satisfaction is further defined by Jahanshahi et al. (2011), who suggest that it arises when a customer's perception of the value received in a transaction matches the perceived quality of the service, relative to the costs and price paid. This definition highlights the balance between perceived value and cost as a crucial factor in achieving customer satisfaction. When consumers perceive that the value they receive justifies the cost they have incurred, they are more likely to be satisfied. Daryanto and Ismanto (2014) emphasize that consumer satisfaction is an emotional evaluation that occurs after a consumer uses a product. It is the result of a consumer's assessment of whether the product has met their needs and expectations. This emotional assessment is key to understanding the depth of satisfaction a consumer experiences after engaging with a product.

In summary, customer satisfaction is a complex emotional response that reflects the consumer's pleasure or disappointment based on their experience with a product or service. It is the outcome of a comparison between the anticipated and actual performance of a product, influenced by the perceived value and quality relative to the cost. When a company successfully meets or exceeds customer expectations, it fosters a sense of satisfaction that can lead to customer loyalty and positive word-of-mouth, both of which are critical for sustained business success. Based on the existing literature, it is hypothesized:

H3: Satisfaction significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

3. Research Methodology

The research methodology employed in this study involved the administration of a structured survey to 100 respondents living and working in Puncak Alam, Selangor. A structured questionnaire was utilized as the primary tool for data collection, facilitating the systematic gathering of information needed to examine the relationships between independent variables - namely, price, knowledge, and satisfaction—and the dependent variable, Family Takaful adoption. The collected data were analyzed using descriptive statistical methods to identify the key determinants influencing Family Takaful adoption among the residents. According to Mishra et al. (2019), the descriptive statistical method is a good and appropriate measure for statistical methods used for hypothesis testing. Furthermore, the study sought to explore how these factors correlate with the likelihood of respondents opting for enhanced insurance coverage. Convenience sampling was selected for its practical benefits, including cost-effectiveness, time efficiency, and ease of implementation, making it an appropriate choice for quickly and efficiently accessing respondents (Golzar et al., 2022). The findings provide valuable insights for insurers aiming to tailor their products to better align with consumer needs. This analysis is essential for identifying target demographics that may benefit most from specialized coverage, thereby enabling insurers to develop more customized and effective policy offerings.

4. Results

This study aims to investigate the factors influencing the adoption of family takaful among residents of Puncak Alam, Selangor. By analyzing demographic variables such as gender, age, monthly income, and education level, the research seeks to provide a comprehensive understanding of how these elements affect individuals' decisions to adopt family takaful.

Profile of Respondents: The profile of the respondents is summarized in Table 1, which provides an overview of the characteristics of the study's participants.

Table 1: Demographic Profile

VARIABLE	FREQUENCY	PERCENTAGE
GENDER		
Males	40	40.0%
Females	60	60.0%
Total	100	100%
AGE		
20-29	43	43.0%
30-39	49	49.0%
40-49	5	5.0%
50 and above	3	3.0%
Total	100	100%
MONTHLY INCOME		
RM1,000 and below	5	5.0%
RM1,001 - RM2,000	15	15.0%
RM2,001 - RM3,000	42	42.0%
RM3,001 - RM4,000	28	28.0%
RM4,000 and above	10	10.0%
Total	100	100%
LEVEL OF EDUCATION		
Sijil Pelajaran Malaysia (SPM)	2	2.0%
Diploma	30	30.0%
Degree	64	64.0%
Master / PhD	4	4%
Total	100	100%
HAVING FAMILY TAKAFUL		
Yes	62	62.0%
No	38	38.0%
Total	100	100%

The gender distribution among the respondents indicates a higher proportion of females (60%) compared to males (40%). This suggests that females are more engaged or have a greater representation in this study sample. Understanding gender-based differences in takaful adoption could provide insights into tailored marketing or educational approaches. The majority of respondents are in the 30-39 age group (49%), followed closely by the 20-29 age group (43%). The lower representation of older age groups (5% for 40-49 years and 3% for 50 and above) may indicate that younger individuals are more likely to engage with family takaful products. This age distribution suggests that younger adults are a key demographic for takaful providers to target.

Most respondents fall within the RM2,001 - RM3,000 income bracket (42%), with a notable portion in the RM3,001 - RM4,000 range (28%). A smaller percentage have incomes above RM4,000 (10%) or below RM2,000 (20%). The higher representation of middle-income individuals suggests that affordability might be a significant factor influencing family takaful adoption. Targeted strategies could focus on this income bracket, potentially offering flexible pricing or tailored products. The majority of respondents have a degree (64%), followed by those with a diploma (30%). Only a small percentage have completed SPM (2%) or hold advanced degrees (4%). Higher education levels among respondents suggest that educational attainment might influence the understanding and adoption of family takaful. Educational campaigns or materials could be designed to resonate with individuals at various educational levels.

A significant majority of respondents (62%) currently have family takaful, while 38% do not. This high adoption rate indicates that a substantial portion of the population is already familiar with and has opted for family

takaful. Understanding why the remaining 38% have not adopted family takaful could provide insights into barriers to adoption, such as lack of awareness, perceived value, or affordability issues.

The analysis reveals key demographic trends among respondents that could impact family takaful adoption. The predominance of females, younger individuals, and those with higher educational attainment suggests that tailored approaches in marketing and education could be effective. The income distribution highlights the need for flexible pricing strategies to accommodate various income levels. Finally, the high adoption rate among respondents indicates a positive reception of family takaful but also underscores the importance of addressing the needs and concerns of those who have yet to adopt the product.

Descriptive Statistics: The descriptive statistics for the determinants of family takaful adoption were examined, and the findings are displayed in Tables 2, 3, 4, and 5.

Table 2: Mean Score and Standard Deviation for Family Takaful Adoption

Item	Mean	Std. Dev.
I have heard about family takaful before.	3.46	1.988
I am positive about purchasing family takaful.	3.89	1.604
I will likely purchase family takaful shortly.	3.37	1.670
I have the intention to purchase family takaful.	3.55	1.827
I believe that family takaful can provide me with good financial protection.	4.06	1.717

Table 2 presents an overview of five key factors influencing family takaful adoption among residents of Puncak Alam, measured on a five-point Likert scale. The data reveals that the highest mean score is associated with the belief that family takaful provides good financial protection ($M = 4.06$, $SD = 1.717$), suggesting that a majority of respondents strongly perceive takaful as a beneficial financial safeguard. Similarly, a positive attitude towards purchasing family takaful is reflected in the second-highest mean score ($M = 3.89$, $SD = 1.604$).

However, despite these positive perceptions, other critical factors show lower mean scores. The intention to purchase family takaful registers a mean of 3.55 ($SD = 1.827$), indicating a moderate level of intention among respondents. Awareness, measured by the statement "I have heard about family takaful before," scored a mean of 3.46 ($SD = 1.988$), reflecting that while some awareness exists, it is not widespread. The lowest mean score was for the likelihood of purchasing family takaful shortly ($M = 3.37$, $SD = 1.670$), indicating uncertainty or hesitation among respondents regarding immediate action.

Table 3: Mean Score and Standard Deviation for Price

Item	Mean	Std. Dev.
Price is an important factor when purchasing family takaful.	3.92	0.951
The price of family takaful in the market is within my affordability.	2.67	1.008
I am willing to purchase family takaful even though the price is above my affordability.	1.60	0.693
I compare the price of family takaful offered by companies before I purchase one.	2.83	1.235
I will still purchase the cheapest family takaful despite its less coverage.	3.66	1.039

Table 3 provides the mean and standard deviation for five items designed to measure the price construct, which serves as an independent variable in this study. These items were evaluated using a five-point Likert scale, where 1 indicates "strongly disagree" and 5 indicates "strongly agree." The highest mean score was associated with the statement, "Price is an important factor when purchasing family takaful" ($M = 3.92$, $SD = 0.951$), indicating that price plays a significant role in the decision-making process for most respondents. The second-highest mean was for the statement, "I will still purchase the cheapest family takaful despite its less coverage" ($M = 3.66$, $SD = 1.039$), showing that many respondents prioritize price over the extent of coverage.

Lower mean scores were observed for the statements "I compare the price of family takaful offered by different companies before making a purchase" ($M = 2.83$, $SD = 1.235$) and "The price of family takaful in the market is within my affordability" ($M = 2.67$, $SD = 1.008$). The lowest mean score was for the statement, "I am willing to

purchase family takaful even if the price is above my affordability" ($M = 1.60$, $SD = 0.693$), suggesting that affordability remains a critical barrier for most respondents.

Table 4: Mean Score and Standard Deviation for Knowledge

Item	Mean	Std. Dev.
I am aware of the presence of family takaful.	2.67	1.417
I know that family takaful is Shariah compliance.	2.56	1.368
I am aware that family takaful can provide financial protection in the event of loss.	2.95	1.485
I know that family takaful protection is very important.	2.88	1.359
I know that family takaful is suitable for everyone regardless of religion.	2.07	1.037

Table 4 outlines the mean and standard deviation for five items that measure the knowledge construct, an independent variable in this study. These items were evaluated using a five-point Likert scale, with 1 representing "strongly disagree" and 5 representing "strongly agree." The highest mean score was associated with the statement, "I am aware that family takaful can provide financial protection in the event of loss" ($M = 2.95$, $SD = 1.485$), indicating a moderate level of awareness regarding takaful's protective benefits. The second-highest mean score was for the statement, "I know that family takaful protection is very important" ($M = 2.88$, $SD = 1.359$), suggesting that respondents have some recognition of the importance of takaful.

Other items, such as "I am aware of the presence of family takaful" ($M = 2.67$, $SD = 1.417$) and "I know that family takaful is Shariah-compliant" ($M = 2.56$, $SD = 1.368$), received lower mean scores, indicating that awareness of takaful's availability and religious compliance is less widespread. The lowest mean score was observed for the statement, "I know that family takaful is suitable for everyone regardless of religion" ($M = 2.07$, $SD = 1.037$), suggesting a lack of knowledge about the inclusivity of takaful across different demographic groups.

Table 5: Mean Score and Standard Deviation for Satisfaction

Item	Mean	Std. Dev.
I am happy with the service provided by the takaful operator.	2.47	1.192
Overall, the family takaful services provided have met my expectations.	2.37	1.089
I am satisfied with how the claim is handled.	1.98	0.901
I have experienced a prompt claim process.	1.99	0.917
I will likely repurchase the family takaful because of the good service provided.	3.38	1.365

The findings in Table 5 suggest that while some respondents are willing to repurchase family takaful due to good service experiences, overall satisfaction with the service provided by takaful operators remains moderate. The highest mean score ($M = 3.38$) for the likelihood of repurchase reflects that service quality can foster loyalty and repeat purchases. However, the fact that the second-highest mean score ($M = 2.47$) indicates only moderate happiness with service suggests that there are significant areas for improvement in the overall customer experience. The relatively low scores for meeting expectations ($M = 2.37$) and the claims process ($M = 1.99$ and 1.98) reveal critical issues in service delivery, particularly in the handling of claims, which is a key component of customer satisfaction in insurance. The dissatisfaction with the claim process, as reflected in the lowest mean score, could significantly undermine customer trust and deter future purchases. This indicates that while service quality may be adequate in some areas, the perceived inefficiencies in claims handling create significant barriers to achieving high customer satisfaction. These findings highlight the importance of focusing on operational improvements, particularly in the claims process, to enhance overall satisfaction and foster long-term customer loyalty.

5. Discussion and Recommendations

H1: Price significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

The findings emphasize the importance of price as a key determinant in family takaful adoption. The highest-rated item ($M = 3.92$) underscores that price considerations heavily influence decision-making, with consumers

likely evaluating their financial capacity before committing to a takaful product. The second-highest mean ($M = 3.66$) indicates a preference for lower-cost takaful plans, even if they come with reduced coverage, highlighting a trade-off between affordability and comprehensiveness of coverage. This suggests that many consumers may prioritize short-term affordability over long-term protection, which could leave them underinsured in the event of a claim.

However, the lower mean scores for price comparisons ($M = 2.83$) and perceived affordability ($M = 2.67$) indicate that a significant portion of respondents may not be thoroughly evaluating their options or may perceive takaful as being outside their budget. This raises concerns about the accessibility of takaful products for certain segments of the population. The lowest score ($M = 1.60$) further illustrates the reluctance of consumers to purchase takaful policies that exceed their financial capacity, suggesting that any price increases could significantly deter adoption.

These results suggest a potential disconnect between the pricing strategies of takaful providers and the financial realities of consumers. While price is a crucial factor in the adoption process, it appears that many consumers are not finding affordable options that meet their needs, leading to a reluctance to purchase family takaful at all. The findings of this study are consistent with a study by Mohamed (2017), who identified a significant relationship between insurance pricing and the selection of takaful products in Kenya. Takaful providers should consider offering tiered family takaful plans that cater to different income levels. This approach would allow consumers to choose plans that align with both their financial capacity and coverage needs, ensuring that affordability does not come at the expense of adequate protection.

Developing easy-to-use online tools that allow consumers to compare takaful prices and coverage options across different providers could help address the low score for price comparison. These tools should be designed to facilitate informed decision-making, enabling consumers to evaluate the value they are receiving for the price they pay. To address affordability concerns, takaful providers could offer promotional discounts or flexible payment options, such as installment plans. This could make family takaful more accessible to consumers who are price-sensitive, potentially increasing adoption rates.

Educational campaigns should emphasize the long-term financial security and peace of mind that family takaful can provide, even if it comes at a higher price. By highlighting the risks of underinsurance, takaful providers can encourage consumers to look beyond immediate cost concerns and consider the broader benefits of comprehensive coverage. Collaborating with financial institutions to provide bundled products that include family takaful as part of broader financial planning packages could enhance affordability. These collaborations could offer integrated solutions that align with consumers' financial goals, making takaful a more appealing and manageable expense.

H2: Knowledge significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

The findings in Table 4 suggest that there is a general lack of in-depth knowledge about family takaful among respondents. The highest mean score ($M = 2.95$) indicates that while some respondents are aware of the financial protection that takaful can provide, the level of understanding is not particularly strong. The moderate mean score for recognizing the importance of takaful ($M = 2.88$) further highlights the fact that knowledge about takaful is not fully ingrained among the population. The lower scores for awareness of takaful availability ($M = 2.67$) and its Shariah compliance ($M = 2.56$) suggest that there are gaps in the public's understanding of the basic attributes of family takaful. These gaps could limit consumers' ability to make informed decisions about adopting takaful products. The lowest mean score, which reflects limited awareness of takaful's suitability for individuals regardless of religion ($M = 2.07$), indicates that there may be misconceptions about the inclusivity of takaful, potentially deterring non-Muslim consumers from considering it as an option.

The result has shown that there is a tendency of Puncak Alam residents to have Family Takaful adoption. This is because the mean score is above average. It is proven that knowledge has a significant impact on Family Takaful adoption. A previous study by Rifas, Ab Rahman, Buang, & Abdul Talib (2023), showed that knowledge has a positive relationship with intention towards takaful. These findings point to the need for more targeted efforts to educate the public about the fundamentals of family takaful, particularly its broad applicability and

the benefits it offers across different demographics. The low mean scores also suggest that current marketing and awareness efforts may not be reaching their intended audience effectively, leaving many potential consumers underinformed.

The Takaful providers and regulators should invest in comprehensive public education campaigns to address the knowledge gaps identified in this study. These campaigns should focus on increasing awareness of the core benefits of family takaful, its availability, and its Shariah-compliant nature. Utilizing multiple channels such as social media, community outreach programs, and educational workshops could help reach a broader audience. Given the low score for understanding that takaful is suitable for everyone regardless of religion, it is critical to clarify that takaful is a viable option for all individuals, regardless of their faith. This can be achieved through targeted messaging that highlights the universal benefits of takaful and dispels misconceptions about its exclusivity to the Muslim population.

To improve understanding of family takaful, partnerships with religious and community leaders could be beneficial. These leaders can play a key role in disseminating accurate information about takaful and encouraging broader acceptance within their communities. Developing interactive online platforms or mobile applications that allow consumers to learn more about family takaful engagingly could help improve knowledge levels. These platforms could include educational videos, FAQs, and live chat features to provide real-time assistance and answer consumers' questions about takaful. Incorporating information about takaful and its benefits into educational curricula at various levels could help foster a better understanding of the concept from a younger age. Financial literacy programs that include takaful as a key component could be particularly effective in raising awareness among future generations.

H3: Satisfaction significantly impacts family takaful adoption among Puncak Alam residents, Selangor.

The findings in Table 5 suggest that while some respondents are willing to repurchase family takaful due to good service experiences, overall satisfaction with the service provided by takaful operators remains moderate. The highest mean score ($M = 3.38$) for the likelihood of repurchase reflects that service quality can foster loyalty and repeat purchases. However, the fact that the second-highest mean score ($M = 2.47$) indicates only moderate happiness with service suggests that there are significant areas for improvement in the overall customer experience. The relatively low scores for meeting expectations ($M = 2.37$) and the claims process ($M = 1.99$ and 1.98) reveal critical issues in service delivery, particularly in the handling of claims, which is a key component of customer satisfaction in insurance. The dissatisfaction with the claim process, as reflected in the lowest mean score, could significantly undermine customer trust and deter future purchases. This indicates that while service quality may be adequate in some areas, the perceived inefficiencies in claims handling create significant barriers to achieving high customer satisfaction.

The findings of this study are consistent with Husin and Rahman (2016), who emphasized that customer satisfaction is pivotal in influencing purchase intentions. When customers experience satisfaction with a product or service, they are more inclined to repurchase Takaful products in the future. Additionally, satisfied customers often act as advocates within their communities, further driving the adoption of Takaful products. These findings highlight the importance of focusing on operational improvements, particularly in the claims process, to enhance overall satisfaction and foster long-term customer loyalty. Given the dissatisfaction with the claims handling process, takaful operators should prioritize streamlining claims management. This could involve implementing digital claims processing systems to reduce delays, providing clearer communication about the claims procedure, and ensuring that claimants receive timely updates. Training staff to handle claims efficiently and empathetically could also improve customer perceptions of the process.

To address the moderate levels of satisfaction, takaful operators should invest in initiatives aimed at enhancing the overall customer experience. Regular customer feedback surveys can help identify pain points, while personalized service and support can improve satisfaction. Ensuring that customers feel valued at every touchpoint is key to building lasting relationships. Developing comprehensive service excellence programs that focus on continuous improvement in customer service delivery can help boost satisfaction. These programs should emphasize not only prompt and effective service but also proactive engagement with customers to exceed their expectations. Regular training for customer service teams on best practices in communication and

problem-solving can also drive improvements in service quality.

Improving transparency around the services provided, especially during the claims process, can help mitigate dissatisfaction. Clear communication about the steps involved, expected timelines, and any potential challenges can set appropriate expectations and reduce frustration. Takaful operators should consider providing dedicated customer service channels for claims-related inquiries to ensure prompt assistance. To rebuild trust in the claims process, takaful operators should hold themselves accountable for timely and fair claims handling. Instituting a customer charter that commits to specific service standards and timelines can help reinforce accountability. Publicizing success stories and positive customer experiences with the claims process can also help to shift perceptions and restore confidence in the service.

Conclusion

In conclusion, this study provides a nuanced understanding of the factors influencing family takaful adoption among residents of Puncak Alam, revealing crucial insights into pricing, knowledge, and service quality. Despite a generally positive attitude towards family takaful, the adoption rate is hindered by significant barriers related to affordability, knowledge gaps, and service satisfaction. Firstly, while price is a critical determinant in the adoption of family takaful, current market offerings do not fully address the affordability concerns of many consumers. To align products with consumer needs, takaful providers should explore more flexible pricing models, enhance transparency, and emphasize the long-term financial benefits of takaful. Such adjustments are essential for making takaful more accessible and attractive to a broader audience.

Secondly, the findings highlight substantial knowledge gaps regarding family takaful among residents. Although there is some awareness of its benefits, a deeper understanding of takaful's features, compliance, and inclusivity remains lacking. Targeted educational initiatives are necessary to bridge these gaps, equipping consumers with the knowledge required to make informed decisions and ultimately leading to increased adoption rates. Lastly, while service quality positively influences repurchase intentions, significant dissatisfaction with the claims process undermines overall customer satisfaction. Operational improvements in claims handling, coupled with a focus on enhancing the overall customer experience, are critical for fostering higher satisfaction levels and encouraging long-term loyalty. Addressing these service-related concerns will not only improve customer retention but also strengthen the reputation of takaful providers.

Overall, by addressing these multifaceted challenges (through improved pricing strategies, comprehensive education, and enhanced service quality) takaful providers can better meet consumer needs, boost adoption rates, and provide more effective financial protection. The insights from this study underscore the need for a holistic approach to overcoming barriers and maximizing the potential of family takaful in Puncak Alam and beyond.

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